

PENN MANOR SCHOOL DISTRICT

SECTION: FINANCES

TITLE: DEBTS AND BORROWING

ADOPTED: September 13, 2010

REVISED:

623. DEBTS AND BORROWING	
<p>1. Authority SC 631, 632, 634, 635, 637, 639, 640</p>	<p>The Board shall have the authority to borrow funds and incur debts in accordance with applicable laws.</p>
<p>2. Guidelines SC 631</p>	<p><u>Power To Incur Debt</u></p> <p>The district may create and incur an indebtedness and issue bonds payable as provided by law for the following purposes:</p> <ol style="list-style-type: none"> 1. To purchase or acquire proper sites or grounds for school buildings or lands additional to any existing school building. 2. To erect, enlarge, equip or furnish any school building. 3. To repair, remodel or rebuild any building of the district. 4. To purchase school buses. 5. To pay any indebtedness incurred by any municipality for or on account of the district or for school purposes. 6. To pay any refund of taxes decreed by an order of the court. 7. To refund certain bonds. 8. To fund floating indebtedness incurred for current expenses and debt services. 9. To fund temporary indebtedness incurred for permanent improvements, or in anticipation of proceeds from a bond issue.

<p>53 Pa. C.S.A. Sec. 8022</p>	<p><u>Debt Limit</u></p> <p>The Board shall have the authority to issue bonds which will incur upon its own authority any amount of indebtedness not in excess of 250% of the average of the immediately prior three (3) years' total revenue.</p> <p>The assent of the electors shall be required in all districts to issue bonds which will incur any new debt or increase the indebtedness in excess of 250% of the average of the immediately prior three (3) years' total revenue.</p>
<p>53 Pa. C.S.A. Sec. 8122</p>	<p><u>Borrowing In Anticipation Of Current Revenue</u></p> <p>The district may borrow money in anticipation of current revenues, to an amount not exceeding eighty-five percent (85%) anticipated current revenues.</p> <p>Such notes shall mature and be payable during the current fiscal year in which the money is borrowed.</p> <p>No such borrowing shall constitute an increase in indebtedness within the meaning of the Local Government Unit Debt Act. The interest rate shall not exceed six percent (6%) per annum payable at maturity or in advance.</p>
<p>Pol. 006</p>	<p>The incurring of such indebtedness shall require the affirmative vote of two-thirds (2/3) majority of the full Board and the anticipated current revenue shall be pledged for the payment of such indebtedness.</p> <p>References:</p> <p>School Code – 24 P.S. Sec. 631, 632, 634, 635, 637, 639, 640</p> <p>Local Government Unit Debt Act – 53 Pa. C.S.A. Sec. 8001 et seq.</p>