



*UCONN 2000 FINANCING PROGRAM AND
BOND ISSUANCE PROCESS BULLET POINTS
for the
UNIVERSITY BUSINESS SERVICES
ANNUAL COMPLIANCE TRAINING*

Office of Treasury Services

May 15, 2019, 9:15 am
400 Farmington Ave.
Cell and Genome Sciences

UCONN

I. UCONN 2000 FINANCING PROGRAM – Authority

The UCONN 2000 financing program is a resounding success !

- UCONN bonds are well received in the capital markets
 - Bonds are rated in “A” range as high quality and very low credit risk
 - The State is rightly proud of the UCONN 2000 bond program
 - UConn Bonds often trade better than the State’s General Obligation Bonds providing an efficient cost of capital for infrastructure improvements at the State’s flagship University.
 - Funds provide better educational opportunities for Connecticut’s citizens, and contributes to the State’s current and future economic growth.
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- **BOT has authority to issue UCONN 2000 debt pursuant to Connecticut General Statutes Sections 10a-109a to 10a-109y (the “UCONN 2000 Act”) .**
 - **The University issues debt in conjunction with the Office of the State Treasurer for the UCONN 2000 Projects listed in the Act.**

I. UCONN 2000 FINANCING PROGRAM – Authority continued

FOUR UCONN 2000 TAX-EXEMPT DEBT FINANCING VEHICLES:

1.) UCONN 2000 General Obligation Debt Service Commitment Bonds (“GO-DSC”) are authorized, issued and secured under the provisions of the General Obligation Master Indenture of Trust, dated as of November 1, 1995, as amended by certain supplemental indentures. These bonds are general obligations of the University and also carry the State’s Debt Service Commitment (“DSC”) and the debt service is paid for by the State.

2.) UCONN 2000 Special Obligation Student Fee Revenue Bonds (“SO-SFR”) are issued pursuant to the Special Obligation Master Indenture of Trust, dated as of January 1, 1997, as amended by certain supplemental indentures. Debt service is paid by UConn pledged revenues.

3.) UCONN 2000 Governmental Lease Purchase Agreement (“GLPA”) financed part of the Heating Plant Upgrade (a UCONN 2000 listed project) associated with a cogeneration project and was entered into under certain separately negotiated financing documents and agreements. Debt Service is paid by UConn.

4.) Nathan Hale Inn

I. UCONN 2000 FINANCING PROGRAM – Authority continued

- All UCONN 2000 debt issues start with the majority approval and authorization by the Board of Trustees of a resolution and a Supplemental Indenture or other Financing Documents.
- The Governor has 30 days to sign or reject the supplemental indentures/financing documents or it is deemed approved.
- The Board also delegates “An Authorized Officer for Sale Purposes” who represents the Board during the bond issuance process.
- Once approved by the BOT UConn’s EVPA/CFO is responsible for the UConn part of the bond issuance. On a day to day basis the University’s Office of Treasury Services and the Office of the State Treasurer, working in conjunction, manage the UCONN 2000 Bond sale and issuance process working with State assigned Bond Counsel, Financial Advisors, Escrow Verification Agents, Underwriters, and others
- The workhorse of the UCONN 2000 program is the General Obligation Debt Service Commitment program (which the state pays debt service on).
- The Board may also reallocate bond funds between projects by amending indentures
- The EVPA/CFO has limited authority to reallocate 5% and report back to the BOT

II. UCONN 2000 GO-DSC FINANCING PROGRAM

UCONN 2000 General Obligation Debt Service Commitment Act Authorized Limits (includes Next Generation)

<u>Phase</u>	<u>DSC Limit</u>	<u>Date DSC Limit Reached</u>	
Phase I	\$382,000,000	April 8, 1999	(Actual)
Phase II	\$580,000,000	Spring 2005	(Actual)
Phase III	\$3,320,900,000	Spring 2027	(Projected)
Subtotal	\$4,282,900,000	Spring 2027	

The balance of the estimated cost of UCONN 2000 projects which is not to be financed by the University's Bonds secured by the State Debt Service Commitment or the State's bonds may be met by the issuance of special obligation bonds ("Special Obligation Bonds") of the University, or from gifts or other revenue or borrowing resources of the University, or through the deferring of projects or achieved savings.

