



GUIDELINES FOR BROKER/DEALERS: Doing Business with the Illinois State Treasurer

The Office of the Illinois State Treasurer (“Treasurer”) manages an **investment portfolio of approximately \$31 billion**. The Treasurer seeks to work with qualified broker/dealers that can execute trades and facilitate transactions that provide the highest return using authorized instruments. As such, this document outlines how broker/dealers can apply to broker investments for the Treasurer, featuring a step-by-step process.

General Information on Becoming an Approved Broker/Dealer

- In order to conduct business with the Treasurer, firms must first become an approved broker/dealer.
- Firms are selected according to their (1) creditworthiness, and (2) financial significance in the state, which is measured by the location of the firm’s corporate office, the number of full-time employees, the size of its payroll, and/or the extent to which the firm has an economic presence in the state.
- Eligible broker/dealers include “primary” dealers and regional dealers who qualify under SEC Rule 17 CFR § 15Cc3-1 (Net Capital Requirements for Brokers or Dealers).
- The firm’s staff involved in executing trades need to be registered in the State of Illinois.
- Note that the Treasurer seeks to accord preference to qualified broker/dealers that can demonstrate or attest that (1) greater than 50% of the ownership interest of the firm is held by minority, female, veteran, and/or disabled persons (“MWVD”), OR (2) greater than 75% of the firm’s senior managers are minority, female, veteran, and/or disabled persons.¹ Visit the [Equity, Diversity & Inclusion](#) page for more information.
 - **Firms Seeking MWVD Preference:** Prior to completing the following steps, please complete and submit a [Capabilities Questionnaire](#) and **one** of the following: (1) MWVD State of Illinois Certification (issued through CMS), (2) [Attestation Form](#): Claiming status as an MWVD-Owned or Managed Firm, or (3) Your State/Local Government MWVD Certification.
 - Submit documents to MWVD@illinoistreasurer.gov. Following submission, the MWVD liaison will contact you with further information.

STEP 1: Review Investment Policy Statements and Complete Certification Form

- Broker/dealers must independently review the [Investment Policy Statements](#) for the (1) State Investments Portfolio and the (2) Illinois Funds Local Government Investment Pool. This ensures that the firm’s investment products are consistent with the policies of the Treasurer. After review, complete and submit the [Certification Form](#). This ensures that applicant firms have read and understand the terms of the Treasurer’s investment policy statements.

STEP 2: Complete a Counterparty Questionnaire

- Complete the [Counterparty Questionnaire](#). The Counterparty Questionnaire seeks basic information on the firm, including information on key personnel, financial presence in Illinois, and ownership interests. This helps the Treasurer quickly and efficiently assess opportunities for partnership.

¹ For purposes of this process, definitions of “minority,” “female,” “veteran,” and “disabled person” are located in the Business Enterprise for Minorities, Females and Persons with Disabilities Act ([30 ILCS 575](#)) and Sections 45-57 (“Veterans”) of the Illinois Procurement Code ([30 ILCS 500/45-57](#)).

STEP 3: Complete a Diversity Profile Form

- Complete the [Diversity Profile Form](#). The Treasurer conducts an annual survey wherein business partners are required to disclose information on diversity among their ranks as well as details on how their organization promotes diversity and inclusion.

Submit the completed forms from Steps 1 – 3 to RiskAnalysis@illinoistreasurer.gov.

STEP 4: Response from the Treasurer/Required Documentation

- The Treasurer will review documents submitted and pending qualification, an analyst will follow up with further instructions. The analyst may request one or more of the following **documents**:
 1. Proof of State of Illinois registration;
 2. Proof of registration with the Securities and Exchange Commission;
 3. Audited financial statements or a published Statement of Condition;
 4. Information regarding insurance coverage, including a copy of the insurance policy that notes the type and limit of coverage, for customers in case of default or failure (e.g., SIPC, self-insurance, surety bonds, errors and omissions);
 5. A statement representing compliance with SEC's net capital adequacy guidelines, including history of compliance, current status, SEC requirement and current level; and
 6. Resumes for Key Traders.

STEP 5: Financial Review by the Treasurer

- All information may be subject to independent verification by the Treasurer. The Treasurer reserves the right to request additional information from the firm prior to acceptance as a counterparty qualified to do business. The internal due diligence process typically takes six to eight weeks.

STEP 6: Final Notification and Account Authorization Agreement

- Upon passing the internal review process, the firm will be notified and provided a copy of the Account Authorization Agreement. This form must be signed, submitted and filed with both parties before the firm can attempt to execute a trade.

STEP 7: Addition to the Approved Broker/Dealer List

- The firm will then be added to the list of [Approved Broker/Dealers](#). Periodic financial reviews are performed on all broker/dealers that are included on the Approved List.

Post-Approval: General Information

- Changes made to the status of a broker/dealer will be reflected on the Treasurer's website.
- The Treasurer may conduct broker/dealer due diligence visits to verify background information, confirm compliance with our guidelines, view company operations, and discuss special company initiatives.
- For broker/dealers claiming special status as a minority, woman, veteran, or disabled-owned and/or managed firm, audits may be conducted by the Treasurer through which said firms may be required to furnish proof/documentation (i.e. birth certificate, military discharge, disability letter, etc.) attesting to the veracity and accuracy of the claimed status at any time.