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**POLICY TITLE:** Continuing Disclosure Policies and Procedures

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**POLICY PURPOSE:** Fort Hays State University, as an issuer of bonds is required to continually disclose financial and other information typically required as a part of the Preliminary Official Statement and the final documents used for disclosure of all information of value to potential and current bond holders. Fort Hays State University is required to provide this information to the Kansas Development Finance Authority minimally on an annual basis.

**BACKGROUND:** Continuing Disclosure Requirements as a result of bond indebtedness

**APPLIES TO:** President of the University, Provost, Vice President for Administration and Finance, Vice President for Student Affairs, General Counsel, Director of Facilities Planning and others having information related to continuing operations of the University.

**DEFINITIONS:**

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- 1.0 Introduction
- 2.0 Key Participants
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General Principles

**POLICY STATEMENT:**

- 1.0 INTRODUCTION

When Fort Hays State University (the "University") requests the Kansas Development Finance Authority (the "Authority") to issue and sell bonds, notes or other obligations (collectively, the "Bonds") payable from a pledge by the University of general or specific revenues, a preliminary official statement and a final official statement (collectively, an "Official Statement") are typically prepared to provide disclosure information to buyers of the Bonds. The Official Statement contains information regarding the University and the Bonds, typically including (i) an Appendix A titled "The University" and (ii) an Appendix B containing the University's annual financial report (the "AFR") (collectively, the "University Appendices"), which University Appendices, in particular, provide disclosure information regarding financial

and other information relating to the University.

In connection with each Official Statement, the President of the University provides a certification stating that the information contained in the Official Statement, as of the date of such Official Statement, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained in the Official Statement, in light of the circumstances under which they were made, not misleading. The University also includes in such certification a statement that there has been no material adverse change in the financial position and affairs of the University from the date of the Official Statement to the date of issuance of the Bonds which was not disclosed in or contemplated by the Official Statement.

Certain of the information in the University Appendices, including the AFR, is filed annually for public market access as part of the University's continuing disclosure undertakings with respect to outstanding Bonds.

In addition, information of the type included in the Official Statement, including the University Appendices and the AFR, is from time to time provided by the University to other municipal market participants, including rating agencies.

In order for the President to ensure compliance with the University's disclosure obligations under federal securities laws and to provide such certification for future Bonds, the President hereby adopts these policies and procedures for reviewing and updating the University Appendices (collectively, the "Disclosure Policy"). The President is hereby designated to implement the Disclosure Policy, except as specifically set forth herein. The President or his/her designee may, from time to time, as may be necessary, review the Disclosure Policy and provide updates. By adopting this Disclosure Policy and by requiring staff to adhere to this Disclosure Policy, the President hereby formalizes procedures to comply with the University's disclosure obligations under federal securities law and to provide a reasonable basis for the President to provide the certification described above.

## 2.0 KEY PARTICIPANTS

2.1 Primaries. In order to ensure compliance with the Disclosure Policy, each of the following positions within the University shall be identified as a primary person (each a "Primary") to collect, review and coordinate information for the University Appendices: President, Provost, Vice President for Administration and Finance, Vice President for Student Affairs, General Counsel and Director of Facilities Planning.

2.2 Coordination with Related Entities. To further facilitate compliance with the procedures set forth in this Disclosure Policy, the Vice President for Administration and Finance ("VPAF") or his/her designee will request that the Fort Hays State University Foundation and Fort Hays State University Athletics Association collect, review and coordinate information regarding such entity's organization, finances and operations for inclusion in the University Appendices and to provide appropriate assurances regarding such information. The VPAF will request from the related entities such

information at such times as necessary to coordinate and facilitate the periodic preparation of the University Appendices at the times described in this Disclosure Policy.

2.3 Disclosure Committee. To further ensure compliance with the procedures set forth in this Disclosure Policy, the President will appoint a "Disclosure Committee" which will have general oversight of the entire disclosure process.

