

THE SCHOOL DISTRICT OF PHILADELPHIA

No. 625

Section: Finance

Title: Post Issuance
Compliance Policies Relating
To Tax-Exempt Obligations

Adopted: February 27, 2025

Revised:

625 POST ISSUANCE COMPLIANCE POLICIES RELATING TO TAX-EXEMPT OBLIGATIONS

Purpose

The Board of Education of The School District of Philadelphia (the “Issuer”) recognizes that it has issued and from time to time in the future may issue Tax-Exempt Obligations, the interest on which is intended to be excluded from gross income for Federal income tax purposes under the Code and the Treasury Regulations. For the interest on such debt instruments to qualify for tax-exempt status, certain provisions set forth in the Code and the Treasury Regulations must be satisfied, not only at the time of issuance, but throughout the term of the Tax-Exempt Obligations. The Issuer’s failure to comply with the requirements set forth in the Code and Treasury Regulations after the Tax-Exempt Obligations are issued could cause the interest on the Tax-Exempt Obligations to be included in gross income for bondholders retroactive to the date of issuance of the applicable Tax-Exempt Obligations. The purpose of these Post Issuance Compliance Policies Relating to Tax-Exempt Obligations (herein, the “Policy”) is to enable the Issuer to establish Compliance Administrative Procedures (hereinafter defined) to assist the Issuer in complying with the Code and Treasury Regulations.

Definitions

CFO: the School District’s Chief Financial Officer, or upon their designation, the Deputy Chief Financial Officer of the School District.

Code: Internal Revenue Code of 1986, as amended.

Compliance Administrative Procedures: Administrative Procedures for Post Issuance Compliance Policies Relating To Tax-Exempt Obligations, which shall be posted on the School District’s website.

Issuer: The School District of Philadelphia.

Issuer’s Bond and/or Disclosure Counsel: such law firm or firms that have been designated by the School District to serve as counsel on such matters.

Tax Compliance Officer: The School District’s Chief Financial Officer, or his or her designee.

Tax-Exempt Obligations: debt instruments, the interest on which is intended to be excluded from gross income for Federal income purposes under the Internal Revenue Code of 1986, as amended.

Treasury Regulations: regulations promulgated under the Internal Revenue Code of 1986, as amended.

Authority

Adoption and implementation of this Policy provides a process and procedure for the Issuer to monitor the post-issuance compliance of the Tax-Exempt Obligations with the applicable provisions of the Code and Treasury Regulations.

Delegation of Responsibility

The Board delegates and directs the Treasurer of the Issuer to direct and delegate to the Tax Compliance Officer to lead the post-issuance compliance monitoring. The Tax Compliance Officer shall delegate specific compliance tasks to specific Issuer employees, which tasks and employees are delineated under the “Mandatory Procedures” section of the Compliance Administrative Procedures.

Mandatory Procedures

The CFO, together with the Issuer’s Bond and/or Disclosure Counsel and General Counsel, shall conduct an annual evaluation of the efficacy of this Policy and the related Compliance Administrative Procedures in satisfying the Purpose of this Policy set forth above and to make such revisions and/or updates as are determined to be appropriate.

Legal References:

1. Internal Revenue Code of 1986, as amended [*Title 26 of the United States Code (26 USC)*].
2. Treasury Regulations [*Title 26 of the Code of Federal Regulations (26 CFR)*].