

C.3.1.1 (Procedure) Debt Management: Post Issuance Compliance

Responsible Department: Vice Chancellor for Finance and Administration

Based on Board Policy: [C.3.1](#) – Debt Management

Approved: 5-19-15

Last Amended:

Roles and Responsibilities

The Vice Chancellor for Finance and Administration has primary responsibility for post-issuance compliance efforts. The Associate Vice Chancellor of Finance and Fiscal Services (AVC) and the Treasurer are responsible for the oversight of the various aspects of the compliance program, including monitoring and ensuring that compliance tasks are performed in an appropriate and timely manner.

Compliance Task	Responsible Position
Serve as primary coordinator for post-issuance compliance	Treasurer
Communicate with outside counsel	Treasurer
Maintain records documenting the allocations of bond-financing proceeds to expenditures	Director General Accounting
Maintain centralized information site that includes compliance materials	Treasurer
Determine compliance with private use rules	Treasurer
Determine compliance with arbitrage rules	Treasurer
Monitor private use	Director General Accounting/ Treasurer
Provide arbitrage rebate calculations through third party vendor	Treasurer
Coordinate annual disclosure for bonds	Treasurer
Communicate with bond counsel and tax attorney	Treasurer

Individual Colleges and vice chancellor departments are responsible for the accuracy and completeness of the information provided to the AVC.

Tax-exempt Bond Records Retention

Good tax-exempt bond records retention provides evidence of compliance with Policy [C.2.4](#), Records Management, and is the foundation of a successful bond compliance program. The College District will retain all records relating to tax-exempt bond financings for the period of time required by the Internal Revenue Code and its implementing regulations.

Although the records the Internal Revenue Service requires to be retained depend on the transaction and the requirements imposed by the Internal Revenue Code and its implementing regulations, records common to most tax-exempt bond transactions include:

- Basic records relating to the bond transaction (to include the trust indenture, loan agreements, and bond counsel opinion, closing memorandum);

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- Arbitrage related documentation, including any required payments;
- Documentation evidencing expenditure of bond proceeds;
- Documentation evidencing use of bond-financed property by public and private sources (i.e., management contracts);
- Documentation evidencing all sources of payment or security for the bonds; and
- Documentation pertaining to any investment of bond proceeds.

At this writing the Internal Revenue Service requires Tax-Exempt Bond Records to be retained for the entire term of the bond issue plus three years and, in the case of a bond issue refunded by one or more subsequent issues, for the combined term of the issues plus three years.

The Chief Records Officer will coordinate procedures for record retention and review of such records.