

# Policy 0807-60

## Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds

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The purpose of these Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds is to establish policies and procedures in connection with tax-exempt bonds (the “Bonds”) issued by Joint School District No. 2 (Meridian), Ada and Canyon Counties, State of Idaho (the “Issuer”) so as to ensure that the Issuer complies with all applicable post- issuance requirements of Section 148 of the Internal Revenue Code (the “Code”) needed to preserve the tax-exempt status of such tax-exempt Bonds.

### General

Ultimate responsibility for all matters relating to Issuer financings and refinancing rests with the Business Manager of the Issuer (hereinafter, the “Administrator”).

## Post-Issuance Compliance Requirements

- External Advisors/Documentation The Administrator and other appropriate Issuer personnel and/or board members shall consult with 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 the Issuer resolution(s), tax certificates(s) and/or other documents finalized at or before issuance of Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of the Code throughout (and in some cases beyond) the term of the Bonds.

The Administrator and other appropriate Issuer personnel and/or board members also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of 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 of bond-financed assets and future contracts with respect to output or throughput of bond-financed assets.

Whenever necessary or appropriate, the Issuer shall engage expert advisors (each a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate payable in respect of the investment of bond proceeds.

- Role of the Issuer as Issuer of Tax-Exempt Bonds Unless otherwise provided by Issuer resolutions, agreements entered into in connection with the issuance of Bonds, or tax certificates(s), unexpended bond proceeds shall be held by the Issuer, and the investment of bond proceeds shall be managed by the Administrator. Unless otherwise provided by Issuer resolutions, agreements entered into in connection with the issuance of Bonds, or the tax certificate, the Administrator shall maintain records and shall prepare regular, periodic statements to the Issuer regarding the investments and transactions involving bond proceeds.

If an Issuer resolution provides for bond proceeds to be administered by a trustee, the Issuer shall obtain from the trustee the agreement to provide statements regarding the investments and transactions involving bond proceeds, no less than quarterly.

## 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:

1. the Issuer shall engage the services of a Rebate Service Provider, and the Issuer or the bond trustee shall deliver statements concerning the investment of bond proceeds to the Rebate Service provider in a manner that will enable timely calculation of arbitrage rebate;
2. the Administrator and other appropriate Issuer personnel shall provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
3. the Administrator and other appropriate Issuer personnel shall monitor efforts of the rebate Service Provider and assure payment of require rebate amounts, if any, no later than sixty (60) days after each 5-year anniversary of the issue date of the Bonds, and no later than sixty (60) days after the last Bond of each issue is redeemed; and
4. during the construction period of each capital project financed in whole or in part by Bonds, the Administrator and other appropriate Issuer 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 Issuer shall retain copies of all arbitrage reports and trustee statements as described below under “Record Keeping Requirements.”

- Use of Bond Proceeds

The Administrator and other appropriate Issuer personnel shall:

1. monitor the use of bond proceeds, the use of bond-financed assets (e.g., facilities, furnishings or equipment) and the output or throughput of bond-financed assets 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 Issuer resolutions and tax certificates;
2. maintain records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds;
3. 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 Issuer resolutions and tax certificates;
4. 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 Issuer resolutions and tax certificates;
5. meet at least annually with personnel responsible for bond-financed assets to identify and discuss any existing or planned use of bond-financed, assets or output or throughput of bond-financed assets, to ensure that those uses are consistent with all covenants and restrictions set forth in applicable Issuer resolutions and tax certificates.

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

- Record Keeping Requirements

Unless otherwise specified in applicable Issuer resolutions or tax certificates, the Issuer shall maintain the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least an additional three years:

1. a copy of the bond closing transcripts(s) and other relevant documentation delivered to the Issuer at or in connection with closing of the issue of Bonds;
2. 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;
3. a copy of all contracts and arrangements involving private use of bond-financed assets or for the private use of output or throughput of bond-financed assets; and
4. copies of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements.

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