III. UCONN 2000 DEBT FUNDING OVERVIEW

UCONN 2000 GO-DSC BONDS

- Phase I & II & III GO-DSC Funding – \$4,282.9 billion, 32 year program (FY96 to FY27).
- As of May 2019 \$3,346,400,000 of Phase I, II & III projects have been authorized by the Board of Trustees and the Governor for funding with GO-DSC bond proceeds, including \$2.4 million authorized and unissued.
- More than half way through UCONN 2000 GO-DSC \$4,282.9 billion project funding listed in Act: with \$3,344.0 billion issued as of May 8, 2019.
 - \$3,344.0 billion of Phase I, II & III GO-DSC issued to date: \$1,556.8 billion for Storrs & Regionals and \$825.2 million for UConn Health.
 - \$962 million of which Phase I & II GO-DSC issued for Storrs & Regionals.
- \$2.4 million of GO-DSC projects authorized and unissued.
- \$936.5 million of future GO-DSC fiscal year 2020 to 2027 authorizations remaining in Act.

OTHER UCONN2000 DEBT (NON GO-DSC)

- \$374.2 million in Special Obligation bonds authorized for project funding of which \$341.1 million issued to date to be repaid by the University from certain pledged revenues (i.e. room/board and other fee proceeds). A remaining authorization of \$33 million has not been issued.
- UCONN 2000 Heating Plant Upgrade (Co-Gen) was financed by \$81.9 million non-publicly issued debt.
- UCONN 2000 Residential Life Facilities \$5.4 million note assumption (7-2015) non-publicly issued debt (paid off 12/1/2016).

IV. Series A –Security and Expected

Bondholder Security & Ratings

- Pledge of and lien upon the State Debt Service Commitment
 - Debt Service Commitment by the State to punctually pay Special Debt Service Requirements out of the resources of the State's General Fund
 - Debt Service paid by the State on behalf of UConn directly to Trustee Bank
- Pledge of full faith and credit of the University

Current Ratings for UConn General Obligation Debt Service Commitment Bonds 2019 Series A

As of April 9, 2019

- Standard & Poor's "A+" stable
- Moody's "A1" stable
- Fitch "A" stable

V. UCONN 2000 ACT AMENDMENT BRIEF SUMMARY

- The UCONN 2000 Act was originally enacted in 1995 as a ten year program with an estimated cost of \$1,250 million, and was amended in 2002, 2007, 2010, 2011, 2013, 2014, 2016 2017 and 2018 and the program authorizations currently end in FY2027.
- The Act amendments included adding Phase III (21st Century UConn), extending the DSC funding another 10 years); made certain fiscal year reallocations; and authorized additional projects including Health Center Projects.
- In 2011, the General Assembly enacted and the Governor signed PA 11-75 An Act Concerning the University of Connecticut Health Center which provided more funds for the Health Center, including John Dempsey Hospital, and extended the Act to 2018 and also PA 11-57 for creation of world-class Technology Park on the Storrs Campus to serve as a cornerstone for a new Connecticut research triangle.
- During the January 2014 Legislative Session the Act was amended by Next Generation Connecticut which increased DSC funding, added to the project list, and extended the Act to 2024.
- As Amended to date, the UCONN 2000 program including Phases I, II and III currently is estimated to cost \$4,619.3 million (of which \$3,833 billion is for Storrs and Regional Campuses and \$786.3 million is for UConn Health Projects), of which \$4,282.9 billion may be financed with State Debt Service Commitment bonds.
- An Act Concerning Next Generation Connecticut (“Next Generation Connecticut”) was adopted by the January session of the 2014 Connecticut General Assembly. It (1) authorizes \$1,551 million in new bonds, secured by the State’s Debt Service Commitment, under UConn 2000.
- In 2017 PA 17-2 amended the Act by moving some of the authorized DSC bond funding from fiscal years 2018 through 2023 and added it to 2024, and the newly added fiscal years 2025, 2026 and 2027 (without changing total DSC funding) and added/renamed projects.
- Possible Public Private Partnership for UCONN 2000 project Ice Rink Enclosure on the Storrs campus.

