



3000 - Finance

100 - Municipal Securities Disclosure Policies and Procedures

1. Overview

- 1.1. As an obligated party with respect to municipal securities (bonds and/or notes, referred to herein as **Bonds**), Providence Hall (the **Obligated Party**) has adopted the policies and procedures set forth herein (collectively, the **Disclosure Policy**) to guide the Obligated Party's actions with respect to complying with (1) the disclosure document (often referred to as the **official statement**) for publicly-offered bond transactions and (2) ongoing continuing disclosures associated with outstanding contractual obligations resulting from bond issues (also known as **continuing disclosure**).
 - 1.1.1. This Disclosure Policy is designed to provide the necessary policy framework and accompanying procedures for compliance by the Obligated Party with its disclosure responsibilities.
 - 1.1.2. Obligated parties with respect to municipal securities are primarily responsible for the content of their disclosure documents including on-going compliance with respect to continuing disclosure.
- 1.2. This Disclosure Policy includes the following elements
 - 1.2.1. disclosure training for officials responsible for producing, reviewing and approving disclosure;
 - 1.2.2. establishment of procedures for review of relevant disclosure, and
 - 1.2.3. ensuring that any procedures established are followed.

2. Background

- 2.1. The anti-fraud provisions of federal securities laws apply to municipal securities such as the Bonds issued by a tax-exempt issuer (e.g., the Utah Charter School Finance Authority) on behalf of the Obligated Party. The U.S. Securities and Exchange Commission (the "SEC") can bring enforcement actions against the Obligated Party, members of its governing body, employees and professionals working on the bond transaction. Employees and board members can be, and have been, held personally liable with respect to securities laws violations related to the issuance of Bonds.
 - 2.1.1. The Obligated Party, members of its governing body and employees can mitigate risks related to SEC enforcement by relying on professionals such as legal counsel familiar with municipal securities.
 - 2.1.2. The Obligated Party may also seek affirmative assurances of compliance with the receipt of a legal opinion from counsel.
- 2.2. When Bonds are issued and publicly offered, an official statement will be prepared by and on behalf of the Obligated Party.
 - 2.2.1. The official statement is the disclosure document that sets forth the terms associated with the Bond issue. The official statement will be used to market and sell the Bonds.¹ In addition, for transactions larger than \$1 million in size

¹ Under federal law, the obligated party with respect to municipal securities is primarily responsible for the content of the disclosure documents (the official statement), regardless of who prepared the document. An obligated party does not discharge its disclosure obligations by hiring professionals to prepare the official statement. An obligated party has "an affirmative obligation" to know the contents of its official statement, including the financial statements. Finally, executing an official statement without first reading the document to ascertain whether it is accurate may be reckless (the basis for certain anti-fraud causes of action by the SEC).



that include an official statement, the Obligated Party enters into a continuing disclosure agreement, certificate or undertaking (the “CDA”). The CDA is a contractual obligation of the Obligated Party, pursuant to which the Obligated Party agrees to provide certain financial information filings (at least annually) and material event notices to the public. The CDA is necessary to allow the Bond underwriters to comply with SEC Rule 15c2-12, as amended (the “Rule”). As noted below, filings under the CDA must be made electronically at the Electronic Municipal Market Access (EMMA) portal (www.emma.msrb.org).

- 2.3. Accordingly, this Disclosure Policy addresses the following three aspects of disclosure:
 - 2.3.1. preparation and approval of official statements in connection with new (“primary”) Bond issues;
 - 2.3.2. on-going continuing disclosure requirements under a CDA; and
 - 2.3.3. education of staff and elected officials with respect to disclosure matters.

3. **Procedures**

3.1. ***Primary (New) Offerings of Bonds – Official Statements***

3.1.1. In connection with the issuance of publicly-offered Bonds (Bonds sold via the public market, through a broker-dealer known as an “underwriter”), the Obligated Party will prepare (or cause its hired professionals to prepare) a disclosure document commonly known as an “official statement.” The official statement is the document that describes the issuance of the Bonds to the marketplace and as such, under federal law, the official statement cannot contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

3.1.2. To ensure the Obligated Party’s official statements are properly prepared and reviewed, the Obligated Party adopts the procedures set forth in Appendix I hereto.

