

## FREQUENTLY ASKED QUESTIONS (FAQ)

### 1. HOW OFTEN DOES THE STATE ISSUE BONDS TO FINANCE CAPITAL PROJECTS?

The State issues bonds annually, based on capital project financing needs. This 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?

To receive local share funding authorized in the annual Bond Bill, you must submit either a BAN application (if you need funding before the State's bond sale) or a Bond application. To apply, visit <https://delaware.service-now.com/ost> and type "BAN" or "Bond" in the search bar to access the BAN/Bond Application Request page.

### 3. DO I HAVE TO PAY INTEREST ON THE BAN AND BOND?

Yes. Interest on school district bonds is set according to Section 7506 of Title 29 of the Delaware Code, which specifies that the interest rate must be no less than the rate on State-issued bonds, plus administrative expenses, capped at 0.25% per year. These rates are outlined in the Resolution Establishing Rates, a document signed by the State's issuing officers to authorize the General Obligation Bonds.

Interest is also charged on funds advanced in anticipation of the bond sale through a BAN. OST typically sets BAN interest rates based on the school district bond rate from the prior year's Resolution Establishing Interest Rates.

### 4. HOW DOES MY SCHOOL DISTRICT APPLY FOR AND RECEIVE CAPITAL FUNDING?

During the first quarter of the fiscal year, the Office of the State Treasurer will notify districts of the application intake period for BAN or Bond applications to receive funds authorized in the State's Bond Bill. School districts or technical schools wishing to apply can do so via the ServiceNow platform at <https://delaware.service-now.com/ost>. Simply type "BAN" or "Bond" in the search to access the BAN/Bond Application Request page.

Applications are processed on a first-come, first-served basis, with BAN applications prioritized over Bond applications.

Applications are reviewed by the Debt Management Team to verify that the application, including required, supporting documents, is complete. Upon satisfactory verification of the application and documents, the application is forwarded to the Deputy Attorney General for review and approval. If the application is in good order and no additional documentation is required, the application and budget journal prepared by Debt Management, will be reviewed, and approved by the Director of Reconciliation and Transaction Management at the OST. The approved budget journal and application will be submitted to the OMB for processing. The school district will be notified when confirmation is received from OMB that funding has been loaded to the appropriation.

### 5. WHAT SUPPORTING DOCUMENTS ARE REQUIRED TO SUBMIT THE BAN/BOND APPLICATION IN SERVICE NOW FOR PROCESSING?

The eleven 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, from the Board of Education meeting where the Board authorized the issuance of the bond/note. The minutes should detail and specifically reference the referendum, the bond issuance purpose, and the amount.
2. Dated, fully executed copy of the proposed instrument.
3. Copy of the Certificate of Necessity covering the project(s)
4. List of project(s) to be funded with the bond/note proceeds and the local share amount(s) for each project.
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) included 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 confirming that, as required by 14 Del. C. § 2123(b), the Department of Elections publicly declared the election results within 10 days of certifying the referendum results.

**6. DO I HAVE TO COMPLETE AN APPLICATION IF MY SCHOOL DISTRICT'S PROJECT IS 100% STATE FUNDED?**

No. Funding is handled by the Office of Management and Budget. Please contact your assigned OMB Budget Analyst for assistance.

**7. IS A BAN/BOND APPLICATION REQUIRED TO RECEIVE FUNDING FOR THE SCHOOL DISTRICT'S PROJECT MARKET PRESSURE EXPENDITURES?**

Yes. School districts will follow the standard process required, to receive capital funding for capital improvement projects (refer to FAQ #2). *A BAN/Bond Application is only required if the district elects to bond the local share of Market Pressure.*

**8. DOES MY SCHOOL DISTRICT HAVE TO APPLY FOR THE ENTIRE LOCAL SHARE AMOUNT AUTHORIZED IN THE BOND BILL?**

Yes. A BAN or Bond application for less than the State and local share amounts authorized in the Bond Bill will not be accepted.

**9. WHAT IF MY SCHOOL DOESN'T HOLD REFERENDA FOR CAPITAL PROJECTS?**

If your school district is not required to hold a referendum to raise funds for capital projects, please use "01/01/1900" as the referendum date.

**10. IS THERE A DEADLINE TO SUBMIT MY BAN/BOND APPLICATION?**

Yes. OST will send a communication annually, during the first quarter of the fiscal year, notifying the SDs that the intake period is open for submission of BAN/Bond Applications. This communication will also include the application deadline. Applications received after the deadline will be processed during the following Fiscal Year's BAN/Bond Application Intake period.

**11. HOW CAN I GET DEBT SERVICE REPORTS FOR MY SCHOOL DISTRICT OR ORGANIZATION?**

You can submit a request via ServiceNow to the Office of the State Treasurer (OST) at <http://de.gov/DebtMgmt>. Requests are prioritized in the order they are received.

Please review your debt service reports to ensure that the debt service appropriation has sufficient funding for the principal and interest charges listed.

If the appropriation lacks sufficient funding, the Office of the State Treasurer (OST) will contact the school district. If the issue is not resolved within one business day, OST will follow up with the Office of Management and Budget (OMB) for resolution.

12. What if I have a question that isn't answered by the FAQ?

OST is currently adding a general inquiry page to the ServiceNow Portal. In the meantime, please use the customer service survey link below and include your question in the comment box under "What other feedback would you like to share?" OST will respond to your question accordingly.

**CUSTOMER SERVICE SURVEY**

Customer service surveys help us make your experience better. Please complete our Customer Service Survey at <https://www.surveymonkey.com/r/VDB36MW>

We look forward to your feedback!