

## OPERATIONAL SERVICES

### **4:40 Incurring Debt**

The District may borrow up to 50% of any State categorical or grant payments due and payable to the District, if a hardship exists. Interest shall not be in excess of that provided for by the Bond Authorization Act. Principal and interest shall be repaid from the categorical or grant payments immediately upon receipt of those payments. The Director 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 Director 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 Director 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, 5/18-18, and 5/19-1 et seq.

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

Adopted: 05/16/2018

**South Eastern Special Education Coop**

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