

## **Operational Services**

### **Incurring Debt**

The Cooperative may borrow up to 50% of any State categorical or grant payments due and payable to the Cooperative, if a hardship exists. Interest shall not be in excess of that provided for by the Bond Authorization Act. Principal and interest shall be repaid from the categorical or grant payments immediately upon receipt of those payments.

In lieu of the above, the Cooperative may anticipate revenues due in the current fiscal year or expected to be due in the next subsequent fiscal year and issue notes or other obligations (and in connection with that issuance, establish a line of credit with a bank or other financial institution) subject to the limitations and procedures stated at Section 17-18 of the School Code.

Further, the Cooperative may issue bonds or notes as authorized under Section 10-22.31 of the School Code and the Joint Agreement to acquire, construct, alter, repair, enlarge and equip any building and/or land necessary to provide facilities.

The Director or designee shall prepare all documents and notices necessary for incurring debt. The Director shall notify the Illinois State Board of Education before the Cooperative 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.

LEGAL REF.: 30 ILCS 305/2.  
105 ILCS 5/10-22.31, 5/17-18, 5/18-20, 5/19-1.

CROSS REF.: 4:10 (Fiscal and Business Management)

ADOPTED: December 10, 2014