

POLICY 731 – POST-ISSUANCE DEBT COMPLIANCE POLICY

I. PURPOSE

The school district will ensure that each of its qualifying financial obligations will be in compliance with all applicable state and federal regulations.

II. GENERAL STATEMENT OF POLICY

The school district will monitor debt obligations to ensure compliance with the Internal Revenue Code and all other regulations governing such obligations. When issuing obligations, the school district where applicable, will comply with continuing disclosure standards set forth in any continuing disclosure agreements.

III. POST-DEBT COMPLIANCE PROCEDURES

- A. The Superintendent or his or her designee will establish and update on regular and as needed bases, Post-Debt Compliance Procedures to monitor the uses, filings, investments of proceeds and other requirements for the school district's bonds, notes, loans, lease purchase contracts, lines of credit, commercial paper or any other form of debt subject to this policy.
- B. The Superintendent or his or her designee will assemble and retain all relevant documentation, records and activities required to ensure post-issuance debt compliance for each qualifying obligation.
- C. The requirements for documentation, records, and activities for each qualifying obligation in school district procedures will address, at a minimum:
 1. General post-issuance compliance;
 2. General recordkeeping;
 3. Expenditure and Asset Documentation to be Assembled and Retained;
 4. Proper and timely use of obligation proceeds and obligation-financed property;
 5. Arbitrage yield restriction and rebate;
 6. Timely filings and other general requirements;
 7. Additional undertakings or activities that support these requirements;
 8. Maintenance of proper records related to the obligations and the investment of proceeds of obligations;
 9. Continuing Disclosure Obligations;
 10. Compliance with Future Requirements;
 11. Other requirements that may be imposed in future laws or rules.
- D. School district employees, officials, representatives and contractors should not give any one investor certain information that is not readily available to all market participants by disseminating information to the marketplace, at large.
- E. In general, this policy and related procedures are not applicable to taxable governmental obligations unless there is a reasonable possibility that the school 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 Superintendent or their designee shall treat the taxable governmental obligation as if

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such issue were an issue of tax-exempt governmental obligations and comply with the requirements of this policy.

- F. In a case where compliance activities are reasonably within the control of a private party (i.e., a 501(c)(3) organization or conduit borrower), the Superintendent or their designee may determine that all or some portion of compliance responsibilities described in this policy will be assigned to the relevant party. In the case of conduit bonds, the conduit borrower will be assigned all compliance responsibilities other than those required to be undertaken by the school district under federal law. In a case where the Superintendent or their designee is concerned about the compliance ability of a private party, they may require that a trustee or other independent third party 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.

IV. PRIVATE ACTIVITY BONDS

- A. The school district may issue tax-exempt obligations that are private activity bonds in either of the following two situations:
1. The bonds finance a facility that is owned by the school district but used by one or more qualified 501(c)(3) organizations, or
 2. The bonds are so-called "conduit bonds" under which 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.
- B. Any private activity bonds will remain in compliance with the requirements of this policy and the school district's Post-Debt Compliance Procedures.

V. IMPLEMENTATION OF POLICY

In accordance with school district requirements, the Superintendent or his or her designee responsible for implementing this policy may expend funds as needed to attend training or secure use of other educational resources for ensuring compliance such as consulting, publications, and compliance assistance. The Superintendent or their designee is additionally authorized to seek the advice, as necessary, of bond counsel and/or the school district's financial advisor to ensure the school district is in compliance with this policy and all applicable laws.

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School Board
INDEPENDENT SCHOOL DISTRICT 279
Maple Grove, Minnesota