

# Governmental Bonds Compliance Check Questionnaire

Tax-exempt governmental bonds ("Governmental Bonds") are obligations of State and local governments that satisfy applicable requirements under section 103 of the Internal Revenue Code and related statutes and regulations and on which the interest is exempt from federal income tax. Generally, the proceeds of Governmental Bonds are used to finance activities or facilities owned, operated or used by the State or local government that issues the bonds or another governmental entity for its own similar purposes.

*All fields with an asterisk (\*) are required.*

\*1. Have you issued Governmental Bonds?

Yes  
 No (Go to question number 2.)

\*2. You have indicated that you have not issued Governmental Bonds. Is this correct? A "Yes" response confirming that you have not issued Governmental Bonds will end the questionnaire. A "No" response will continue the questionnaire.

Yes  
 No

## Part I: Current Debt Management Policies and Procedures

\*3. 1(a). Regardless of whether they are written, do you have pre-issuance procedures in place to review compliance with federal tax laws applicable to your Governmental Bonds?

Yes (Go to question number 4.)  
 No

\*4. 1(b). Do your pre-issuance procedures include a review of expected post-issuance use of the bond proceeds and an evaluation of that use to ensure that trade or business activities by or with non-governmental persons with respect to facilities financed by those proceeds do not exceed the private business use limits on such activities?

Yes (Go to question number 4.1.)  
 No

\*4.1 1(b1). Are these procedures written?

Yes  
 No

\*5. 1(c). Do your pre-issuance procedures include a review of the expected expenditures of the bond proceeds to ensure that it is reasonable to expect that 10 percent of the spendable proceeds of the issue (Spendable Proceeds) will be spent for the governmental purposes of the issue within the 1-year

# Governmental Bonds Compliance Check Questionnaire

period beginning on the date the bonds are issued (Issue Date); 30 percent of the Spendable Proceeds will be spent for such purposes within the 2-year period beginning on the Issue Date; 60 percent of the Spendable Proceeds will be spent for such purposes within the 3-year period beginning on the Issue Date; and 85 percent of the Spendable Proceeds will be spent for such purposes within the 5-year period beginning on the Issue Date?

Yes (Go to question number 5.1.)  
 No

\*5.1 1(c1). Are these procedures written?

Yes  
 No

\*6. 1(d). Who performs the pre-issuance review under your procedures for your Governmental Bonds (check all that apply)?

Employee  
 Officer  
 Governing body  
 Internal auditor  
 External auditor  
 Internal legal advisor  
 External legal advisor other than Bond Counsel  
 Bond counsel  
 Financial advisor  
 Underwriter or Placement Agent  
 Other

\*7. 1(e). Regardless of whether they are written, indicate the earliest date that you implemented your pre-issuance procedures for reviewing compliance with federal tax laws applicable to your Governmental Bonds.

More than three years before receiving the questionnaire letter.  
 One to three years before receiving the questionnaire letter.  
 More than six months to under one year before receiving the questionnaire letter.  
 One day to six months before receiving the questionnaire letter.  
 On the day of, or after receiving the questionnaire letter.

\*8. 1(f). Regardless of whether they are written, indicate the most recent date that you revised your pre-issuance procedures for reviewing compliance with federal tax laws applicable to your Governmental Bonds.

The procedures have never been revised.  
 More than three years before receiving the questionnaire letter.  
 One to three years before receiving the questionnaire letter.

# Governmental Bonds Compliance Check Questionnaire

- More than six months to under one year before receiving the questionnaire letter.
- One day to six months before receiving the questionnaire letter.
- On the day of or after receiving the questionnaire letter.

## Part II: Current Procedures Related to Determining Issue Price

\*9. 2(a). Do you have procedures for determining the issue price of your Governmental Bonds?

- Yes
- No (Go to question number 14.)

\*10. 2(b). Are any of your procedures for determining the issue price of your Governmental Bonds written?

