

Operational Services

Incurring Debt

The Superintendent shall provide early notice to the School Board of the District's need to borrow money. The Superintendent or designee shall prepare all documents and notices necessary for the Board, at its discretion, to: (1) issue State Aid Anticipation Certificates,¹ tax anticipation warrants,² working cash fund bonds,³ bonds,⁴ notes,⁵ and other evidence of indebtedness,⁶ or (2) establish a line of credit with a bank or other financial institution. ⁷ The Superintendent shall notify the State Board of Education before the District issues any form of long-term or short-term debt that will result in outstanding debt that exceeds 75% of the debt limit specified in State law. ⁸

LEGAL REF.: 30 ILCS 305/2 and 352/1 et seq.
 50 ILCS 420/
 105 ILCS 5/17-16, 5/17-17, 5/18-18, and 5/19-1 et seq.
 CROSS REF.: 4:10 (Fiscal and Business Management)
 ADOPTED: January 14, 2010

¹ 50 ILCS 420/1 et seq. and 105 ILCS 5/18-18.

² 105 ILCS 5/17-16.

³ 105 ILCS 5/20-2, 5/20-4, and 5/20-5; 30 ILCS 305/2.

⁴ 105 ILCS 5/19-1 et seq. and 20 ILCS 3105/1A-8.

⁵ 50 ILCS 420/0.01 et seq. A district may borrow money and issue bonds for the purposes stated in 105 ILCS 5/19-3, provided the board properly adopted an election referendum and subsequently the voters approved the proposition (10 ILCS 5/28-2). Districts have the authority to issue bonds for certain purposes without a referendum, e.g., School Fire Prevention and Safety Bonds, Working Cash Fund Bonds, Funding Bonds, and Insurance Reserve Bonds.

⁶ Other types of indebtedness include funding bonds and refunding bonds (105 ILCS 5/19-1 et seq.).

⁷ 105 ILCS 5/17-17, amended by P.A. 96-19.

⁸ 105 ILCS 5/19-1.