

If you feel it useful, here is an example of a reimbursement resolution; however, it does not have to be submitted to the Department of Education .

SAMPLE REIMBURSEMENT RESOLUTION

RESOLUTION NO. _____

RESOLUTION OF THE [NAME OF GOVERNING BOARD] OF [NAME OF ISSUER] DECLARING ITS INTENTION TO REIMBURSE ITSELF FROM THE PROCEEDS OF ONE OR MORE TAX-EXEMPT FINANCINGS FOR CERTAIN EXPENDITURES MADE AND/OR TO BE MADE IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS

WHEREAS, [NAME OF ISSUER] (the "Issuer") is a political subdivision organized and existing under the laws of the Commonwealth of Virginia; and

WHEREAS, the Issuer [has paid, beginning no earlier than {DATE THAT IS NO MORE THAN 60 DAYS PRIOR TO ADOPTION OF RESOLUTION} and] will pay, on and after the date hereof, certain expenditures (the "Expenditures") in connection with the capital project (the "Project"), as more fully described in Appendix A attached hereto; and

WHEREAS, the [NAME OF GOVERNING BOARD] of the Issuer (the "Board") has determined that the money [previously advanced no more than 60 days prior to the date hereof and] to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Issuer for the Expenditures from the proceeds of one or more issues of tax-exempt bonds (the "Bonds");

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. The Board hereby declares the Issuer's intent to reimburse the Issuer with the proceeds of the Bonds for the Expenditures with respect to the Project made on and after [{DATE THAT IS NO MORE THAN 60 DAYS PRIOR TO ADOPTION OF RESOLUTION}], which date is no more than 60 days prior to] the date hereof. The Issuer reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds.

Section 2. Each Expenditure [was and] will be (a) of a type properly chargeable to capital account under general federal income tax principles (determined in each case as of the date of the Expenditure) and (b) complies with all applicable Literary Fund regulations.

Section 3. The maximum cost of the Project is expected to be \$_____

Section 4. The Issuer will make a reimbursement allocation, which is a written allocation by the Issuer that evidences the Issuer's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The Division recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and expenditures for construction projects of at least 5 years.

Section 5. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this _____ day of _____, 200__

(Name)
(Title)

Attested to:

(Name)
(Title)

APPENDIX A

DESCRIPTION OF PROJECT

[Describe the project for which the Expenditures have been and/or will be paid.]