

Policy for any financing Tax-Exempt Lease or other Tax-Exempt Debt **CT Gen. Stat. 3-20(d)**

Tax-Exempt Lease Financings Pursuant To C.G.S. 3-20d

CAVEAT: There are many State and Federal requirements for the issuance of tax-exempt obligations, some of which are introduced over time. These Procedures are not meant to be an exhaustive set of what needs to be done.

Basic State Overview: A financing such as a lease or Master Lease is considered a tax exempt financing document pursuant to C.G.S. 3-20d which states in part that prior to any state employee, agency, Board, etc. incurring any such obligation the Treasurer has to approve the documents and a certificate from the Treasurer to the effect that the documents required to be filed with and approved by the Treasurer have been so filed and approved.

PROCEDURE STEPS:

MASTER LEASE AGREEMENTS (SIZE USUALLY REQUIRES BOT APPROVAL)

1. Purchasing works with the General Counsel, Attorney General, and the Office of Treasury Services and others during the process of drafting the Master Lease Agreement. Treasury Services works with bond counsel in reviewing the leases (and for large Master Leases often to some degree interface with the State Treasurer's Office).
2. Often the prior version of the Master Lease Agreement is used as a template, as it has been vetted previously, but is changed to reflect the new terms, vendor, etc.
3. Usually before the final form version of the Master Lease is agreed to by the vendor and purchasing this is reached several reiterations may take place between Purchasing, General Counsel, Attorney General, Office of Treasury Services, Bond Counsel and others.
4. The final form the final form version of the Master Lease is agreed to by the vendor and Purchasing.
5. The Attorney General reviews the final form Master Lease Agreement.
6. Bond Counsel reviews the final form Master Lease Agreement for their signed off.
7. Treasury Services works with Purchasing (UC Health and UConn) and others to fill out the attached required Office of the State Treasurer questionnaire.
8. Bond Counsel reviews the Master Lease for their final approval, and then it goes to UC Health's Board of Directors agenda for approval, and subsequently to UConn's Board of Trustees for their approval.
9. Following all those approvals Treasury Services submits the final form financing documents (but preferably unexecuted, as such execution has no standing for tax-exempt obligations before obtaining the Treasurer's Certificate) along with the other required materials (including the "OFFICE OF THE TREASURER, STATE OF CONNECTICUT, CONN. GEN. STATUTE 3-20d TAX-EXEMPT OBLIGATION TREASURER'S CERTIFICATE APPLICATION FORM).

10. Only after we receive the State Treasurer's Certificate can we enter into a Tax-Exempt obligation (in this case the Master Lease).

11. Once the Master Lease is approved and it receives the Treasurer's certificate it may be executed.

INDIVIDUAL BORROWINGS UNDER MASTER LEASE AGREEMENTS

For each individual lease issue pursuant to a Master Lease - Upon entering into a lease the 8038-G and required information is submitted on a timely basis to Treasury Services (please see attached steps) who makes the OTT Filings . (UC Health has a different tax-id to file under and may make their own filings but keeps Treasury Services informed).

Individual lease not under Master Lease Agreement (Size is USUALLY smaller and might not REQUIRE BOT APPROVAL)

Leases and other required information (see for example amortizations schedules; draft 8038G's, etc.) (Please see attached OTT memo and questionnaire) should be forwarded to Treasury Services.

Treasury Services works with Purchasing (UC Health and UConn) and others to fill out the attached required OTT questionnaire.

The Attorney General reviews such leases for their department and for their sign off.

Treasury Services works with bond counsel and for often usually to some degree with the State Treasurer's Office prior to filing with OTT.

Once the Treasurer's Office issues a Certificate the lease can be entered into.

Upon entering into a lease the 8038-G and required information is submitted on a timely basis to Treasury Services (please see attached steps) who makes the IRS filings. (UC Health has a different tax-id to file under and may make their own filings but keeps Treasury Services informed).

Bond Counsel reviews the final form Master Lease Agreement for their signed off.