

FAIRFIELD AREA SCHOOL DISTRICT

BORROWING IN ANTICIPATION OF CURRENT REVENUE

8720

8720.1       “School districts may borrow money in anticipation of current revenues, to an amount not exceeding such anticipated current revenues which shall be pledged for the payment of such loan or loans, and other issue notes or other form of obligation, executed by the president of the board of school directors and attested by the secretary of the board under the seal of the school district, securing such loans. Such notes, or other form of obligation, shall mature and be payable during the current fiscal year in which such money is borrowed. No such borrowing shall constitute an increase in indebtedness within the meaning of Article nine, section eight of the Constitution of Pennsylvania, or of the “Municipal Borrowing Law”... and shall not require the approval of the Department of Internal Affairs.” Such notes shall bear interest at a rate not exceeding the maximum rate permitted by law. “If such loans are not repaid in whole or in part during the fiscal year in which they are made, they, or such amounts as remain unpaid, shall become an obligation upon the following year’s budget and shall be included therein and paid not later than the first day of July of such following year, in school districts of the first class, and not later than the first day of November of such following year, in school districts of the second, third and fourth class. The incurring of such obligation shall receive the affirmative vote of not less than two-thirds majority of the members of the board of school directors.” [24 PS 6-640]

Revised May 5, 1997