

**DATE:** 1/26/2026

**TO:** Alderman Frost, Chair  
Finance and Personnel Committee

**FROM:** Carrie Hagerty

**RE:** **Finance Policies**

The Finance Department regularly reviews best practices, auditor recommendations, and operational needs to determine where policies are needed in our operations. For Council's consideration, we are presenting the following policies for review and approval:

1. Accounting Policy: this is a new policy and effectively memorializes current practice for several general accounting practices
2. Police and Fire Pension Funding Policy: this is also a new policy and one commonly in place in municipalities in Illinois. The policy outlines the City's current practice related to defining and funding required pension contributions.
3. Unclaimed Property Policy: minor updates to an existing policy to incorporate the requirements outside the State of Illinois.
4. Capital Asset Policy: combines our current vehicle replacement policy and surplus property policy with broader capital asset practices to reflect best accounting practice and incorporate some of our current operations.

Please let me know if you have any questions.

**UNCLAIMED PROPERTY POLICY  
CITY OF ROCKFORD, ILLINOIS**

~~July, 2019~~ January, 2026

**I. Purpose**

The City of Rockford (the “City”) has developed this Unclaimed Property Policy to ensure vendors receive their payments and to minimize remittances to the State.

**II. Statutory Requirements**

The City of Rockford (the “City”) has established this Unclaimed Property Policy to ensure compliance with the Illinois Uniform Disposition of Unclaimed Property Act- 765 ILCS 1025/1-30- (the “Act”) as well as the various Unclaimed Property processes set by other states where the City may do business. The Act states that government agencies are required to send to the State of Illinois the cash from any check that is outstanding for greater than three years. Other states are similar and may have a shorter or longer turnover timeframe. These outstanding checks are presumed to be abandoned. This policy will attempt to mitigate the possibility of the City having to send cash ~~to the State~~ for any unclaimed property and clearly state how the City will remain in compliance ~~with the Act.~~

~~Each year the State of Illinois sends an Annual Report of Unclaimed Property to the City for filing. The City will submit a completed form, including a check for the amount of the unclaimed property by the established annual deadline.~~

**III. Policy Guidelines**

The City issues checks for various activities, services, and products throughout the year. After the City receives these services and products, the City is legally bound to satisfy its obligations. If the City issues a check, it no longer has rights to the cash. If a check is outstanding at the end of the month, it is included as a reconciling item during the bank reconciliation procedure. The City will also send out notifications according to current procedures in its best effort to deliver the check to the payee.

If a check remains outstanding for more than the current contracted bank policy (generally 180 days ~~with most banking institutions~~), the check becomes void and can no longer be cashed by the payee without City approval. In order to avoid having to reissue any checks, the Finance Department has developed procedures to notify payees of an unclaimed check and procedures to reissue checks as well as established procedures to claim and reissue these unclaimed funds. ~~The Finance Department had also developed final notification procedures for outstanding checks. Any unclaimed checks after the current contracted banking term will be void and the payee would need to follow the established procedures to receive a replacement check. Any unclaimed checks will be voided, remitted to the appropriate state~~

by that state's deadline, and the payee will need to follow the claim procedures as set by each state.

Rockford, Illinois

Date: January 26, 2026

**COMMITTEE REPORT**

**TO THE CITY COUNCIL OF THE CITY OF ROCKFORD:**

Council Members:

The Committee on Finance and Personnel having received a request hereby begs leave to report recommending **approval** of the Unclaimed Property Policy. The Legal Director shall prepare the appropriate ordinance.

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Kevin Frost (Chair)

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Jonathan Logemann (Vice chair)

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Frank Beach

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Dawn Granath

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Chad Tuneberg

Committee Action Taken:

Frost:	Ayes:___	Nays:___	Absent:___
Logemann:	Ayes:___	Nays:___	Absent:___
Beach:	Ayes:___	Nays:___	Absent:___
Granath:	Ayes:___	Nays:___	Absent:___
Tuneberg:	Ayes:___	Nays:___	Absent:___