

Business

Post-Issuance Tax Compliant Procedures for Tax-Exempt Bonds

General

Ultimate responsibility for all matters relating to District financings and re-financings rests with the Fiscal Director of the school district, acting for the Superintendent or such other person as the Superintendent designates.

Tax Compliant Requirements

External Advisors/Documentation

The Responsible Officer and other appropriate personnel shall consult with the bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for the appropriate tax status. Those requirements and procedures shall be documented in a District resolution(s). Tax Certificate(s) and/or other documents finalized at or before issuance of the Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate and yield restriction requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.

The Responsible Officer and other appropriate personnel also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements, in fact, are met. This shall include, without limitation, consultation in connection with future contracts with respect to the use or management of Bond-financed assets.

Whenever necessary or appropriate, the District shall engage expert advisors (each a "Rebate Service Provider") to assist in the calculation of arbitrage rebate which may be payable in respect of the investment of Bond proceeds.

If a district resolution provides for Bond proceeds to be administered by a trustee, the trustee shall provide regular, periodic (monthly) statements regarding the investments and transactions involving Bond proceeds.

Arbitrage Rebate and Yield

Unless a Tax Certificate documents that bond counsel has advised that arbitrage rebate will not be applicable to an issue of Bonds:

- The District shall engage the services of a Rebate Service Provider, and the District or the Bond trustee shall deliver period statements concerning the investment of Bond proceeds to the Rebate Service Provider on a prompt basis;
- Upon request, the Responsible Officer and other appropriate personnel shall provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- The Responsible Officer and other appropriate personnel shall monitor efforts of the Rebate Service Provider and assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed; and
- During the construction period of each capital project financed in whole or in part by Bonds, the Responsible Officer and other appropriate personnel shall monitor the investment and expenditure of Bond proceeds and shall consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds.

The District shall retain copies of all arbitrage reports and trustee statements as described below under “record Keeping Requirements.”

Use of Bond Proceeds

The Responsible Officer and other appropriate personnel shall:

- Monitor the use of Bond proceeds and the use of Bond-financed assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds (and in some cases beyond the term of the Bonds) to ensure compliance with covenants and restrictions set forth in applicable resolution and Tax Certificates;
- Maintain records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bond;
- Consult with Bond counsel and other professional expert advisers in the review of any contracts or arrangements involving use of Bond-financed facilities to ensure compliance with all covenants and restrictions set forth in applicable resolutions and Tax Certificates;

- Maintain records for any contracts or arrangements involving the use of Bond-financed facilities as might be necessary or appropriate to document compliance with all covenants and restrictions set forth in applicable resolutions and Tax Certificates; and
- Meet at least annually with personnel responsible for Bond-financed assets to identify and discuss any existing or planned use of Bond-financed assets and to ensure that those uses are consistent with all covenants and restrictions set forth in applicable resolutions and tax Certificates.

All relevant records and contracts shall be maintained as described below.

Record Keeping Requirements

Unless otherwise specified in applicable resolutions or Tax Certificates, the District shall maintain the following documents for the term of each issue of Bond (including refunding Bond, if any) plus at least three years:

- A copy of the Bond closing transcripts(s) and other relevant documentation delivered to the District at or in connection with closing of the issue of Bonds;
- A copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds;
- A copy of all contracts and arrangements involving private business use of Bond-finance assets; and
- Copies of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements.

Adopted: May 10, 2016	CALAVERAS UNIFIED SCHOOL DISTRICT San Andreas, California
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