

- A. **SO-SFR REFUNDING 2012A COI STEPS: Special Obligation Refunding 2012-A Bonds Costs of Issuance Procedure Authorizations** The payments for costs of issuance, such as bond counsel, for the SO-SFR Refunding 2012-A bonds is a little different than for past newly issued SO-SFR Bond issues because the Trustee Bank will make payments to the payees directly, rather than UConn issuing checks/wires/ACH (as there is no dedicated SO-SFR Checking account at this time) and encompass the following steps:
- (1) Treasury Services reviews the bill for reasonableness. This may include comparison with a contract (or in the case of the rating agencies, etc. the charge sheet, etc.) for reasonableness of the costs initiated by the University. Certain costs might not have been initiated by or for the University, as for example the State Treasurer's Office might have incurred costs by direct contact with the companies which UConn is expected to pay. The University will usually ask those agencies about the reasonableness of those sections of the bill, and/or clarify them with the company submitting the invoice.
 - (2) Treasury Services prepares an analysis of the bill. This might allow or disallow charges in the invoice.
 - (3) For large dollar amount and varying invoices such as bond counsel, Treasury Services forwards the invoice with the analysis to the EVPA/CFO – Storrs and Regionals. Usually OTS and the EVPA/CFO will discuss the invoice. Other invoices including fixed or customary type expenses such as the Credit Rating Agencies fees, printers, etc. usually do not involve the EVPA/CFO.
 - (4) Once an invoice is approved OTS prepares the "Authorized Officer's Certificate" as required by the Special Obligation Indenture Section 603 and 604 and attaches the approved invoice (which serves as the schedule A for in this instance). The Authorized Officer's Certificate is signed by the Manager of Treasury Services. OTS also prepares a cover letter instructing the Trustee Bank to make such disbursements from the Bond Proceeds Fund Cost of Issuance account, to sell the appropriate Investment Obligation, and to disburse a check or wire the funds in the appropriate payee as per the invoice within a certain time frame. This is filed with the Trustee Bank. If the Trustee bond proceeds funded COI account is exhausted, Treasury Services may direct Accounts Payable to pay costs of issuance directly from the University's Operating Funds.
 - (5) Treasury Services forwards a copy of the Authorized Officer Disbursement Request certification to Accounting and Accounts Payable and various others.
 - (6) Treasury Services enters the invoice into the Kualu Accounting System. Kualu puts it on John Sullivan's action list in Kualu to approve for payment to the firm from a dedicated UConn KFS account. That account is funded by pledged revenues or other resources of the University. NOTE THIS DOES NOT GENERATE a CHECK/ACH/WIRE, etc.as the Trustee Bank is making payment to payee. (Prior

to Kuali the FRS – Financial Records System Treasury Services would stamp the invoice with a “Direct Payment” stamp and forward them to Accounts Payable for payment to the firm from a dedicated UConn FRS account. University Accounts Payable and/or Accounting would enter the disbursement and related information into the accounting system for the proper bond issues costs of issuance account.)

- (7) The Trustee Bank pays the invoice by check/Wires/ACH/ etc.
- (8) The Trustee Bank keeps records of the Trustee Accounts.
- (9) Treasury Services keeps records of the COI disbursements/drawdowns for IRS, bond documentation and other required and regulatory purposes.
- (10) The Controller’s Office/Accounting is responsible for the Accounting of such disbursements.