

**SUBJECT: BORROWING OF FUNDS**

The School District may borrow money only by means of serial bonds, bond anticipation notes, capital notes, tax anticipation notes, revenue anticipation notes and budget notes.

The Board of Education, in accordance with the Local Finance Law of New York State, authorizes both operating and capital project borrowing for approved District purposes.

**Borrowing Purposes and Debt Instruments**

The Local Finance Law authorizes Operating Borrowings to cover cash flow shortfalls including revenue anticipation notes, tax anticipation notes, or budget notes. These types of borrowings must be authorized by the Board of Education through the adoption of a formal borrowing resolution.

Capital Borrowings may include bond anticipation notes, statutory installment bonds, and serial bonds. These borrowings are only authorized for items for which a period of probable usefulness has been established by the New York Legislature through Section 11.00 of the Local Finance Law. These borrowings, generally, may only be undertaken after a positive public majority vote at the annual or special election. The Board of Education must formalize the authority for the indebtedness by adopting a legally complete formal bond resolution prior to any borrowing. The Board of Education delegates its authority to set the terms and conditions of any borrowing to the President of the Board of Education.

**Borrowing Procedures**

The Board of Education shall receive recommendations on the timing, bidding, terms and conditions of, placement and reporting on any borrowings. The solicitation and use of the services of a financial consultant and/or bond counsel in planning and completing any borrowing to optimize the number of potential bids and obtain lower market interest rates is authorized.

All borrowings shall be documented in written reports outlining the details of each borrowing and the interest rate bids received thereon.

**Securing Quotes on Short Term Loans**

Quotes shall be solicited for all short term loans which the Board has authorized and funds shall be borrowed from the responsible organization offering the most favorable terms. In the event of equal quotes, the District bank of record shall receive the note.

New York State Local Finance Law § 20

Adopted: 6/22/99  
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