

KEYS TO BEING PREPARED

Annual TIF Reporting for Illinois TIF Programs

- 1. Eligible cost categories:** Before posting an accounts payable or cutting a check, know what TIF eligible cost categories are to be assigned to such payment.
 - ✓ Use cost category codes that match the TIF reporting requirements.
 - ✓ Make sure such cost categories are provided for in the TIF redevelopment plan.

- 2. Require evidence of eligible costs incurred:** Understand what costs are to be paid under the terms of the redevelopment agreement or intergovernmental agreement.
 - ✓ Get documentation from developer on eligible costs incurred. Payments made based on a percentage of tax increment generated are not an unrestricted entitlement.
 - ✓ The same applies to payments to a taxing district (e.g., school district). Payments to taxing districts must be TIF eligible costs and provided for in the TIF redevelopment plan.

- 3. Bond issues or other forms of debt:** Reporting of debt retirement is not all “financing costs”.
 - ✓ Interest costs and costs of issuance are accounted for under “financing costs”.
 - ✓ Principal payments need to be accounted for under the appropriate TIF eligible cost category (e.g., “public works”).