



DC - TAXING AND BORROWING

SHORT-TERM BORROWING

When it becomes evident early in the fiscal year before substantial tax moneys have been received that the cash balances will not meet anticipated obligations, the Board of Education shall negotiate, under the provisions of Colorado statutes, for a loan in such amounts as may be required to meet such obligations.

The Board may authorize the president and the secretary to execute promissory notes on behalf of the District from time to time as such borrowing of funds becomes necessary and may further authorize them to execute any and all other documents necessary or incidental to the borrowing of funds. By law, these short-term loans are liquidated within six months of the close of the fiscal year from moneys received by the District for the general fund.

STATE INTEREST-FREE LOAN PROGRAM

The District may elect to participate in an interest-free loan program upon application to the state treasurer in any month in which a general fund cash deficit will exist. The loan may not exceed an amount for the month as certified by the District's controller and the superintendent. The state treasurer shall determine the method for calculating cash deficits and appropriate reporting mechanisms.

All loans shall be repaid by June 25 of the fiscal year in which they were made or an alternate date determined by the state treasurer.

TAX ANTICIPATION NOTES

The Board may issue tax anticipation notes without an election if it determines that taxes due the District will not be received in time to pay projected budgeted expenses. Tax anticipation notes shall be both issued and made payable within the fiscal year for which such taxes are levied.

The state treasurer is authorized to issue tax anticipation notes for school districts pursuant to terms and conditions negotiated by the state treasurer and the school district.

Tax anticipation notes issued by the District shall not exceed 75 percent of the taxes the District expects to receive in the current fiscal year as shown by the current budget.

Current practice codified 1995
Adopted: May 22, 1995
Reviewed: August 11, 1997

LEGAL REFS:

C.R.S. 22-40-107

C.R.S. 22-54-110

C.R.S. 29-15-101, et. seq. (Tax Anticipation Note Act)