



## **Debt Management FAQs**

### **FREQUENTLY ASKED QUESTIONS**

- 1. How often does the State issue bonds to finance capital projects?** Annually, dependent upon capital project financing requirements. The State's annual bond process is coordinated by the Department of Finance (DOF), the Office of Management and Budget (OMB) and the Office of the State Treasurer (OST).
- 2. Is my school district required to complete a BAN or a Bond application?**

If your school district or technical school has been authorized to receive funding for projects specified in the annual bond bill, you will complete a Bond Anticipation Note (BAN) or a Bond Application (BA) to receive those funds.

Your school district has the option of completing a BAN application if funding is required in advance of the bond sale. Historically, the bond sale occurs annually in the Spring.

If your school district does not require immediate funding before the bond sale is finalized, you must complete a bond application to receive funding after the State issues bonds.

- 3. Is interest charged on proceeds received from the bond sale?**

Yes. Interest is charged on the amount of bond proceeds applied to purchase school district bonds pursuant to Section 7506 of Title 29 of the Delaware code.

Interest is also charged on funds advanced, in anticipation of the bond sale, via the BAN instrument.

- 4. How does my school district apply for capital funding?**

During the first quarter of the new fiscal year, the OST will notify districts of the application intake period for BAN or BA to receive funds authorized in the State's CIB. School districts or technical schools that wish to apply will complete an application via the Service Now platform. Applications are processed on a first come-first served basis and BAN are prioritized over BA.

- 5. What supporting documents are required to submit the BAN/BA in Service Now for processing?**

The twelve required documents are listed below. For schools which aren't required to hold referenda, **numbers 5 through 11 do not have to be completed.**

1. Copy of the minutes, or relevant portions of the minutes, from the Board of Education meeting at which the Board authorized the issuance of the bond/note.
2. Dated, fully executed copy of the proposed instrument.
3. Copy of the Certificate of Necessity covering the project(s)
4. List reflecting the project(s) to be funded with the proceeds of the bond/note and the local share amount(s) for such project(s)
5. Copy of the minutes, or relevant portions of the minutes, from the Board of Education meeting at which the Board approved a resolution calling for a special election to authorize the sale of bonds to fund the project(s)
6. Notice of referendum

7. Documentation from the Department of Elections confirming that the notice (a) contained the information required by 14 Del. C. § 1074(b), and (b) was posted on the Department of Elections' website at least 21 days prior to the date of the referendum.
8. Affidavit of publication showing that the notice was published in the manner prescribed by § 1074(b)
9. Copy of the ballot used in the special election.
10. Copy of the election results issued by the Department of Election under 14 Del. C. § 1083(d)(2)
11. Affidavit of publication or other documentation establishing that, as required by 14 Del. C. § 2123(b), the Department of Elections publicly declared the election results within 10 days of the certification of the results of the referendum.
12. Capital Projects Funded from Alternative Sources documentation.

**6. Do I have to complete an application if my school district's project is 100% State funded?**

No. Funding is loaded by the OMB. Please contact your school's assigned OMB budget analyst for assistance.

**7. Is a BAN/BA required to receive funding for the school district's project market pressure expenditures?**

No. Project market pressure expense is paid from the General Fund unless otherwise stated in the CIB. If authorized market pressure costs, specified in the CIB, will be funded from bond issuance, a BAN or BA must be completed and submitted to the OST.

**8. Does my school have to issue bonds for the local share of capital projects, or can alternative local share funding sources be used?**

School districts are not required to issue bonds for the local share of capital projects. An alternative local share funding source may be used; however, it must be disclosed early in the process, on either the BAN or BA, and is subject to review/approval by DOF, OMB and OST.

**9. Does my school district have to apply for the entire local share amount authorized in the bond bill?**

Yes. A BAN or BA received for less than the State and local share amounts authorized in the CIB will not be accepted.

**10. What if my school does not hold referenda for capital projects?**

If a referendum is not required for your school district to raise monies for capital projects, please insert the date 01/01/1900 for the referendum date.

**11. How can I get debt service reports for my school district or organization?**

A request can be submitted via Service Now to request reports from the OST at <http://de.gov/DebtMgmt>.

**12. Is there a deadline to submit my BAN/Bond application?**

Yes. Applications must be received by November 30th unless otherwise specified by the Office of the State Treasurer.

**Customer Service Survey**

Customer service surveys help us make your experience better. Please complete our Customer Service Survey. <https://www.surveymonkey.com/r/9Q852Y8>