IBB | INDIANA BOND BANK

800.535.6974 | bondbank@inbondbank.com

Advance Funding Program Guide

The Indiana Bond Bank (IBB) Advance Funding program assists local governmental units with cash flow needs through pooling of tax anticipation warrant loans.

Eligibility

Eligibility Requirements

The Advanced Funding program is available to cities, towns, school corporations, townships, libraries, counties, fire territories, fire protections districts and other local governmental units that meet the definition of a Qualified Entity, as defined under IC 5-1.5-1-8.

Borrowing Details

Maximum Borrow Amount

For the Advance Funding program, cash flow projections determine the amount you are eligible to borrow. It is typically the lesser of your projected largest cash deficit for the first six months or 80% of your net certified levy. Mid-year borrowing is available for entities that have a deficit in the second half of the year.

Funds Available to Borrow From

Funds may be borrowed against future distributions from any property tax-based fund. School corporations may borrow against future tuition support payments.

Interest Rate

IBB provides savings by pooling warrants. Through the pooling process, the IBB will provide a low "all-inclusive" borrowing rate.

Credit Review and Security

Review Process

Advance Funding Program loan applications and cash flows are reviewed by the Indiana Bond Bank finance team. During the due diligence process, it is confirmed whether the entity has a cash flow deficit in a certified property tax-based fund or tuition support fund (Education Fund).

Payments and Prepayments

Payments

Principal and Interest is due on the last business day of the year. Depending on the borrowing amount, there may be a principal and interest payment due on the last business day in June. Tax anticipation warrants must be repaid in the same year that they are borrowed. The notes are not subject to early redemption, nor are they prepayable.

Payment Method

Payments must be made electronically via wire transfer or ACH to the Bond Bank trustee. Checks will not be accepted. The Bond Bank will provide invoices 30-45 days prior to the due date.

Professional Assistance

Requirement for Note Counsel

The IBB provides note counsel and the legal documents for your Board to adopt. Note counsel services are included in the overall interest rate.

Financial Reporting and Continuing Disclosure Obligations

Entities will be expected to submit annual financial reports and audited financials to the IBB within 60 days of availability. The Bond Bank reserves the right to request additional financial information in the format generally submitted to the Municipal Securities Rulemaking Board (MSRB) through the Electronic Municipal Market Access (EMMA) system. If such continuing disclosure information is already being submitted to the MSRB by the borrowing entity, then this information should also be provided to the Bond Bank as it becomes available. Please carefully review any continuing disclosure agreements/undertakings. At closing, please consult with your municipal advisor regarding your continuing disclosure obligations.

Participation Process

Timing and Deadlines

For details on application deadlines and funding availability, please visit https://www.inbondbank.com/services/cash-flow-financing/ or contact the IBB via email at bondbank@inbondbank.com.

Steps to Participate

The Advance Funding application packet contains step-by-step instructions for participation, which includes completing an application and cash-flow spreadsheet.

To receive an Advance Funding packet or ask questions, please contact advancefunding@inbondbank.com. An application can be downloaded at https://www.inbondbank.com/services/cash-flow-financing/.

Additional Questions

If you have additional questions about the program, please contact the Bond Bank at bondbank@inbondbank.com , or submit a question through the website at https://inbondbank.com/contact.