VI. General Obligation DSC Bond Allocations

UCONN 2000 Act – Fiscal Year Allocations (reflects Next Generation) - Generally expect to Issue a GO-DSC New Money Bond every fiscal year

<u>FY</u>	<u>DSC Amount</u>		<u>FY</u>	<u>DSC Amount</u>	
1996	\$ 112,542,000.00	Issued	2012	\$ 157,200,000.00	Issued
1997	\$ 112,001,000.00	Issued	2013	\$ 143,000,000.00	Issued
1998	\$ 93,146,000.00	Issued	2014	\$ 204,400,000.00	Issued
1999	\$ 64,311,000.00	Issued	2015	\$ 315,500,000.00	Issued
2000	\$ 130,000,000.00	Issued	2016	\$ 312,100,000.00	Partially Issued
2001	\$ 100,000,000.00	Issued	2017	\$ 240,400,000.00	Partially Issued
2002	\$ 100,000,000.00	Issued	2018	\$ 200,000,000.00	To be issued in DSC 2019
2003	\$ 100,000,000.00	Issued	2019	\$ 200,000,000.00	To be issued in DSC 2019
2004	\$ 100,000,000.00	Issued	2020	\$ 291,600,000.00	Future
2005	\$ 100,000,000.00	Issued	2021	\$ 186,200,000.00	Future
2006	\$ 79,000,000.00	Issued	2022	\$ 101,400,000.00	Future
2007	\$ 89,000,000.00	Issued	2023	\$ 98,000,000.00	Future
2008	\$ 115,000,000.00	Issued	2024	\$ 85,000,000.00	Future
2009	\$ 140,000,000.00	Issued	2025	\$ 70,100,000.00	Future
2010	\$ -		2026	\$ 63,600,000.00	Future
2011	\$ 138,800,000.00	Issued	2027	\$ 40,600,000.00	Future
				<u>\$ 4,282,900,000.00</u>	

VII. UCONN 2000 GO DSC Authorized Projects Phase I & II

<u>UConn 2000 Project</u>	<u>Phase I & II Authorized And Issued Amounts</u>
Agricultural Biotechnology Facility Completion	3,000,000.00
Agricultural Biotechnology Facility	9,400,000.00
Alumni Quadrant Renovations	11,183,623.91
Avery Point Marine Science Research Center-Phase I	30,000,000.00
Avery Point Marine Science Research Center-Phase II	7,254,246.03
Avery Point Renovation	4,875,717.46
Benton State Art Museum Addition	700,000.00
Business School Renovation	7,958,470.42
Central Warehouse New*	6,933,751.77
Chemistry Building	53,062,000.00
Deferred Maintenance & Renovation Lump Sum	40,798,259.65
Deferred Maintenance & Renovation Lump Sum Balance	117,386,096.72
East Campus North Renovations	7,382,604.53
Equipment, Library Collections & Telecommunications	60,500,000.00
Equipment, Library Collections & Telecommunications Completion	105,812,000.00
Gant Plaza Deck	7,287,174.10
Gentry Renovation	9,664,596.69
Grad Dorm Renovations	2,928,227.59
Heating Plant Upgrade	9,969,000.00
Hilltop Dormitory Renovations	8,176,528.89
Ice Rink Enclosure	3,280,000.00
International House Conversion (a.k.a. Museum of Natural History)	886,134.00
Litchfield Agricultural Center-Phase I	1,000,000.00
Mansfield Apartments Renovation	2,071,000.00
Mansfield Training School Improvements	3,500,000.00
Monteith Renovation	444,348.00
Music Drama Addition	7,400,000.00
North Campus Renovation	10,996,050.15
Continued on next page	

VII. UCONN 2000 GO DSC Authorized Projects Phase I & II

<u>UConn 2000 Project</u>	<u>Phase I & II Authorized And Issued Amounts</u>
North Superblock Site & Utilities	7,668,000.00
Northwest Quadrant Renovation-Phase I	2,001,000.00
Northwest Quadrant Renovation-Phase II	30,000,000.00
Parking Garage-North	9,658,000.00
Pedestrian Walkways (a.k.a. Fairfield Road Pedestrian Mall)	6,074,000.00
School of Business	25,652,366.00
School of Pharmacy	88,609,000.00
Shippee/Buckley Renovations	6,920,000.00
South Campus Complex	12,251,000.00
Stamford Downtown Relocation-Phase I	55,781,471.55
Student Union Addition	44,622,633.00
Technology Quadrant-Phase IA	39,993,000.00
Technology Quadrant-Phase II	34,120,000.00
Torrey Life Science Renovation	251,109.43
Towers Renovation	17,950,243.11
Underground Steam & Water Upgrade	6,000,000.00
Underground Steam & Water Upgrade Completion	6,000,000.00
Waring Building Conversion	11,452,000.00
Waterbury Property Purchase	200,000.00
West Campus Renovations	519,507.20
White Building Renovation	2,427,268.80
<u>Wilbur Cross Building Renovation</u>	<u>19,999,571.00</u>
Totals Phase I & II	<u>\$962,000,000.00</u>

