

## University of Louisiana System

**Title:** *Continuing Disclosure Undertakings  
Relative to Public Bond Offerings*

**Effective**

**Date:** December 12, 2014

**Cancellation:** None

**Chapter:** Miscellaneous

### **Policy and Procedures Memorandum**

A University of Louisiana System university or university affiliated organization publicly issuing bonds has an obligation to meet specific continuing disclosure standards in compliance with Securities and Exchange Commission (SEC) Rule 15c2-12. This rule, which is under the *Securities Exchange Act* of 1934, sets forth certain obligations of (i) underwriters to receive, review and disseminate official statements prepared by issuers of most primary offerings of municipal securities, (ii) underwriters to obtain continuing disclosure undertakings from issuers, and other obligated persons to provide material event disclosures and annual financial information on a continuing basis, and (iii) broker dealers to have access to such continuing disclosure in order to make recommendations of municipal securities in the secondary market.

When bonds are issued, the university/issuer/obligated person enters into a continuing disclosure agreement/certificate/undertaking (CDA) for the benefit of the underwriter to meet the SEC's requirements, requiring such entity to provide certain annual financial information and material event notices to the public. In accordance with changes made in 2009 to Rule 15c2-12, those filings must be made electronically at the Electronic Municipal Market Access (EMMA) portal ([www.emma.msrb.org](http://www.emma.msrb.org)).

Finance officers responsible for their university's debt management program should adopt the following practices in order to create a strong continuing disclosure policy:

1. Develop a clear understanding of responsibilities as defined in the continuing disclosure agreement/certificate/undertaking executed in connection with a municipal securities issue. This includes being aware of the material events that must be disclosed. Prior to execution, CDAs should be discussed with the

- transaction's bond counsel, underwriter and financial advisor to ensure a full understanding of continuing disclosure obligations.
2. Universities and university affiliated organizations should develop continuing disclosure procedures that:
    - a. identify the information that is obligated to be submitted in an annual filing;
    - b. disclose the dates on which filings are to be made;
    - c. list the material events as stated by the SEC and your CDA; and
    - d. identify the person and his/her alternate who is designated to be responsible for making the filings.
  3. Material event notices should be filed according to SEC Rule 15c2-12
    - a. For bonds issued after December 1, 2010, the SEC requires issuers to file material event notices within 10 business days of the event.
    - b. For bonds issued before December 1, 2010, the rule states that universities should file event notices in a "timely manner." Universities are encouraged to adopt a policy to submit material event notices, within 10 business days for all bonds.
  4. Louisiana Revised Statute (LRS) 39:1438 provides recordkeeping requirements relative to continuing disclosure undertakings. University procedures should be established to ensure compliance with LRS 39:1438.C.
  5. In addition to posting information to the EMMA website, notification of any CDA filing must be sent to the attention of the University of Louisiana System Vice President for Business and Finance.