

Bond Case Briefs

Municipal Finance Law Since 1971

GFOA Debt 101 Resource Center.

Governmental entities have been using debt for more than 200 years to fund public infrastructure such as government buildings, water distribution systems, schools, police stations, and many other projects that require significant capital investment. When a government issues debt, it receives an infusion of cash to build a project; in return, the government repays the bond purchasers over time, plus interest. The use of debt allows a government to complete a capital project with a repayment schedule that spreads the cost of that project over its useful life, and the bond purchaser receives a reasonably reliable source of investment income.

Before issuing debt, a government needs to consider many factors. Appropriate planning and understanding help provide the most favorable results to the issuer while avoiding unnecessary risks and negative consequences. Debt issuance requires working with a number of partners, each with a specific role. The debt issuance will result in a financing agreement that is legally binding, and it is critically important that government officials understand the basic terms of the agreement and what the agreement commits them to do.

To ensure that issuers have all the information they need, the GFOA's Committee on Governmental Debt Management has created two new resources. Debt 101, Volume 1, provides a high-level outline of the debt issuing process and important considerations, and is intended to be a resource for the first-time or infrequent bond issuer. Debt 101, Volume 2, discusses what needs to happen after the issuance is completed.

[Debt 101 \(Volume 1\) - Issuing a Bond](#)

[Debt 101 \(Volume 2\) - Responsibilities After Issue](#)

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com