

SUBJECT: Short Term Notes

The Board shall, when deemed necessary, borrow money to pay maintenance expenses and may evidence these loans with negotiable notes, provided that these loans never exceed 75% of the previous year's income. Notes shall be payable only from current maintenance taxes levied at or before the time of making such loans and from delinquent maintenance taxes.

Notes may be issued only after a budget has been adopted for the current school year and only if the maintenance expenses stated therein do not exceed the maintenance tax levied for the current year plus the delinquent maintenance taxes expected by the Board to be collected during the then current school year. Notes shall be authorized by resolution adopted by a majority of the Board, signed by the President or Vice President, and attested to by the secretary. They shall bear interest at a rate not to exceed the statutory limit.

Short term notes shall be issued in accordance with the Bond Procedures Act of 1981.

The Board may not execute a note without statutory authority.