

Day 1 | Thursday, November 21, 2024

START	SESSION   DURATION	SPEAKERS
8:00 am	<b>REGISTRATION/BREAKFAST (for in-person attendees)   60 min</b>	
9:00 am	Opening Remarks/Introduction   5 min	Alan Bond, BLX Jenna Magan, Orrick
9:05 am	<b>POST-ISSUANCE COMPLIANCE OVERVIEW   30 mins</b>  Post-Issuance Compliance (“PIC”) for tax-exempt bonds encompasses a wide variety of requirements and tasks over the life of the bonds that issuers and borrowers of tax-exempt bonds must comply with, including the investment and expenditure of bond proceeds, the use of bond financed facilities, and secondary market disclosures regarding the bonds. A robust PIC program is essential to maintaining the tax-exempt status of the bonds. This session will review the elements of a successful PIC program, discuss best practices and the benefits of an effective program, and provide participants with an introduction and baseline for the additional detailed discussions at the Workshop.	Alan Bond, BLX Richard Chirls, Orrick
9:35 am	<b>UNDERSTANDING PBU RULES AND EXCEPTIONS   50 mins</b>  Issuers and borrowers of tax-exempt bonds are allowed a very small amount of private business use (“PBU”) in tax-exempt bond financed facilities. The federal tax rules and regulations relating to PBU are complex and require active monitoring over the life of the bonds. This session will provide a detailed overview of the rules and regulations relating to PBU (and unrelated trade or business use for 501(c)(3) organizations) and discuss what specific uses constitute qualified and nonqualified use. In addition, panelists will discuss the available exceptions to PBU, including short-term and incidental use. Understanding the relevant PBU rules and exceptions will help issuers and borrowers of tax-exempt bonds manage their tax-exempt financed facilities efficiently and potentially maximize revenue generating activities while maintaining compliance with the PBU restrictions.	Amy Kron, BLX Ed Oswald, Orrick Larry Sobel, Orrick
10:25 am	<b>BREAK   15 min</b>	
10:40 am	<b>MANAGEMENT AND SERVICE CONTRACTS: RULES AND MEASUREMENT METHODOLOGY   60 min</b>  Agreements with third party providers occurring in bond financed space may give rise to PBU depending on how such contracts are structured. In Rev Proc 2017-13, the IRS has provided guidance in the form of certain safe harbor requirements for contracts for services rendered in tax-exempt bond-financed facilities. While this revenue procedure can be helpful, organizations need to carefully navigate these principle-based concepts to help minimize the impact that noncompliant contracts may have on their PBU percentage. This session will provide an overview of the safe harbors that govern management and service contracts and discuss specific guidance for structuring contracts and agreements to be safe harbor compliant. In addition, this session will review the methodology for calculating PBU for management and service agreements utilizing specific examples relating to certain types of use.	Richard Chirls, Orrick Caleb Lansky, BLX Aviva Roth, Orrick
11:40 am	<b>SPONSORED RESEARCH: RULES AND MEASUREMENT METHODOLOGY   50 min</b>  Increasingly, organizations are looking for ways to maximize revenue, recruit and retain faculty, and form relationships with the private sector, and sponsored research and related arrangements often are one of the options considered. Sponsored scientific research, research joint ventures and third-party access occurring in tax-exempt financed facilities may give rise to PBU depending on how rights to use intellectual property resulting from the research are managed. This session will discuss these arrangements, including the difference between basic and applied research and the IRS	Chas Cardall, Orrick Caleb Lansky, BLX Barbara Jane League, Orrick

safe harbor rules relating to sponsored research as provided in Rev Proc 2007-47, within the context of managing overall PBU limits for tax-exempt bonds. In addition, this session will cover how PBU is calculated for facilities in which sponsored research is occurring. Participants will be better equipped to make educated decisions regarding the use of their bond financed facilities in sponsored research endeavors and to structure agreements to be safe harbor compliant.

**12:30 pm LUNCH BREAK | 60 min**

**1:30 pm MARKET UPDATE AND OUTLOOK | 45 min**

The current high interest rate environment that we have been in for the last 2 years presents both opportunities and obstacles for organizations who borrow on a tax-exempt basis. While this interest rate environment is beneficial for the investment of bond proceeds there may be additional hurdles to getting tax-exempt financings to market. In addition, rising interest rates may cause a decrease in the market valuations for Reserve Fund investments which may trigger obligations to replenish such Reserves. This session will review recent debt issuance trends and discuss some of the current challenges around issuing debt as well as some of the benefits and other considerations to investing in today's market. Panelists will also discuss the current reinvest market and provide specific examples of maximizing earnings on bond proceeds, along with specific steps that organizations can take to position themselves to take advantage of certain investment options.

Amy Kron, BLX  
Sam Goldstein, RBC  
Capital Markets  
Raigen Padayachee,  
TD Bank  
Tom Tight, Public Trust  
Advisors

**2:15 pm AI AND MUNICIPAL BONDS | 40 min**

AI is beginning to impact the municipal finance industry, with trading, pricing, credit, compliance, and disclosure all potentially affected. While inefficiencies in the market may be reduced through the use of AI, careful thought and review will need to be applied and tested with respect to its use. Our panelists will discuss ways in which a nonprofit health system, an investment bank, and a law firm are beginning to utilize AI in their businesses and operations.

