

**Tumwater School District
Board Policy**

DEBT ISSUANCE COMPLIANCE

It is the policy of the Tumwater School District that prior to borrowing any funds or issuing bonds, the district shall identify and designate the source of funds to pay all debt service, including principal and interest. This source of funds and the schedule of transfer, if applicable, to the Debt Service Fund will be clearly stated in the Board Resolution authorizing the issuance of debt. Board approval is required prior to changing the source of funds originally identified to pay the debt service.

The district will assign staff and maintain systems to track each individual debt issuance and ensure compliance with federal tax law and other requirements of debt issuance including:

1. Appropriate use of bond proceeds;
2. Arbitrage and yield restrictions and arbitrage rebates;
3. Records retention; and
4. Continuing disclosure and notice requirements.

The Superintendent shall procedures necessary to implement this policy.

Legal References: U.S. Internal Revenue Code Section 142
Chapter 28A.525 RCW

ADOPTED: March 8, 2012