# Virginia Department of Education

# Current Literary Fund Loan Process

# Effective July 1, 2007 (revised 9/25/19)

## Flowchart Version

## Outline Version

### Step 1 – To Apply

* Locality applies to Literary Fund by submitting application and resolutions certifying local governing board and school board approval
* Application reviewed and processed through Department of Education budget office
* Board of Education approves application for placement on the Approved Application List (applications remaining on this list are removed after three years)
* Once Plans/Specifications, division supt. letter of approval, and design statement by architect/engineer are submitted to DOE, Board of Ed. Approves application for placement on First or Second Priority Waiting List. DOE monitors that project is not financed through VPSA Pooled Bond Program in lieu of using LF; if so, project is removed from Waiting List
* Board of Education approves loan release for the project when Literary Fund balance is available to fund it

### Step 2 – To Submit Requisition for Loan Draws

* After Board of Education approves loan, locality obtains concurrent approval of governing body and an acceptable bond counsel opinion at the time of the initial disbursement and submits both documents with requisition and supporting invoices to Department of Education for first draw
* Department of Education reviews requisition, prepares voucher and sends to Department of Treasury to wire funds. Process repeated for future draws
* Department of the Treasury sends the local governing body and school board a Temporary Note to be executed
* Locality returns executed note to Department of the Treasury
* Locality completes the total loan requisition for the project costs

### Step 3 – To Finalize Permanent Bond for Loan with State Treasury

* Locality is required to pay accrued interest after completion of final draw
* Department of the Treasury will send a Permanent Bond to the local governing body and school board to execute
* Treasury finalizes the debt service schedule and notifies locality