Josh Cain, BLX  
Steve Gilmore,  
Ascension  
Chris Good, RBC  
Capital Markets

**2:55 pm PBU: TOP 10 (POTENTIAL) MISTAKES | 30 min**

Because such a small amount of PBU is allowed within tax-exempt financed facilities, navigating the use of the facilities with respect to third party use can be difficult. With extensive experience in the area, our panelists will discuss certain pitfalls and misconceptions regarding PBU and what constitutes qualified use, potential mistakes in calculating PBU, and how to mitigate existing PBU. Participants will be better equipped to avoid common stumbling blocks with respect to PBU and the use of their facilities.

Alan Bond, BLX  
Ed Oswald, Orrick

**3:25 pm BREAK | 15 min**

**3:40 pm ARBITRAGE REBATE COMPLIANCE: RULES, REGULATIONS, AND POSITIVE ARBITRAGE | 50**

After over 10 years of negative arbitrage, positive arbitrage is once again a reality for issuers and borrowers of tax-exempt debt. The rising and high interest rate environment that we have been in for the last 2 years brings with it the potential for positive arbitrage and having to make rebate or yield reduction payments. While there are certainly challenges in managing arbitrage rebate compliance in this environment, there are also opportunities for organizations to earn and potentially keep more or even all of their earnings on invested bond proceeds. Our panelists will discuss the rules and regulations relating to arbitrage rebate and yield restriction and offer strategies to maximize the retainable earnings in a positive arbitrage environment.

Justin Gagnon, BLX  
Barbara Jane League,  
Orrick  
Santee Stallings, BLX

**4:30 pm ARBITRAGE REBATE COMPLIANCE: CASE STUDIES | 30**

The arbitrage rebate and yield restriction rules can be challenging with nuances relating to their applicability. This session will review multiple case studies and provide real world examples illuminating key principles and best practices for applying the varied rules. Our examples will seek to make the regulations more relatable through a discussion of specific facts and circumstances.

Justin Gagnon, BLX  
Santee Stallings, BLX  
Aviva Roth, Orrick

**5:00 pm COCKTAIL RECEPTION (for in-person attendees) | 120 min**

Day 2 | Friday, November 22, 2024

START SESSION | DURATION SPEAKERS

8:15 am BREAKFAST (for in-person attendees) | 45 min

9:00 am **BORROWER PERSPECTIVE – OUR POST-ISSUANCE COMPLIANCE PROGRAM | 45 min**

Robust and evolving post-issuance compliance programs are important for issuers and borrowers of tax-exempt bonds. This session will highlight the PIC programs of two organizations, one higher ed and one healthcare. Our panelists will discuss their efforts to position the organization to comply with the various IRS and SEC requirements, with specific details on how they manage PBU, arbitrage rebate, and secondary market disclosure compliance. This discussion can serve as a valuable resource to other organizations facing similar tax compliance burdens.

Alan Bond, BLX  
Kirsten Muller, University of Minnesota  
Chris Pings, University of Arizona

9:45 am **IRS ENFORCEMENT AND AUDITS | 30 min**

The Tax-Exempt Bonds (“TEB”) division at the IRS has an active enforcement process relating to tax-exempt bonds, with the focus changing on a yearly basis. Positive arbitrage and the increased likelihood of rebate payments, coupled with the planned increasing in staffing at the IRS, signals that there will likely be an increase in IRS enforcement activity and oversight. This session will provide an update on the TEB enforcement activities and what that means for issuers and borrowers. Orrick and BLX have extensive experience with respect to tax-exempt bond audits and will provide guidance on what issuers and borrowers should be aware of when responding to an IRS audit.

Chas Cardall, Orrick  
Larry Sobel, Orrick

10:15 am BREAK | 15 min

10:30 am **PBU CALCULATIONS – BEYOND COMPLIANCE | 30 min**

While PBU calculations are necessary for organizations to document compliance with IRS rules and regulations and be prepared in the event of an IRS audit, they can also be used for so much more. As organizations change and their need evolve over time, how they utilize and operate their facilities may change as well. Having accurate calculations of PBU allows organizations to make educated decisions about future use of their tax-exempt bond financed facilities, potentially allowing a use or activity that may generate PBU while still allowing the bond issue to remain in compliance with the PBU limitations. Panelists will discuss specific examples of how PBU calculations may be used as a planning and forecasting tool, and how this can be helpful to organizations as their circumstances and needs shift over time.

Caleb Lansky, BLX  
Jenna Magan, Orrick  
Ed Oswald, Orrick

11:00 am **MANAGING CONTINUING DISCLOSURE OBLIGATIONS | 60 min**

Issuers and borrowers of municipal bonds have an obligation to meet specific continuing disclosure requirements set forth in their continuing disclosure agreements. This session will cover the basics of continuing disclosure while focusing on investor relations, challenges of amending continuing disclosure undertakings, and identifying “Financial Obligations”. In addition, this session will address how to amend a continuing disclosure filing on EMMA.

Jeff Higgins, BLX  
Robyn Helminger, Orrick

12:00 pm CLOSING REMARKS Alan Bond, BLX

**501(c)(3) Organizations – Bonus Session**

12:15 pm **2023 IRS SCHEDULE K REVIEW | 45 min**

IRS Form 990 Schedule K can be a tricky form for nonprofit organizations. Panelists will review the 2023 Schedule K with commentary on the information being requested and on specific calculations required with respect to outstanding tax-exempt bonds being reported on the form. The panel will also discuss the relationship of certain questions on the form that may not seem obvious and provide guidance with respect to answering specific questions. This session will allow 501(c)(3) organizations to better understand the information being provided to the IRS on an annual basis, why that information is important to the IRS, and the importance of filing an accurate Schedule K.

Amy Kron, BLX  
Caleb Lansky, BLX