

# BOND PROCEEDS MANAGEMENT

Establish a reliable and sufficient flow of funds and optimize earnings

*Bringing your project to life with a comprehensive arbitrage management program for bond proceeds.*

## BENEFITS

- Establish a scheduled flow of funds
- Optimize investment opportunities
- Cover projected expenses
- Improve compliance
- Create administrative efficiency
- Competitively bid client investments
- Offers local bank participation option
- Provides specialized monthly reporting
- Establishes reliable interest earnings projections
- Calculates arbitrage spend down status
- Provides monthly updates on potential arbitrage payments
- Assists in complying with existing policies, federal and state statutes, arbitrage and IRS regulations
- Coordinates formal arbitrage calculation for presentation to the IRS, if necessary

## Overview

Bond Proceeds Management Program through PMA Securities, LLC (PMA BPM) is a comprehensive service that helps public entities establish a reliable and sufficient flow of funds, optimize investment earnings and adequately cover projected expenses.

Additionally, PMA BPM benefits public entities in the critical areas of investment, arbitrage and reporting.

As a municipal advisor, PMA Securities owes its municipal entity clients a fiduciary duty when, among other things, providing advice on the investment of bond proceeds.

## The Process

### 1. PRE-EXECUTION

Before the bond closing date, PMA analyzes all relevant aspects of the project and bond issue process to determine an optimal investment strategy. PMA identifies potential arbitrage issues and concerns in an effort to determine a disbursement process that best meets the client's needs.

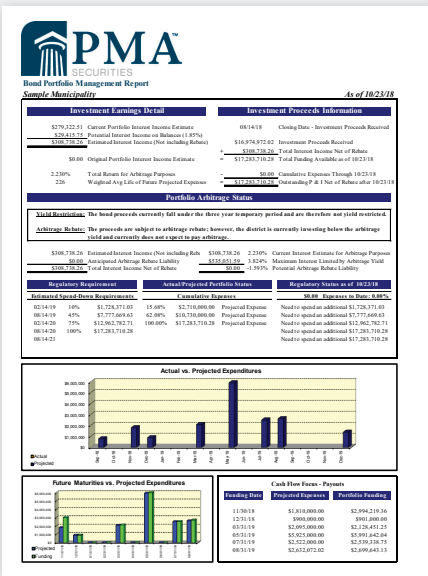
Some of the preliminary considerations include:

- Will the client qualify for a spend-down exception and the three-year temporary period?
- When will the project be started and completed?
- When will the bonds close?
- Are multiple funding sources available?
- What is the client's investment policy?

## MONTHLY REPORTING

PMA can provide clients with a monthly report detailing interest earnings projections, arbitrage spend down status, potential payments and comprehensive portfolio information.

### SAMPLE BPM REPORT



## 2. EXECUTION

In this stage, PMA implements the approved plan. PMA's extensive network of banks and dealers allows for highly competitive bidding of investments.

PMA has a network of:

- > 1,000 banks
- > 50 securities dealers

## 3. ONGOING MANAGEMENT

Each month, PMA facilitates the disbursement of proceeds to fund current expenses and furnishes reports on investments and arbitrage. PMA monitors a client's investments and project status to determine if we can enhance interest earnings along the way.

## 4. PROJECT COMPLETION

At the end of a project, PMA prepares final documentation and reporting. If necessary, PMA also provides the client a final arbitrage calculation for presentation to the IRS.