3.2. ***Continuing Disclosure Compliance (CDA Compliance)***

3.2.1. The Obligated Party has entered into, or may in the future enter into, CDAs in connection with its Bond issues. Under these contractual agreements, the Obligated Party has or will agree to provide to the marketplace certain financial information and notices of material events. The Obligated Party will file, or cause to be filed, necessary items under the CDAs in a searchable electronic format at the Electronic Municipal Market Access (EMMA) portal (www.emma.msrb.org).

3.2.2. To ensure compliance with its contractual continuing disclosure obligations, the Obligated Party adopts the procedures set forth in Appendix II hereto.

3.3. ***Systematic Training of Staff and Governing Body Members***

3.3.1. In addition to the specific procedures adopted under this Disclosure Policy, the Obligated Party understands that on-going training of both staff and members of the governing body is essential to successful compliance with the Obligated Party’s disclosure obligations. The training noted below may be accomplished by various methods, including in-person webinars or other electronic means, or through review of written materials. Accordingly, the Obligated Party has implemented the following training procedures which may be implemented with the assistance of counsel to the Obligated Party:



3.3.1.1. Annual Training

- 3.3.1.1.1. The Business Manager is responsible for scheduling annual training of Obligated Party employees regarding disclosure and financial reporting requirements of the federal securities laws.
- 3.3.1.1.2. Such training shall include a complete review of this Disclosure Policy, the Rule and the material events required to be reported pursuant to the Rule, and a complete overview of the Obligated Party's obligations under the federal securities laws.
- 3.3.1.1.3. Not later than ninety (90) days after the end of each fiscal year, the Business Manager shall provide written certification to the Obligated Party's governing body that the annual disclosure training has been completed.

3.3.1.2. Specific Training

When appropriate, the Business Manager shall conduct (or cause to be conducted) training with individuals on those persons' specific roles and responsibilities in the disclosure and financial reporting process.

3.3.1.3. Governing Body Training

Not less than once every two (2) years, the Business Manager shall schedule a training session for the Obligated Party's governing body on this Disclosure Policy and the disclosure and financial reporting requirements of the federal securities laws.

4. Amending

The Executive Director and Business Manager are authorized to amend these policies and procedures as needed in consultation with counsel.



Appendix I

Written Procedures for Preparing Official Statements

1. At the commencement of a financing, the Executive Director and Business Manager (the "Finance Team") shall develop a plan for preparation of the official statement and a schedule that allows sufficient time for all required work, including appropriate review and participation by members of the Finance Team.
2. The Executive Director and Business Manager shall be jointly responsible for managing the preparation process for the official statement, and shall obtain the assistance of other participants at the Obligated Party and engage legal and financial professionals, as necessary and appropriate.
3. The Business Manager shall be responsible for developing a program for coordinating staff review of the disclosure information, as necessary, and obtaining formal sign-off from staff on the disclosure documents.
4. The Business Manager shall ensure that any previous failure to fully comply with continuing disclosure obligations during the prior five-year period is disclosed in the official statement by reviewing compliance with all outstanding continuing disclosure agreements, reviewing continuing disclosure review documentation prepared by independent parties and, if necessary, contacting counsel to discuss any questions or concerns.
5. The Obligated Party's governing body shall be given not less than thirty (30) business days to review a near final draft of the official statement prior to being asked to vote on its approval, absent extenuating circumstances and subject at all times to the discretion of the Executive Director and the Business Manager as it relates to timing of the delivery of the official statement. The governing body shall be directed to contact the Executive Director during any review period to discuss potential issues, concerns or comments on the official statement.



