

# POLICY DIG

## Board of Education Las Cruces Public Schools

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Related Entries: DIG-R

Responsible Office: Associate Superintendent for Finance & Technology

### BOND DISCLOSURE COMPLIANCE

#### I. PURPOSE

The purpose of Policy DIF is to ensure that the District complies with requirements of the Internal Revenue Code of 1986, as amended, and the requirements of federal securities laws, including rule 15c2-12 promulgated by the Securities and Exchange Commission, during the time District bonds are outstanding.

#### II. BACKGROUND

- A. Tax-advantaged bonds are bonds that receive preferential tax treatment. These bonds, issued by or on behalf of state and local governments, are subject to applicable federal tax requirements both at the time of issuance and for so long as the bonds remain outstanding. Compliance with certain applicable federal tax requirements normally occurs at the closing of the bond transaction, while other federal tax requirements require ongoing monitoring after the issuance of the bonds. Some federal tax requirements that are generally issuance related might require some level of post-issuance due diligence monitoring.
- B. SEC rule 15c2-12 was imposed to deter fraud and manipulation in the municipal securities market by prohibiting the underwriting and subsequent recommendation of securities for which adequate information is not available.

#### III. DEFINITIONS

- A. “*SEC*” means the Securities and Exchange Commission.
- B. “*Continuing disclosure*” means important information about a municipal bond that arises after the initial issuance of the bonds. This information generally reflects the financial health or operating condition of the state or local government as it changes over time, or the occurrence of specific events that can have an impact on key features of the bonds.

#### IV. POSITION

##### A. Post-Issuance Compliance

##### 1. Adoption and Approval of Post-Issuance Compliance Procedures

The District shall implement and maintain regulations to ensure compliance with Internal Revenue Codes. The regulations may be amended as deemed necessary by the Compliance Officer to maintain compliance.

**2. Appointment of Compliance Officer**

The Board and Superintendent shall designate the Associate Superintendent of Finance & Technology or Chief Financial Officer, in cooperation with the District's counsel, as the Compliance Officer for purposes of the Post-Issuance Compliance Procedures. The Compliance Officer is authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of this Policy and the Post-Issuance Compliance Regulations, and is further authorized to take any and all further actions and execute and deliver any and all other certificates, papers and documents as may be necessary or desirable to effect the actions contemplated by this Policy and the Post-Issuance Compliance Regulations.

**B. Continuing Disclosure Compliance**

**1. Approval of post-issuance compliance procedures.**

The Superintendent or designee shall implement regulations to comply with the Continuing Disclosure Rule of the SEC. The compliance officer may amend the regulations as necessary to comply with code 15c2-12.

**2. Appointment of Compliance Officer**

The Superintendent shall designate the Associate Superintendent of Finance and Technology or Chief Financial Officer as the Compliance Officer for purposes of Continuing Disclosure compliance.

**V. REVIEW**

This policy shall be reviewed on an ongoing basis in accordance with the Board of Education policy review process.



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*Board of Education, President*

November 18, 2014

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*Date Approved*

**History:** New Policy, 11.18.14

**Legal Reference:** 17 CFR Part 240.15c2-12 - Municipal securities disclosure