4:40 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 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 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. §78a et seq.
17 C.F.R. §240.15c2-12.
Bond Authorization Act, 30 ILCS 305/2.
Bond Issue Notification Act, 30 ILCS 352/.
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)

ADMIN. PROC.: 4:40-AP (Preparing and Updating Disclosures)
REVISED: 01.27.2020