



Idaho State University

POLICIES AND PROCEDURES

Continuing Disclosure Concerning Municipal Securities

ISUPP 2550

POLICY INFORMATION

Policy Section: *Finance*

Policy Title: *Continuing Disclosure Concerning Municipal Securities*

Responsible Executive (RE): *Chief Financial Officer*

Sponsoring Organization (SO): *Finance*

Effective Dates: *8-22-2016; August 27, 2017*

Last Reviewed: *November 2023*

I. INTRODUCTION

This policy conveys the University's commitment to comply with its Continuing Disclosure requirements with respect to the Municipal Securities it issues as per Rule 15c2-12 under the Securities and Exchange Commission (SEC).

<http://www.msrb.org/msrb1/pdfs/SECRule15c2-12.pdf>

The University is obligated to file a yearly Continuing Disclosure of its relevant financial information with the federal government as promised in the Official Statement of each tax-exempt municipal bond the University issues as long as these bonds remain outstanding.

II. DEFINITIONS

- A. **Continuing Disclosure:** Federal regulations requiring the University to disclose all relevant financial information to the MSRB via EMMA that may affect the security and rights of existing and future bondholders. The governing Continuing Disclosure Agreement (CDA) (or sometimes known as the Information Reporting Agreement) for each series of bonds can be found in the respective Transcript of Proceedings.
- B. **EMMA:** Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at <http://emma.msrb.org/>.

- C. **Fiscal Year:** The University's Fiscal Year begins July 1 and ends on the following June 30.
- D. **Municipal Securities:** A general term referring to a bond, note, warrant, certificate of participation or other obligation issued by a state or local government or their agencies or authorities (such as cities, towns, villages, counties or special districts or authorities).
- E. **Bond Trustee:** A Bond Trustee is a financial institution with trust powers, such as a commercial bank or trust company, which is given fiduciary powers by a bond issuer to enforce the terms of a bond indenture or resolution. A trustee sees that bond interest payments are made as scheduled, and protects the interests of the bondholders if the issuer or borrower defaults.
- F. **Dissemination Agent:** The Bond Trustee or other designated firm that will post required Continuing Disclosure information to EMMA as directed by the issuer on a timely basis.
- G. **Private Business Use (PBU):** A state or local bond issue exceeds the limit of the Private Business Use test if more than 10 percent of the proceeds of a tax-exempt bond issue are used for any Private Business Use. Use of bond proceeds or bond-financed property by a nongovernmental person (individual or entity) in furtherance of a trade or business activity is considered Private Business Use for tax-exempt bond purposes.

III. POLICY STATEMENT

On or before December 1 of each year (and in no event later than 180 days after each Fiscal Year end), Idaho State University (ISU or University) will file an audited copy of its Fiscal Year-end financial statements and a Continuing Disclosure Annual Report with the Electronic Municipal Market Access (EMMA) system operated by the Municipal Securities Rulemaking Board (MSRB) of the federal government. Additional financial or other information pertaining to relevant events as outlined in Rule 15c2-12 must be submitted to EMMA within 10 days of such occurrence. Such relevant events include bond calls, rating changes, bankruptcies, substitution of credit or liquidity providers, etc.

IV. AUTHORITY AND RESPONSIBILITIES

- A. The Chief Financial Officer and the Assistant Controller for Financial Reporting shall share primary responsibility for ensuring that all such information is accurate and not misleading in any material aspect. Each Disclosure Document shall be accompanied by an attestation from the VP of Finance that the information contained in the disclosure document regarding the University does not contain any false or misleading information.

- B. Rather than directly submitting annual disclosure information to EMMA, the University submits this data to the University's Bond Trustee who in turn submits the disclosure to EMMA. In this role, the Bond Trustee is serving the University as Dissemination Agent, as defined in the University's Continuing Disclosure Agreement.
- C. Should it become necessary for the University to submit disclosure information directly to EMMA, instructions for the direct disclosure are at this link:
<http://msrb.org/msrb1/EMMA/pdfs/EMMA'sContinuingDisclosureServiceBrochure.pdf>

V. PROCEDURES

- A. The Executive Director of Treasury Services or their designate will complete the Continuing Disclosure Annual Report and submit it to the Dissemination Agent with the Fiscal Year-end financial statements. Within 10 days they will log onto the EMMA website to assure that the documents were posted by the Dissemination Agent. The ED of Treasury Services is also responsible for the timely submission of relevant event notices (see Rule 15c2-12) to the Dissemination Agent to post to EMMA.
- B. A listing of outstanding debt including municipal bonds is located in the annual audited financial statements in the End Notes to the Financial Statements. The current and past financial statements are located on the ISU website:
<https://www.isu.edu/financeadmin/financial-reporting/financial-reports/>
- C. An annual questionnaire related to Private Business Use of University tax exempt bond financed buildings will be sent to the administrative person responsible for that facility for the purpose of maintaining PBU within the 10% maximum. The Office of Treasury Services monitors and tracks PBU of tax-exempt bond financed buildings. All changes in PBU will be captured with the yearly questionnaires.