

ASU System Policy

Effective Date: May 15, 2009

Subject: Bond Financing Post-Issuance Compliance

Category: Financial Management 1.01

1. Purpose

Arkansas State University System institutions utilize bonds to finance construction and other projects. After bonds are issued, it is necessary to monitor the status of the bonds and ensure compliance with the financing documents and applicable laws.

2. Arkansas State University System Bond Financing Post-Issuance Compliance Policy

Each institution in the Arkansas State University System shall designate a bond financing post-issuance compliance officer.

3. Process

The duties of the bond financing post-issuance compliance officer are as follows:

- Assure that tax-exempt bond proceeds are spent on the projects specified within the financing documents;
- Maintain appropriate documentation for allocations of bond-financing proceeds to expenditures and copies of requisitions, draw schedules, invoices, bills, and cancelled checks related to bond proceeds spent during the construction period;
- Assure that bond proceeds are spent within the timeline provided by the Internal Revenue Service (IRS) guidelines for tax-exempt financing;
- Assure that the IRS private use limitations are maintained for the life of the financing;
- Provide for arbitrage yield calculations and monitor any restrictions, and assure compliance with IRS regulations; and
- Provide timely reporting.

(Adopted by the Board of Trustees on May 15, 2009, Resolution 09-19)