



SCHOOL DISTRICT REPORTING ON VENDORS AND SUBCONTRACTORS

[Illinois School Code \(105 ILCS 5/10-17\)](#), mandates specified taxing districts, including both home rule and non-home rule municipalities, to make a good faith effort to collect and publish certain demographic information provided by vendors and subcontractors doing business with the taxing district.

Specifically, all school districts that have an annual property tax levy of more than \$5 million are required to make a good faith effort to collect information as to whether the vendor or subcontractor is a minority¹, women² or veteran-owned³ business.

REPORTING REQUIREMENTS

The Act provides that taxing bodies must make a “good faith effort” to begin collecting and reporting data beginning on January 1, 2022. The collected data must be published electronically, which can include posting on the district’s website. The Act does not provide an alternative publication method.

Specifically, taxing districts should make a good faith effort to report:

1. Whether the vendor or subcontractor is a minority,¹ women² or veteran-owned³ business as defined in the [Business Enterprise for Minorities, Women and Persons with Disabilities Act](#); ⁴
2. Whether the vendor or subcontractor holds any certifications for those categories or, if they are self-certifying, whether the vendor or subcontractor qualifies as a small business under [U.S. Small Business Administration \(SBA\) standards](#).

WHAT SHOULD SCHOOL DISTRICTS DO?

Districts that have a property tax levy of more than \$5 million should make a good faith effort to comply with this new law. Here are some ideas to consider:

- Develop a process that requires all vendors and subcontractors to disclose whether they hold any certifications as a minority,¹ women² or veteran-owned³ business, and whether they are certified as a small business or meet the certification requirements as a small business under SBA standards.
- Track all purchasing by including information about any certifications held by vendors and subcontractors. This information could be collected using a vendor information form in place of the standard W-9 form. [See a sample vendor request form here.](#)
- Develop a vendor report to include all vendors and subcontractors doing business with the district. The report should note whether each vendor and subcontractor is certified as a minority¹, women² or veteran-owned³ business or as an SBA small business.
- Publish the data electronically, which could include on the district’s website.

If there are any questions or concerns regarding compliance with this new requirement, district officials should consult with their retained legal counsel.

¹ [30 ILCS 575/2\(A\)\(3\)](#)

² [30 ILCS 575/2\(A\)\(4\)](#)

³ While not provided in the Business Enterprise for Minority, Women and Persons with Disabilities Act, the Illinois Procurement Code provides the definition of “qualified veteran-owned small business” at [30 ILCS 500/45-57\(e\)](#).

⁴ [30 ILCS 575/0.01 et seq](#)