

Department of Finance		Fund: 0924
STATE OF CALIFORNIA MANUAL OF STATE FUNDS		PAGE 1 Renumbered From:
<u>Legal Title</u> Local Agency Investment Fund		
<u>Legal Citation/Authority</u> Chapter 719, Statutes of 2010 (SB 856) Government Code sections 16429.1 - 16429.3		
<u>Fund Classification</u> <u>GAAP Basis</u> Fiduciary/Investment Trust Funds	<u>Fund Classification</u> <u>Legal Basis</u> Nongovernmental/Trust and Agency Funds-- Non-Federal	
<u>Purpose</u> Created for the deposit of money from local agencies. The purpose is to utilize the state's resources for the investment of such money in order to maximize the investment income of local entities. An amount equal to the reasonable costs incurred in carrying out the provisions of this section, not to exceed a maximum of 5 percent of the earnings of this fund and not to exceed the amount appropriated in the annual Budget Act for this function, shall be deducted prior to its distribution to the local agencies. This amount is transferred to the General Fund to offset the costs of the program. A Local Investment Advisory Board was established to advise the State Treasurer regarding the investments and reinvestments of the Local Agency Investment Fund. In addition to local governmental agencies depositing money into the Local Agency Investment Fund, Chapter 803, Statutes of 1980, permits deposits into the fund by non-profit corporations and quasi-governmental agencies. Interest will be paid on investments made by any qualifying non-profit corporation or quasi-governmental agency. It is the responsibility of the Local Investment Advisory Board to determine which non-profit corporations and quasi-governmental agencies qualify to participate in the Local Agency Investment Fund.		
<u>Administering Agency/Organization Code</u> State Treasurer's Office with the advice of the Local Investment Advisory Board./Org 0950		
<u>Major Revenue Source</u> Deposits from local governmental entities, non-profit corporations, and quasi-governmental agencies. Investment income.		
<u>Disposition of Fund (upon abolishment)</u> Pursuant to Government Code 16346, in the absence of language that identifies a successor fund, any balance remaining in this fund upon abolishment, shall be transferred to the General Fund.		

Appropriation Authority

Government Code Section 16429.1 provides that "all money in the Fund is hereby appropriated without regard to fiscal years to carry out the purpose of this section."

State Appropriations Limit

Always Excluded – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from a Trust and Agency Fund (Non-Federal).

Comments/Historical Information

Chapter 730, Statutes of 1976 created Government Code section 16429.1.