VII. UCONN 2000 GO DSC Authorized Projects Phase III

UCONN 2000 NAME PROJECT (Includes Next Generation)

Phase III Authorized

Academic and Research Facilities	122,407,429.00
Arjona and Monteith (new classroom buildings)	128,518,947.28
Avery Point Campus Undergraduate and Library Building	10,461,245.77
Avery Point Renovation	8,429,576.54
Beach Hall Renovations	5,150,972.33
Benton State Art Museum Addition	2,903,508.88
Biobehavioral Complex Replacement	3,589,141.00
Bishop Renovation	2,480,140.83
Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure Improvements & Renovation	
Lump Sum and Utility, Administrative and Support Facilities ¹	503,438,491.34
Engineering Building (with Environmental Research Institute)	93,412,822.00
Equipment, Library Collections & Telecommunications	147,591,656.00
Family Studies (DRM) Renovation	2,868,306.20
Farm Buildings Repairs/Replacement	6,408,304.09
Fine Arts Phase II	34,778,424.00
Floriculture Greenhouse	6,691,798.67
Gant Building Renovations	12,455,770.32
Gentry Completion	9,628,208.95
Hartford Relocation Acquisition/Renovation	140,000,000.14
Heating Plant Upgrade	16,283,897.00
Intramural, Recreational and Intercollegiate Facilities	31,009,920.63
Jorgensen Renovation	3,934,474.58
Koons Hall Renovation/Addition	1,530,057.00
Lakeside Renovation	3,800,000.00
Law School Renovations/Improvements	16,691,342.94
Manchester Hall Renovation	772,577.13
Mansfield Training School Improvements	3,014,780.00
Natural History Museum Completion	500,000.00
North Hillside Road Completion	8,200,000.00
Old Central Warehouse	126,000.00
Parking Garage #3	75,214.27
Psychology Building Renovation/Addition	24,337,399.00

VII. UCONN 2000 GO DSC Authorized Projects

Phase III

<u>UCONN 2000 NAME PROJECT (Includes Next Generation)</u>	<u>Phase III Authorized</u>
Residential Life Facilities	137,472,476.01
School of Pharmacy/Biology Completion	6,000,000.00
Stamford Campus Improvements/Housing	1,533,703.00
Storrs Hall Addition	14,664,091.44
Student Union Addition	13,000,000.00
Support Facility (Architectural and Engineering Services)	16,583.05
Torrey Renovation Completion and Biology Expansion	1,530,373.00
Torrington Campus Improvements	369,156.42
Waterbury Downtown Campus	1,858,022.00
West Hartford Campus Renovations/Improvements	6,774,305.19
<u>Young Building Renovation/Addition</u>	<u>23,790,884.00</u>
Storrs & Regionals Subtotal	<u>1,558,500,000.00</u>
<u>UConn Health</u>	
CLAC Renovation Biosafety Level 3 Lab	15,901,465.91
Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure & Improvements	
Renovation Lump Sum and Utility, Administrative and Support Facilities – Health Center ¹	50,951,263.91
Dental School Renovation	3,525,000.00
Equipment, Library Collections and Telecommunications - Health Center	116,429,390.00
Library/Student Computer Center Renovation	1,266,459.97
Main Building Renovation	117,534,702.00
Medical School Academic Building Renovation	39,792,488.00
Planning and Design Costs	25,000,000.00
Research Tower	67,992,229.21
Support Building Addition/Renovation	100,000.00
<u>The University of Connecticut Health Center New Construction and Renovation</u>	<u>387,407,001.00</u>
Total — UConn Health Project List	<u>825,900,000.00</u>
TOTAL PHASE III PROJECTS	<u>2,384,400,000.00</u>
TOTAL GO-DSC BONDS: PHASE I, II AND III PROJECTS	<u>3,346,400,000.00</u>

IX. UCONN 2000 BOND ISSUANCE PROCESS

Office of Treasury Services - Bond Issuance Procedures (Flowchart at end)

- The power to issue tax-exempt is both a powerful privilege and a weighty responsibility. The Bond issuance process is long and arduous with many required steps. The Board of Trustees is empowered to issue securities in conjunction with the Office of the State Treasurer. The cooperation of several State officials and agencies are required. There is a designed bureaucracy inherent in the processing of the essential state power to enter into debt on behalf of the people of the State and that is too large extent unavoidable. One of the State of Connecticut's largest UCONN 2000 concerns about the University is it does nothing to jeopardize the tax-exempt status of its bonds, and by extension, the reputation of the State of Connecticut with the security markets, bondholders, and regulatory entities.

