

## **Loan Programs**

(Funds from State Tax Sources)

### **Short-term borrowing**

The superintendent shall notify the Board when it becomes evident, that cash balances will not meet anticipated obligations. Under such circumstances the Board may negotiate, under the provisions of Colorado statutes, for a loan in such amounts as may be required to meet such obligations. Such a loan may not be obtained without prior approval of the Board.

The Board may authorize the president and the secretary to execute promissory notes on behalf of the school district from time to time as such borrowing of funds becomes necessary and may further authorize them to execute any and all other documents necessary or incidental to the borrowing of funds. By law, these short-term loans are liquidated within six months of the close of the fiscal year from moneys received by the district for the general fund.

### **State interest-free loan program**

When it becomes evident that a general fund cash deficit will occur in any month, the district's chief financial officer and the superintendent shall notify the Board. Under such circumstances the Board may elect to participate in an interest-free loan program through the state treasurer's office by adopting a resolution approving the amount of the loan prior to the loan being made. The loan may not exceed an amount for the month as certified by the district's chief financial officer and the superintendent. However, the superintendent may not apply for such loan without a resolution of the Board. The state treasurer shall determine the method for calculating cash deficits and appropriate reporting mechanisms.

If, in order to receive an interest-free loan, the district seeks to have tax and revenue anticipation notes issued on its behalf pursuant to state law, the notice to the Board shall not only explain the district's anticipated cash flow deficit for the upcoming year, but also the total amount of tax and revenue anticipation notes needed to cover the deficit.

All loans shall be repaid by June 25 of the fiscal year in which they were made or an alternate date determined by the state treasurer.

### **Tax anticipation notes**

The Board may issue tax anticipation notes without an election if it determines that taxes due the district will not be received in time to pay projected budgeted expenses. Tax anticipation notes shall mature on or before August 31 of the fiscal year immediately following the fiscal year in which the tax anticipation notes were issued.

The state treasurer is authorized to issue tax anticipation notes for school districts pursuant to terms and conditions negotiated by the state treasurer and the district.

Tax anticipation notes issued by the district shall not exceed 75 percent of the taxes the district expects to receive in the current fiscal year as shown by the current budget.

### **Loans for renewable energy projects**

The Board may authorize the superintendent to apply to the Governor's energy office for a loan to fund renewable energy projects and purchase energy-efficient buses. Prior to applying for a loan from the state for this purpose, the district shall establish a renewable energy project team in accordance with state law.

Adopted February 25, 1992  
Revised June 12, 1996  
Revised July 22, 2003  
November 24, 2009

LEGAL REFS.: C.R.S. 22-40-107 (*short term loans*)  
C.R.S. 22-45-112(2)(a) (*sale of real property if fiscal emergency*)  
C.R.S. 22-54-110 (*loans to alleviate cash flow/problems*)  
C.R.S. 22-54-110 (2)(d) (*loans in form of lease-purchase agreements with state treasure if fiscal emergency*)  
C.R.S. 22-92-101 et seq. (*Renewable Energy and Energy Efficiency for Schools Loan Program Act*)  
C.R.S. 29-15-101 et sec. (*Tax Anticipation Note Act*)

CROSS REF.: DBK\*, Fiscal Emergencies