Appendix II

Written Procedures Regarding Compliance with Continuing Disclosure Agreements

1. The Business Manager shall be responsible for compliance with the Obligated Party's obligations under continuing disclosure agreements, undertakings or certificates (whether one or more, the "CDA"), including without limitation annual filings, material event notice filings, voluntary filings and other filings required by the CDA.
2. Prior to execution of a CDA in connection with a bond issue, the CDA shall be discussed with counsel, the underwriter and financial advisor, if any, to ensure a full understanding of the Obligated Party's obligations.
3. The Business Manager shall have the primary responsibility monthly to each governing body meeting to monitor compliance with respect to "material events" as defined in the Rule (see listed events below). The Business Manager shall be responsible for (i) determining whether any of the "material events" has taken place (questions regarding their interpretation shall be directed to counsel familiar with the Rule and municipal securities regulations), (ii) gathering information material to making that determination from other departments, and (iii) if a material event has occurred, discussing the same with counsel to determine the form of notice of material event and causing the filing of notice to be made on EMMA within ten (10) business days of the occurrence of any of "material event."
4. The following are "material events" for purposes of the Rule:
 - 4.1. Principal and interest payment delinquencies;
 - 4.2. Non-payment related defaults, if material;
 - 4.3. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - 4.4. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - 4.5. Substitution of credit or liquidity providers, or their failure to perform;
 - 4.6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
 - 4.7. Modifications to rights of security holders, if material;
 - 4.8. Bond calls, if material, and tender offers;
 - 4.9. Defeasances;
 - 4.10. Release, substitution, or sale of property securing repayment of the securities, if material;
 - 4.11. Rating changes, including rating upgrades and downgrades;
 - 4.12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
 - 4.13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - 4.14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - 4.15. Incurrence of a financial obligation* of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a



- financial obligation* of the obligated person, any of which affect security holders, if material; and
- 4.16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation* of the obligated person, any of which reflect financial difficulties.
 - 4.17. The determination of whether a material event has occurred will be made pursuant to the Rule and SEC Release No. 34-83885, in conjunction with disclosure counsel.
 - 4.18. ***Financial obligation*** is to mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii).
 - 4.18.1. The Business Manager shall have primary responsibility for ensuring that statements or releases of information relating to the Obligated Party's finances to the public that are reasonably expected to reach investors and the financial markets, including website updates, press releases and market notices, are accurate and not misleading in any material respect. The Business Manager shall work together to ensure that all public statements and information released by the Obligated Party are accurate and not misleading in all material respects.
 - 4.18.2. The Business Manager shall be responsible for compiling and maintaining a list of all outstanding bond issues subject to continuing disclosure, noting the applicable filing dates. Sample tables are attached.
 - 4.18.3. The Business Manager shall be responsible for assembling and maintaining copies of the final CDA and final Official Statements for each applicable bond issue, together with any third-party dissemination agent agreements, if applicable.
 - 4.18.4. The Business Manager shall document and track the required information to be filed, including dates such information is filed. Sample tables are attached.
 - 4.18.5. The Business Manager shall be responsible for registering for continuing disclosure filing email reminders from the EMMA website (<http://emma.msrb.org>).
 - 4.18.6. The Business Manager shall determine whether all necessary items have been compiled for filing pursuant to the CDA requirements by the filing deadline.
 - 4.18.7. The Business Manager shall file (or cause any dissemination agent to file) the necessary items on the EMMA website in a word-searchable PDF configured to be saved, printed, and retransmitted by electronic means by the filing deadline. After filing, the Business Manager shall confirm that all items have, in fact, been filed on EMMA as required, and shall note the filing date in her or his records required under #7 above.
 - 4.18.8. The Business Manager shall be the primary contact person for responding to inquiries from investors and for maintaining the investor relations portion of the Obligated Party' website, if any.
 - 4.18.9. The Business Manager shall be responsible for coordinating and filing any voluntary information with EMMA, after consultation with the Obligated Party's legal and financial professionals.
 - 4.18.10. The Business Manager may contact the Obligated Party's counsel (provided such counsel is familiar with the Rule and municipal securities regulations) with any



disclosure-related questions or concerns with the prior approval of the Executive Director or the governing body of the Obligated Party.



Master Tracking Table (list of deadlines for all bond issues)

| Name of Bond Issue | Date of Issue | Final Maturity Date | Dissemination Agent? | CUSIP for Final Maturity | Deadline for Annual Report |
|--------------------|---------------|---------------------|----------------------|--------------------------|----------------------------|
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Separate Table for Each Bond Issue (tracks details of filings for each issue)

| [Name of Bonds][date of issue] | Reporting Periods [inset date info was filed on EMMA] | | | | | |
|--|--|--------|--------|--------|--------|--------|
| Description of Financial Information / Operating Data to file on EMMA | FY20__ | FY20__ | FY20__ | FY20__ | FY20__ | FY20__ |
| [audit] | | | | | | |
| [list applicable tables in Official Statement] | | | | | | |
| [unaudited financials, if audit not available by deadline] | | | | | | |
| [other information] | | | | | | |
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