- Yes (Go to question number 11.)
- No (Go to question number 12.)

\*11. 2(c). Under those procedures, how do you determine the issue price of your Governmental Bonds? (check all that apply)

- Rely on issue price certificate provided by underwriter at closing.
- Review data provided by the underwriter identifying orders received for various bond maturities.
- Review data provided by the underwriter identifying buyers and the prices for various bond maturities.
- Review sources of information other than those provided by the underwriter to get information on purchasers and pricing.
- Review sources of information on issue price with the underwriter.
- Review sources of information on issue price with financial advisor.
- Other.

\*12. 2(d). Regardless of whether they are written, indicate the earliest date that you implemented any of your procedures for determining the issue price of your Governmental Bonds.

- More than three years before receiving the questionnaire letter.
- One to three years before receiving the questionnaire letter.
- More than six months to under one year before receiving the questionnaire letter.
- One day to six months before receiving the questionnaire letter.
- On the day of or after receiving the questionnaire letter.

\*13. 2(e). Regardless of whether they are written, indicate the most recent date that you revised the procedures for determining the issue price of your Governmental Bonds.

- The procedures have never been revised.
- More than three years before receiving the questionnaire letter.

# Governmental Bonds Compliance Check Questionnaire

- One to three years before receiving the questionnaire letter.
- More than six months to under one year before receiving the questionnaire letter.
- One day to six months before receiving the questionnaire letter.
- On the day of or after receiving the questionnaire letter.

\*14. 2(f). Are records of trading activity for your Governmental Bonds available through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System (see [www.emma.msrb.org](http://www.emma.msrb.org))?

- Yes (Go to question number 15.)
- No (Go to question number 16.)
- Do Not Know (Go to question number 16.)

\*15. 2(g). Have you or a consultant to the issuer (NOT the underwriter or initial purchaser) reviewed records of the trading activity for your Governmental Bonds available through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System or another source?

- Yes
- No
- Do Not Know

\*16. 2(h). Have you received a written analysis of trading activity for your Governmental Bonds?

- Yes (Go to question number 17.)
- No
- Do Not Know

\*17. 2(i). Did the written analysis of trading activity for your Governmental Bonds include an analysis of the pricing?

- Yes
- No
- Do Not Know

\*18. 2(j). The written analysis of trading activity for your Governmental Bonds included (check all that apply):

- An analysis of the pricing of other bond issuances compared to your bond issuance.
- An analysis of changes in pricing on your bonds during the primary market distribution period.
- An analysis of changes to the price of your bonds during the primary market distribution period compared to changes to relevant market indices during the same period.
- None of the above.

# Governmental Bonds Compliance Check Questionnaire

\*19. 2(k). The written analysis of trading activity for your Governmental Bonds was provided by (check all that apply):

- Financial advisor
- Underwriter
- Market consultant providing specialized analysis of trading activity or bond pricing (other than a financial advisor or underwriter)
- Other

## PART III: Current Record Retention Procedures

\*20. 3(a). In what form do you maintain records supporting the tax-exempt status of your Governmental Bonds (check all that apply)?

- Paper files only
- Electronic media only
- Combination of paper files and electronic media
- Do not maintain records supporting the tax-exempt status of Governmental Bonds.

\*21. 3(b). Regardless of whether they are written, do you have procedures regarding maintenance of records supporting the tax-exempt status of your Governmental Bonds?

- Yes (Go to question number 22.)
- No

\*22. 3(c). Are your procedures regarding the maintenance of records supporting the tax-exempt status of your Governmental Bonds written?

- Yes
- No

\*23. 3(d). Regardless of whether they are written, indicate the earliest date that you implemented any of the procedures regarding maintenance of records supporting the tax-exempt status of your Governmental Bonds.

- More than three years before receiving the questionnaire letter.
- One to three years before receiving the questionnaire letter.
- More than six months to under one year before receiving the questionnaire letter.
- One day to six months before receiving the questionnaire letter.
- On the day of or after receiving the questionnaire letter.