Bond Proceed Needs & Authorization

- The issuance process begins with the determination of what projects will be financed with the next fiscal year's allotment of bond authorizations. There is an annual ceiling for each fiscal year in the legislation. Then a Supplemental Indenture is drafted. Once approved by the Board of Trustees and the Office of the Governor (or deemed approved if 30 days elapse), the Supplemental Indenture becomes the "Authorization" for issuing bonds. The Supplemental Indenture basically sets broad guidelines for the types of bonds to be issued, defines certain terms, delegates certain responsibilities, and establishes the total amount of dollars to be bonded by Project.

Schedule and Working Group

- The next step is to develop a draft issuance schedule for when the money is required and the steps in the issuance process in between, and to schedule a window for the issue with the State Treasurer.
- A working group is then assigned. For a negotiated bond issue (such as UConn has been), this usually comprises: UCONN's EVPA/CFO and Treasury Services; usually one or more representatives of the State Treasurer's Office including the Debt Management Department; UConn's bond counsel; the State's Bond Counsel; UConn's financial advisors; the senior Underwriters (this changes by issue) and their counsel; the Trustee Bank and their counsel, and often times others. Sometimes a negotiated bond issue is well underway before the underwriters are involved. Other involved entities are the rating agencies, the bond insurers, the printers, and others.

IX. UCONN 2000 BOND ISSUANCE PROCESS

- The working group moves step by step together through the issuance schedule. While there are one or two face to face meetings, besides investor presentations, much of the work is done by phone, fax, and conference calls. The issuer is responsible and always has a role. The other working group members' contributions wax and wane along with their respective responsibilities. All members have a role and can influence the final product of the working group, whether attending the due diligence meetings, the investor meetings, working on obtaining the ratings for the bonds, producing the Preliminary Official Statement, or the sale of the bonds, or producing the Bond Purchase Agreement, or the Official Statement, or the Tax Regulatory Certificate or other closing documents.
- The actual amounts bonded for will vary up to the time of issuance and then must be sized for a twelve month period of expected spending on each authorized project, plus 20% if required up to the maximum authorization, plus cost of issuance.
- Working with others, Treasury Services prepares many of the technical closing documents and records.

Bond Issuance Schedule Operational Example

A typical UCONN negotiated bond Issue would have the following abbreviated steps:

- (a) BOT approves Supplemental Indenture and any reallocations. Bonds sized for construction fund 12 month spending needs
- (b) Kick Off Meeting – Members introduced and begin preliminary discussion of bond issue including comments to draft schedule
- (c) Fax and calls to update Preliminary Official Statement pages.
- (d) BOT approval of Reallocations to Supplemental Indentures (to reflect budgets shifting bond proceeds between projects)
- (e) Rating Agencies contacted
- (f) UConn and State budget and other information updated and UConn & State discloses respective possible impacts to other parties pursuant to SEC and other regulations

IX. UCONN 2000 BOND ISSUANCE PROCESS

- (g) Tax Exempt information requested by Bond Counsel including project questionnaires, accounting spending and sponsored program services information.
- (h) Preliminary Official Statement almost finished
- (i) Due Diligence Meeting – President and Senior UConn and UC Health Officials, State Treasurer’s representatives,
- (j) Marketing - UConn & State Treasurer Public Relations review materials
- (k) Bonds receive ratings
- (l) Preliminary Official Statement goes to Printer
- (m) Marketing program begins – radio, newsprint, TV, mailings, possible Internet site, etc.
- (n) Possible Investor Presentations to Investors
- (o) Tax-Exempt Questionnaires signed
- (p) Financial Advisors input
- (q) Bond structure, terms, and prices negotiated
- (r) Bonds Sold to Retail Customers (may be day or more)
- (s) Bonds sold to Institutional Customers (may be day or more)
- (t) Bonds Priced & Bond Purchase Agreement signed
- (u) Closing documents drawn up

