

Old Format

DRAFT UPDATE

Community Unit School District #4

Operational Services

Incurring Debt

The Superintendent shall provide early notice to the School Board of the District's need to borrow money. The Superintendent or designee shall prepare all documents and notices necessary for the work, at its discretion, to (1) issue State Aid Anticipation Certificate, tax anticipation warrants, working cash fund bonds, tax anticipation warrants, working cash fund bonds, notes, and other evidence of indebtedness, or (2) establish a line of credit with a bank or other financial institution. The Superintendent shall notify the State Board of Education before the District issues any form of long-term or short-term debt that will result in outstanding debt that exceeds 75% of the debt limit specified in State law.

Bond Issue Obligations
In connection with the Board's issuance of bonds, the Superintendent shall be responsible for ensuring the District's compliance with federal securities laws, including the anti-fraud provisions of the Securities Act of 1933, as amended and, if applicable, the continuing disclosure obligations under Rule 15c2-12 of the Securities Exchange Act of 1934, as amended.

Additionally, in connection with the Board's issuance of bonds, the interest on which is excludable from gross income for federal income tax purposes, or which enable the District or bond holder to receive other federal tax benefits, the Board authorizes the Superintendent to establish written procedures for post-issuance compliance monitoring for such bonds to protect their tax-exempt or tax-advantaged status.

The Board may contract with outside professionals, such as bond counsel and/or a qualified financial consulting firm, to assist it in meeting the requirements of this subsection.

LEGAL REF:

- Securities Act of 1933, 15 U.S.C. § 77a et seq.
- Securities Exchange Act of 1934, 15 U.S.C. § 77a et seq.
- 17 C.F.R. § 240.15c-12
- Bond Issue Notification Act, 30 ILCS 305/2-4
- Local Government Debt Reform Act, 50 ILCS 530
- Tax Anticipation Note Act, 50 ILCS 420
- 105 ILCS 5/17-16, 5/17-17, 5/18-18, and 5/19-1 et seq.

CROSS REF:

4.10 (Fiscal and Business Management)

ADOPTED:

VS.

New Format

Simple District 123 | SECTION 4 – OPERATIONAL SERVICES |

Document Status: Draft Update

OPERATIONAL SERVICES

4.40 Incurring Debt

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- 17 C.F.R. § 240.15c-12
- Bond Authorization Act, 30 ILCS 305/2-4
- Bond Issue Notification Act, 30 ILCS 305/2-4

PRESS Plus Comments

PRESS Plus 1. Boards that employ business managers may want to substitute "Business Manager," "Chief School Business Officer," or another locally-equivalent title for "Superintendent or designee" and "Superintendent" as they appear throughout this policy. The business manager most commonly performs the duties described in this policy. Please see **Question 1** to indicate the appropriate title for your district. **Issue 97, January/February 2018**

PRESS Plus 2. For continuous improvement purposes, a new, optional section has been added to expressly address districts' obligations to comply with federal securities laws in connection with bond issues, and to authorize the creation of written procedures to protect the status of tax-exempt (or otherwise tax-advantaged) bonds issued by a Board. As a matter of best practice and to reduce potential future liabilities, many

Here you can see a side-by-side comparison of the old look for PRESS Plus Draft Updates vs. the new look in the online system.

District Name, Policy Section # and Name

Sample District 123 \ SECTION 4 - OPERATIONAL SERVICES 1

Document Status: Draft Update

Document Status may be:

- Draft Update
- Draft Update – New
- Draft Update – Rewritten
- Draft Update – Deleted
- 5-Year-Review – Needs Review

OPERATIONAL SERVICES

4:40 Incurring Debt

The Superintendent shall provide early notice to the School Board of the District's need to borrow money. The Superintendent shall prepare all documents and notices necessary for the School Board, at its discretion, to: (1) issue State Aid Anticipation Certificates, tax anticipation warrants, working cash fund bonds, bonds, notes, and other evidence of indebtedness, or (2) establish a line of credit with a bank or other financial institution. The Superintendent shall notify the State Board of Education before the District issues any form of long-term or short-term debt that will result in outstanding debt that exceeds 75% of the debt limit specified in State ILCS 305/2-12.

Bond Issue Obligations^{PRESSPlus2}

In connection with the Board's issuance of bonds, the Superintendent shall be responsible for ensuring the District's compliance with federal securities laws, including the anti-fraud provisions of the Securities Act of 1933, as amended and, if applicable, the continuing disclosure obligations under Rule 15c2-12 of the Securities Exchange Act of 1934, as amended.

Additionally, in connection with the Board's issuance of bonds, the interest on which is excludable from gross income for federal income tax purposes, or which enable the District or bond holder to receive other federal tax benefits, the Board authorizes the Superintendent to establish written procedures for post-issuance compliance monitoring for such bonds to protect their tax-exempt (or tax-advantaged) status.

The Board may contract with outside professionals, such as bond counsel and/or a qualified financial consulting firm, to assist it in meeting the requirements of this subsection.^{PRESSPlus3}

LEGAL REF.:

Securities Act of 1933, 15 U.S.C. §77a et seq.

Securities Exchange Act of 1934, 15 U.S.C. §78a et seq.

17 C.F.R. §240-15c2-12

Bond Authorization Act, 30 ILCS 305/2 and

Bond Issue Notification Act, 30 ILCS 352/4 et seq.

Questions appear between the adoption date and the Comments.

Easily locate the section of the policy that a comment is referring to by the PRESSPlus1, PRESSPlus2, etc. labels.

Local Government Debt Reform Act, 30 ILCS 350/.

Tax Anticipation Note Act, 50 ILCS 420/.

105 ILCS 5/17-16, 5/17-17, 5/18-18, and 5/19-1 et seq.

CROSS REF. 4-10 (Fiscal and Business Management)

ADOPTED: August 7, 2013

Question 1. See Comment PRESSPlus 1. What title would the Board like to list in this policy as the person who performs the duties described? You may enter Superintendent, Business Manager, Chief School Business Official, or another locally equivalent title.

Answer:

Question 2. See Comment PRESSPlus 2. Has the Board adopted the new, optional subsection Bond Issue Obligations? Type yes to adopt this language, or type no if the Board did not adopt the Bond Issue Obligations subsection.

Answer:

Question 3. See Comment PRESSPlus 3. If the Board has adopted the optional Bond Issue Obligations section, the final paragraph is optional. Type yes to adopt the final paragraph, or type no if the Board did not adopt the Bond Issue Obligations subsection.

Answer:

PRESSPlus Comments

PRESSPlus 1 Boards that employ business managers may want to substitute "Business Manager", "Chief School Business Official", or another locally-equivalent title for "Superintendent or designee" and "Superintendent" as they appear throughout this policy; the business manager most commonly performs the duties described in this policy. Please see **Question 1** to indicate the appropriate title for your district. **Issue 97, January/February 2018**

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