\*24. 3(e). Regardless of whether they are written, indicate the most recent date that you revised any of the procedures regarding maintenance of records supporting the tax-exempt status of your Governmental Bonds.

# Governmental Bonds Compliance Check Questionnaire

- The procedures have never been revised.
- More than three years before receiving the questionnaire letter.
- One to three years before receiving the questionnaire letter.
- More than six months to under one year before receiving the questionnaire letter.
- One day to six months before receiving the questionnaire letter.
- On the day of, or after receiving the questionnaire letter.

## Part IV: Private Business Use

\*25. 4(a). Which of the following arrangements related to your bond-financed property do you maintain? (check all that apply)

- Management agreement
- Service agreement other than management agreement
- Research contract
- Naming rights contract
- Lease or other rental arrangement
- Sublease
- Leasehold improvements contract
- Joint venture arrangement
- Limited liability corporation arrangement
- Partnership agreement
- Other
- None of the above

## PART V: Post-Issuance Compliance Procedures

\*26. 5(a). Other than the bond documents provided at closing, do you have procedures to monitor compliance with federal tax requirements during the term of your Governmental Bonds?

- Yes (Go to question number 27.)
- No (Go to question number 31.)

\*27. 5(b). Are your procedures to monitor compliance with federal tax requirements during the term of your Governmental Bonds written?

- Yes (Go to question number 28.)
- No (Go to question number 29.)

\*28. 5(c). Which of the following controls are included in those procedures (check all that apply)?

- Review at regular intervals of three months or less.
- Review at regular intervals of greater than three months but not greater than six months.
- Review at regular intervals of greater than six months but not greater than one year.

# Governmental Bonds Compliance Check Questionnaire

- Review at regular intervals of greater than one year.
- Training of the officer or employee responsible for review.
- Procedures to monitor timely expenditure of proceeds.
- Procedures to monitor expenditure of proceeds for qualified purposes.
- Procedures to monitor continuous qualified use of bond-financed facilities.
- Procedures to avoid actions or changes that would cause a reissuance of the bonds and cause the bonds to lose their tax-exempt status.
- Procedures to ensure compliance with arbitrage rebate and yield restriction requirements, including timely filing of Form 8038-T.
- None of the above.

\*29. 5(d). Regardless of whether the procedures are written, indicate the earliest date that you first implemented any of the procedures to monitor compliance with federal tax requirements during the term of your Governmental Bonds.

- More than three years before receiving the questionnaire letter.
- One to three years before receiving the questionnaire letter.
- More than six months to under one year before receiving the questionnaire letter.
- One day to six months before receiving the questionnaire letter.
- On the day of or after receiving the questionnaire letter.

\*30. 5(e). Regardless of whether the procedures are written, indicate the most recent date that you revised any of the procedures to monitor compliance with federal tax requirements during the term of your Governmental Bonds.

- The procedures have never been revised.
- More than three years before receiving the questionnaire letter.
- One to three years before receiving the questionnaire letter.
- More than six months to under one year before receiving the questionnaire letter.
- One day to six months before receiving the questionnaire letter.
- On the day of or after receiving the questionnaire letter.

\*31. 5(f). Have you performed a compliance monitoring review with respect to any of your Governmental Bond issues?

- Yes (Go to question number 32.)
- No

\*32. 5(g). Was each review to monitor compliance with federal tax requirements during the term of your Governmental Bonds done in accordance with your procedures in place at the time of the review?

- Yes
- No

## **Governmental Bonds Compliance Check Questionnaire**

\*33. 5(h). Which of the following best describes the reviews you have performed to monitor compliance with all applicable federal tax requirements during the term of your Governmental Bonds(check all that apply)?

