

CITY OF SPOKANE DEPARTMENT POLICY AND PROCEDURE	DEPT 0860-06-05 LGL 2005-56
TITLE: DEBT SERVICE PAYMENT EFFECTIVE DATE: September 29, 2005 REVISION EFFECTIVE DATE: October 27, 2006	

1.0 GENERAL

1.1 Debt service obligations must be met at designated intervals during the calendar year as prescribed by bond documents drawn up by bond counsel.

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2.0 DEPARTMENTS/DIVISIONS AFFECTED

This policy applies to the Treasurer's Office in coordination with the Finance and Accounting Departments.

3.0 REFERENCES

Bond documents provided by bond counsel and debt service schedules maintained by the Treasurer's Office and Accounting Department.

4.0 DEFINITIONS

4.1 "Debt Service Payments" mean the amounts of money that are used to pay down principal and interest payments on outstanding debt issues of the City of Spokane.

5.0 POLICY

- 5.1 Debt service payments shall be made according to the prescribed schedule in the bond documents to the City's banking fiscal agent (currently Bank of New York).

6.0 PROCEDURE

- 6.1 The Treasurer's Office shall coordinate the payment schedule with the Accounting Department and the City's banking fiscal agent, prior to transferring money to the bank for debt service payment.
- 6.2 The Treasurer's Office maintains a debt service scheduled payment worksheet that prescribes the amount and time of payment.
- 6.3 The Accounting Department verifies the amounts and timing of payment, transfers monies from fund to fund as necessary for payment, and records payments in the general ledger system.
- 6.4 The Treasurer's Office records payment from the City's local banking service in the general ledger system and transfers money to the Bank of New York.
- 6.5 The Treasurer's Office also maintains software that records amounts paid during the year for principal and interest on Local Improvement Districts. The amount of money paid determines the amount of principal pay down each year for debt service on a Consolidated Local Improvement District bond. The department calculates this payment and notifies Bank of New York of the number of bonds that can be redeemed. The Bank of New York is responsible for notifying bondholders of bond and interest redemption.

7.0 RESPONSIBILITIES

The City Treasurer shall administer this policy.

8.0 APPENDICES

None

APPROVED BY:

Mr. Doherty
Director

10-12-06
Date

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10-11-06
Date

Note: the only change is the name of the department