

Operational Services

Debt Management Policy

The purpose of the Debt Management Policy is to provide guidelines relative to the issuance of debt, compliance and investment of bond proceeds.

- Debt shall be issued in accordance with applicable State of Illinois and Federal Statutes. The Board shall avoid issuing debt for operating expenses unless needed to meet short-term cash flow needs.
- In order to access the credit markets at the lowest borrowing cost possible, the District shall maintain operating reserves at a level equal to or greater than 45% of the next fiscal year's operating budget. The operating budget is comprised of the Education, Operations & Maintenance, Illinois Municipal Retirement, Social Security and Tort funds.
- The District shall not issue debt in excess of the statutory limit. Currently the statute limit is 13.8% of equalized assessed valuation.
- Changes in fiscal conditions that would adversely affect the District's credit rating shall be promptly reported to the Board of Education.
- The length of maturity of any debt instrument will not exceed the average life of the asset being financed.
- Outside professionals shall be hired to the extent necessary to implement financing. All financing professional will be reviewed and recommended to the Board of Education by committee composed of Board members, the Business Manager and other administrative staff. It shall be the practice of the board to:
 - A. Evaluate each sale as to the appropriateness of a competitive or negotiated sale.
 - B. Require a post sale analysis.
- Outside professionals shall be used to the extent necessary to insure compliance with continuing disclosure requirements, SEC Rule 15c212.
- The length of maturity of any debt instrument will not exceed the average life of the asset being financed.
- All operating fund debt including leases, installment contract certificates, alternate revenue bonds and debt certificates shall be subject to the District's debt policy. The cash flow impact of the debt service payments on the operating funds will be evaluated in light of the district's fund balance policy.

ADOPTED: July 24, 2012