2.3.1 Composition of the Disclosure Committee: The membership of the Disclosure Committee shall consist, at a minimum, of the VPAF, Controller, General Counsel, and Budget Director,

2.3.2 The duties of the Disclosure Committee shall include:

- (i) maintaining appropriate records of compliance with the Disclosure Policy and decisions made with respect to issues which have been raised;
- (ii) periodically checking to determine that the Disclosure Policy is being followed;
- (iii) evaluating the effectiveness of the procedures contained in the Disclosure Policy and making recommendations to the President as to whether revisions or modifications to the process are appropriate;
- (iv) review of all data and "significant" items referred to the Disclosure Committee;
- (v) serving as the final level of review of the University Appendices before the University Appendices are provided to the President for review and approval for use in connection with new issues of Bonds or annual continuing disclosure filings; and
- (vi) working in cooperation with the Authority to identify and prepare all material financial and other information in preparation for the sale of obligations and in order to respond to requests for information by rating agencies, regulators and other municipal market participants.

2.3.4 The VPAF or his/her designee will retain the records of any Disclosure Committee meetings and actions in accordance with the University's record retention policy.

### 3.0 ANNUAL FINANCIAL AND OPERATING REPORT, ISSUANCE OF THE AFR AND ANNUAL CONTINUING DISCLOSURE FILINGS; REVIEW OF THE MANAGEMENT'S DISCUSSION AND ANALYSIS WITHIN THE AFR

Certain of the information in the University Appendices will be updated, revised and reissued no less frequently than annually at the time the annual continuing disclosure filings are required to be filed for outstanding Bonds. Such annual continuing disclosure filings are required to include updated financial information and operating data in the University Appendices (the "Annual Financial and Operating Report"), as and to the extent set forth in

the “Rule 15c2-12” continuing disclosure undertakings executed by the University at the time of issuance of certain outstanding issues of bonds. This update and filing of the Annual Financial and Operating Report are normally expected to coincide with the release of the AFR near the end of the calendar year.

In order to prepare the Annual Financial and Operating Report and/or the Management’s Discussion and Analysis to be included in the AFR, the procedures shall be as follows:

3.1 The VPAF or his/her designee will contact each Primary by email or other electronic means, to ask them to (i) review a draft of the Annual Financial and Operating Report and/or the Management’s Discussion and Analysis to be included in the AFR, (ii) raise potentially significant events of which they may have become aware since the last update of the University Appendices or Annual Financial and Operating Report and (iii) reply to the message, stating whether these procedures were followed by the Primary. Responses will be required and appropriate records of the responses will be maintained by the VPAF or his/her designee.

3.2 Each Primary identified in 2.1 shall consult with the appropriate members of his/her staff concerning pending or approved legislation, known and threatened litigation, and strategic and policy considerations. Any of such matters that the members of the particular office believes is significant should be reported to the VPAF and, as appropriate in the view of the VPAF, reviewed by the Disclosure Committee.

3.3 Each Primary identified in 2.1 shall document in writing via email or other electronic means, to the VPAF or his/her designee all information that the Primary provides for the Annual Financial and Operating Report or the Management’s Discussion and Analysis, as applicable.

3.4 The Disclosure Committee shall review drafts, as requested by the VPAF, and any “significant” items raised in connection with these procedures, and serve as the final level of review of the Annual Financial and Operating Report or the Management’s Discussion and Analysis, as applicable, before providing it to the President for his/her review.

3.5 Upon approval by the President, the Annual Financial and Operating Report or the Management’s Discussion and Analysis, as applicable, may be used.

3.6 Any of the actions to be taken pursuant to this Section 3.0 may be taken by a person authorized to serve as a designee of the responsible party.

#### 4.0 UPDATES OF UNIVERSITY APPENDICES FOR THE ISSUANCE OF BONDS

The information in the University Appendices will be updated, revised and reissued in connection with each issuance and sale of Bonds. In connection with each issuance and sale of Bonds there is expected to be prepared an Official Statement (including a preliminary official statement and a final

official statement, each of which is expected to include the University Appendices). In order to perform updates for an Official Statement, the procedures described in Section 3.0 above shall be as followed as if the preparation of the University Appendices attached to the Official Statement was an Annual Financial and Operating Report pursuant to 3.0.

