



**Debt Management
Debt Service Payment Settlement
Practice 14.2.0**

RELEVANT POLICIES: 11.1.0 Investment Management and 14.1.0 Debt Management and Limits

To ensure that debt principal and interest payments are made on a timely and cost effective basis, the District will manage debt service as follows:

- 1.0 The District will ensure that all parties responsible for making debt service payments fulfill their fiduciary and operational responsibilities. The negotiation of contract terms should serve the District, the trustee/fiscal agent/paying agent and the bondholders and include:
 - 1.1 requirements for timely payment of all funds on the due date;
 - 1.2 full utilization of funds by the District until the due date;
 - 1.3 requirement for use of electronic fund transfer throughout the payment process; and
 - 1.4 requirements that all parties execute transactions in the most cost efficient and effective manner.
- 2.0 The District will ensure that appropriate contractual terms and internal procedures are in place. The District will negotiate terms allowing for full investment of funds by the District until the payment due date by utilizing electronic fund transfer.
- 3.0 The District will require that trustees/fiscal agents/paying agents invoice the District for debt service payments a minimum of 30 days prior to the due date.
- 4.0 The District will use electronic fund transfer to assure transfer to the trustee/fiscal agent/paying agent on the payment date. If payment must be made by check, the District will ensure paying the check no more than five (5) days prior to the payment date through a guaranteed delivery service.
- 5.0 The District will ensure that all parties to the transaction (internal and external) are kept informed of the procedures established.