



10 Steps to COVID-Era Debt Disclosures

Most governments have experienced some level of disruption since the onset of the COVID-19 pandemic, including budgetary and operational difficulties. But because your debt management program and disclosure responsibility never pause, GFOA has resources to provide guidance and assistance.



For more information, associated GFOA best practices, and helpful links, go to gfoa.org/covid19-debt-disclosures.

1

Confirm that debt service payments are met. Governments that have changed their usual ways of operating because of the pandemic need to pay particular attention to making sure nothing is overlooked. Also, many governments have adopted laws and ordinances that delay deadlines and payments, but these don't apply to debt service payments.

2

Make sure disclosures related to the COVID-19 crisis stick to the facts. Put your government's challenges into context when choosing to disclose the problems the pandemic has caused. Also make sure your disclosures are strictly factual, not estimates or projections.

3

Communicate with outside professionals. Keep in contact with your bond counsel and other outside professionals.

4

Continue making interim/voluntary disclosures to keep investors apprised of the government's fiscal conditions. Make filings and/or post information on your investor relations webpage and consider making the filings available in the EMMA system.

5

Be careful about making selective disclosures. Material information should be available to everyone on an equal basis, so be careful about providing information that hasn't yet been disclosed on the government's website for investors or filed on EMMA.

6

Know that COVID-19-related disclosures may be needed in the government's primary offering documents for debt being issued. Supplemental disclosures may be requested to address any material changes between the date of the disclosure document and the closing date.

7

Know your annual disclosure filing dates. If a government isn't able to make a filing because of current circumstances (for example, if financial statements and/or audits not available), follow the requirements contained in your CDA, which may require a filing with EMMA with an explanation. If annual disclosure submissions weren't made as noted in your CDA, this information will need to be disclosed in future issuance documents.

8

Material event filings are required in the EMMA system within 10 days of a rating agency downgrade. Speak with your government's bond counsel first about the need to file and the information needed. *The SEC Rule 15c2-12 10-day reporting requirement for listed material events is NOT relaxed during this time.*

9

Make sure your EMMA filings—annual, contributing, or voluntary disclosures—are filed correctly. The MSRB makes resources available to help issuers with submitting disclosures.

10

Post issuance compliance for federal tax purposes/arbitrage. The IRS has NOT suspended governments' responsibilities for calculating federal arbitrage, yield restrictions, and adhering to private use regulations related to tax-exempt bond issuances.