IX. UCONN 2000 BOND ISSUANCE PROCESS

- (v) Closing Instructions Distributed
- (w) Closing Documents signed by President and Senior UCONN staff and Board of Trustees representative, as well as State Treasurer, etc.
- (x) Pre-Closing of Bonds
- (y) Closing – Bond Funds deposited to Trustee Bank
- (z) Cost of Issuance reviewed and paid for. Ongoing bond proceeds disbursements filings pursuant to Indenture. Ongoing Compliance and Record Keeping 23 to 33 years

Regulatory Oversight and Requirements

- Tax-exempt debt is heavily regulated. As a large issuer of tax-exempt bonds the University falls under the regulations and reporting requirements of the Federal Government, the Securities Industry, and the State.
- State Reporting Requirements
- State Bond Commission.
- The University is subject to the General Assembly may choose to make, and is required to make a report semi-annually.
- The University is subject to having each of its Supplemental Indentures approved by the Office of the Governor.
- The University is subject to the requirement of having each of its Supplemental Indentures and any Reallocation of Bond Proceeds among Projects approved by the UCONN's Board of Trustees and bond counsel.
- University is subject to the Indenture requirements (e.g. Any DSC Bond Proceed Disbursement Filings must be made through an Authorized Officer Certificate files with the Trustee Bank & State Treasurer).

IX. UCONN 2000 BOND ISSUANCE PROCESS

- The University is required to make an annual tax-exempt filing with the Treasurer's Office concerning the bonds.

Federal Requirements – IRS and SEC

U.S. Securities and Exchange Commission (“SEC”)

- Indirectly the SEC requires timely EMMA (“Electronic Municipal Market Access”) ongoing disclosure filings for the public markets—UCONN is required to make certain ongoing filings with EMMA including official statements, coverage ratios, annual financial reports, credit rating changes, other MSRB requirements, etc.
- The Securities and Exchange Commission is an agency of the United States created from the Securities Acts of 1933 and 1934. The SEC regulates the securities markets so that potential investors receive the benefits of a fair and level playing field. The SEC is concerned with the adequacy of initial and ongoing disclosure, or the lack thereof, provided by issuers and others. For many years, the SEC did not directly regulate the municipal market. In 1975, the Securities Acts Amendments provided for an expanded definition of the term “person” to include issuers of municipal securities. This change clarified that all municipal participants, including issuers, fall under the anti-fraud provisions of Section 10(b) of the 1934 Act.
- Whether directly or indirectly, other SEC requirements do apply to the University. For example, the SEC was instrumental in creating, the Government Accounting Standards Board which in turn create the standards which the State and University must meet in their financial reports. Additionally, the University must make periodic informational filings with a Nationally Recognized Municipal Securities Information Repository (NRMSIR). The NRMSIR program was established under Rule 15c2-12 of the SEC secondary market disclosure rules and initiated July 1, 1995. In General, Rule 15c2-12 requires dealers, before underwriting municipal securities, to have a reasonable basis for believing in the accuracy of the information in the offering document. In addition, long standing antifraud provisions, including 10b-5, of the securities laws prohibit issuers, underwriters and other municipal market participants from making false or misleading material statements. SEC officials have warned that anyone who helped prepare an official statement has a responsibility to investigate when “red flags” are raised suggesting that certain key information may be false or misleading.

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U.S. Internal Revenue Service (“IRS”)

- The University falls under the scope of the Internal Revenue Service regulations and requirements for tax-exempt issuers. Treasury Services has successfully dealt with IRS audits of the UCONN 2000 bond. The University must make certain filings including the 8038-G form; filings that may be applicable to the arbitrage rebate requirements for Special Obligation bonds; and the detailed Tax Regulatory Certificate for each bond issue. Additionally, the University is required to keep certain records and perform certain computations regarding bond proceeds.
- The University Office of Treasury Services established processes to meet all of the above restrictions and requirements. The issuance of tax-exempt bonds and the treatment of bond proceeds is a highly regulated, complex task that has considerable downside risk if not properly addressed. It is important to note that balancing all of the requirements of the debt management and cash management functions with the State and Federal and other regulations and requirements is a difficult process. It is often the case that one particular area cannot be optimized without falling out of compliance entirely in another. The State and Federal governments view the use of tax-exempt proceeds as a privilege. For example, the IRS has recently stated that it will audit some college student housing 501(c)(3) tax-exempt bond issues to see if they are actually a taxable use of proceeds. For non-sophisticated entities sometimes the only simple solution is not to use tax-exempt proceeds.

UCONN2000 Bond

Allocations / Authorizations Process

General Obligation Debt Service Commitment and
Special Obligation Student Fee Revenue Bonds

