

INDEPENDENT SCHOOL DISTRICT 196
Rosemount-Apple Valley-Eagan Public Schools
Educating our students to reach their full potential

Series Number 713 Adopted July 2013 Revised _____

Title Post-Issuance Debt Compliance

1. **Purpose** – District 196 is committed to complying with the Internal Revenue Code and regulations promulgated thereunder governing certain obligations. This policy will apply to tax-exempt obligations including, but not limited to, bonds, notes, loans, lease purchase contracts, lines of credit, commercial paper or any other form of debt that is subject to compliance.
2. **Compliance**
 - 2.1 The responsible authority for compliance with each obligation covered by this policy shall be the director of finance and operations or his or her designee.
 - 2.2 The responsible authority shall assemble all relevant documentation, records and activities required to ensure post-issuance debt compliance as further detailed in District Procedure 713.1P, Post-Issuance Debt Compliance.
 - 2.3 The responsible authority shall apply District Procedure 713.1P, Post-Issuance Debt Compliance, to each qualifying obligation and maintain a record of the results.
 - 2.4 The responsible authority and others designated to assist in maintaining records needed to ensure post-issuance debt compliance are authorized to expend funds to attend training or secure use of other educational resources for ensuring compliance such as bond counsel, financial advisors, consulting, publications and compliance assistance.
3. **Taxable Governmental Obligations** – Most of the provisions of this policy are not applicable to taxable governmental obligations *unless* there is a reasonable possibility that the district may refund their taxable governmental obligation, in whole or in part, with the proceeds of a tax-exempt governmental obligation. If this refunding possibility exists, then the responsible authority shall treat the taxable governmental obligation as if such issue were an issue of tax-exempt governmental obligations and comply with the requirements of this policy.
4. **Private Activity Bonds**
 - 4.1 Issuance of Private Activity Bonds -- District 196 may issue tax-exempt obligations that are “private activity” bonds because either the bonds finance a facility that is owned by the district but used by one or more qualified 501(c)(3) organizations or the bonds are so-called “conduit bonds,” where the proceeds are loaned to a qualified 501(c)(3) organization or another private entity that finances activities eligible for tax-exempt financing under federal law (such as certain manufacturing projects and certain affordable housing projects). Prior to the issuance of either of these types of bonds, the responsible authority shall take steps necessary to ensure that such obligations will remain in compliance with the requirements of this policy.

4.2 Assignment of Compliance Responsibilities

- 4.2.1 When compliance activities are reasonably within the control of a private party (i.e., a 501(c)(3) organization or conduit borrower), the responsible authority may determine that all or some portion of compliance responsibilities described in this policy shall be assigned to the relevant party.
- 4.2.2 In the case of conduit bonds, the conduit borrower will be assigned all compliance responsibilities other than those required to be undertaken by the district under federal law.
- 4.2.3 If the district's responsible authority is concerned about the ability of a private party to comply with this policy, the responsible authority may require that a trustee be retained to assist with record keeping for the obligation and/or that the trustee or such third party be responsible for all or some portion of the compliance responsibilities.

- 5. **Policy Review** – This policy will be reviewed and amended to ensure compliance with state and federal regulations.

References: - Internal Revenue Service Code sections 141-150, Series 8038 Tax Exempt Bonds