In connection with the issuance and sale of Bonds, representations or certifications regarding the information in the University Appendices are made at the time of the pricing and sale of the Bonds and again upon the closing and delivery of the Bonds. The information in the University Appendices for these purposes is, in the usual course of a transaction, finalized at the time the preliminary official statement is printed and distributed to market participants. The printing of the preliminary official statement usually occurs one to two weeks prior to pricing and sale of the Bonds. The closing and delivery of the Bonds usually follows pricing and sale of the Bonds by another one to two weeks. While it is not anticipated that any changes will be required to be made to the University Appendices prepared at the time of printing the preliminary official statement pursuant to 4.1 below, because of the representations and certifications required at the time of pricing and sale and at the time of closing as described above, it is necessary to have a procedure in place to make sure that there have been no material changes in the financial condition and affairs of the University which would warrant a change to the University Appendices. In order to determine whether there are any material changes that may require an update to the University Appendices, the procedures below will be followed in connection with the following events: (i) printing of a preliminary official statement, (ii) signing of a purchase contract in a negotiated underwriting or taking of bids for a competitive sale and (iii) pre-closing.

4.1 No later than the morning of the expected occurrence of the above-mentioned events, the VPAF or his/her designee will contact the Primaries, or their designee, to ask if there are any significant or potentially material developments. Timely responses will be required and appropriate records of the responses will be maintained by the VPAF or his/her designee.

4.2 The General Counsel will conduct his/her internal review to determine if there are any material changes to the "Litigation" section contained in the Official Statement.

4.3 If necessary, material developments will be raised to the Disclosure Committee.

## 5.0 TRAINING

Annual training shall be conducted regarding disclosure obligations for each of the following or his/her designee: (i) President, (ii) VPAF, (iii) Controller (iv) Budget Director, (v) the General Counsel and (vi) each Primary. It is intended that this training shall assist these staff members in identifying significant items that may need to be included in the University Appendices.

## 6.0 GENERAL PRINCIPLES

6.1 Everyone involved in the disclosure process is responsible for raising

potential disclosure items (matters that might be of sufficient import to affect the information included in the University Appendices) at all times in the process.

6.2 Everyone involved in the disclosure process should err on the side of raising issues to the next level of the review chain.

6.3 All participants in the process should raise any issue with the Disclosure Committee at any time.

6.4 The disclosure procedures are a “work in progress” and recommendations for improvement shall be solicited and regularly considered.

6.5 The process of revising and updating the University Appendices should not be viewed as a mechanical insertion of more current numbers. While it is not anticipated that there will be major changes in the form and content of the University Appendices at the time of each update, everyone involved in the process should consider the need for revisions in the form and content of the sections for which they are responsible at the time of each update.

A copy of this Disclosure Policy shall be distributed annually to the Disclosure Committee and all Primaries and any updates to this Disclosure Policy shall be distributed to such group upon issuance.

The foregoing Disclosure Policy is hereby approved and adopted by and for Fort Hays State University, to be effective as of the date first above-written.

**EXCLUSIONS OR  
SPECIAL  
CIRCUMSTANCES:**

A complete list of exemptions can be found in K.S.A. 45-221

**RELATED  
DOCUMENTS:**

**Policies:**

**Forms:** Annual Financial Reports

**Other:**

**KEYWORDS:**

Annual Financial Report (AFR), Disclosure obligations under federal securities laws

**RESPONSIBLE  
OFFICE:**

Administration and Finance

**RESPONSIBLE  
UNIVERSITY  
OFFICIAL:**

VP for Administration and Finance

**ORIGINATION DATE:** 1/2016

**CHANGE HISTORY:** Adopted by ELT 1/29/2016

\*indicates a required field.

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