- All outstanding bond issuances have been reviewed.
- Some outstanding bond issuances have been reviewed
- All or some prior bond issuances have been reviewed but none are currently outstanding
- All or some prior bond issuances have been reviewed but no reviews have been done on currently outstanding bond issues.
- None of the above

\*34. 5(i). Indicate the most recent date you have performed a review to monitor expenditures of proceeds for qualified purposes on any of your Governmental Bonds.

- No such review has been performed.
- More than three years before receiving the questionnaire letter.
- One to three years before receiving the questionnaire letter.
- More than six months to under one year before receiving the questionnaire letter.
- One day to six months before receiving the questionnaire letter.
- On the day of or after receiving the questionnaire letter.

\*35. 5(j). Indicate the most recent date you have performed a review to monitor for the actual investment of any of your Governmental Bond proceeds.

- No such review has been performed.
- More than three years before receiving the questionnaire letter.
- One to three years before receiving the questionnaire letter.
- More than six months to under one year before receiving the questionnaire letter.
- One day to six months before receiving the questionnaire letter.
- On the day of or after receiving the questionnaire letter.

\*36. 5(k). Indicate the most recent date you have performed a review to ensure compliance with arbitrage rebate or yield restriction requirements for any of your Governmental Bonds.

- No such review has been performed.
- More than three years before receiving the questionnaire letter.
- One to three years before receiving the questionnaire letter.
- More than six months to under one year before receiving the questionnaire letter.
- One day to six months before receiving the questionnaire letter.
- On the day of or after receiving the questionnaire letter.

# Governmental Bonds Compliance Check Questionnaire

\*37. 5(l). Indicate the most recent date you have performed a review to monitor for the continuous qualified use of any facilities financed by your Governmental Bonds.

- No such review has been performed
- More than three years before receiving the questionnaire letter.
- One to three years before receiving the questionnaire letter.
- More than six months to under one year before receiving the questionnaire letter.
- One day to six months before receiving the questionnaire letter.
- On the day of or after receiving the questionnaire letter.

\*38. 5(m). Indicate the most recent date you have performed a review with respect to any other applicable federal tax requirements for any of your Governmental Bonds.

- No such review has been performed
- More than three years before receiving the questionnaire letter.
- One to three years before receiving the questionnaire letter.
- More than six months to under one year before receiving the questionnaire letter.
- One day to six months before receiving the questionnaire letter.
- On the day of or after receiving the questionnaire letter.

\*39. 5(n). Have you identified any noncompliance with federal tax requirements applicable to your Governmental Bonds?

- Yes (Go to question number 40.)
- No

\*40. 5(o). Indicate what action was taken to remediate under the following options available for voluntarily correcting failures to comply with post-issuance federal tax compliance requirements (check all that apply):

- Taking remedial actions pursuant to the Income Tax Regulations.
- Entering into a closing agreement under the Tax Exempt Bonds Voluntary Closing Agreement Program (more information available at [www.irs.gov/taxexemptbond](http://www.irs.gov/taxexemptbond), under the heading "TEB Voluntary Compliance").
- Limiting nonqualifying use of bond financed facilities.
- Other actions not listed.
- No action was taken.

# Governmental Bonds Compliance Check Questionnaire

## PART VI: Current Awareness of Voluntary Compliance Options

41. 6(a). Which of the following options available for voluntarily correcting failures to comply with post-issuance federal tax compliance requirements are you aware of?:

- Remedial actions to redeem or defease nonqualified bonds pursuant to the Income Tax Regulations.

Yes  
 No

- A closing agreement under the Tax Exempt Bonds Voluntary Closing Agreement Program (more information available at [www.irs.gov/taxexemptbond](http://www.irs.gov/taxexemptbond), under the heading “TEB Voluntary Compliance”)

Yes  
 No

\*42. 6(b). Are you aware that under the Tax Exempt Bonds Voluntary Closing Agreement Program your settlement amount may be more favorable if you have written procedures in place to monitor compliance with federal tax requirements during the term of your Governmental Bonds and to ensure that noncompliance is timely identified and corrected?

Yes  
 No