

**OFFICE OF TREASURY SERVICES PROCEDURES**  
**FOR STATE TREASURER APPROVAL OF CONN. GEN. STAT. SEC. 4b-38(g)**  
**AND**  
**USES OF UCONN 2000 TAX EXEMPT DEBT FUNDED ASSETS BY NON-UCONN**  
**ENTITIES, INCLUDING NON-PROFITS AND U.S. GOVERNMENT**  
**Revised for 6-28-2012 BOT TIP DELEGATION**

**PURPOSE:** These procedures are to assist with the federal tax-exempt compliance for UCONN 2000 funded assets, and also are used for State Treasurer's Office private use compliance with Section 4b-38(g) of the General Statutes of Connecticut including State bond funded assets.

There are many State and Federal requirements on the use of assets financed with tax-exempt obligations. These Procedures relate to such use such as a private entity utilizing such assets, such as a research company or food vendor leasing space in a UCONN 2000 funded building.

**OVERVIEW CONN GEN STAT 4b-38(g):** The State Treasurer approves UConn/UConn Health private uses of UCONN 2000 Tax Exempt Debt Funded Assets Agreements in the form of leases, management contracts, purchasing agreements etc. pursuant to Section 4b-38(g) of the General Statutes of Connecticut. Section 4b-38(g) provides that the board of trustees of a constituent unit of the state system of higher education may lease land or buildings provided the Treasurer has determined that such action will not affect the status of any tax exempt obligations issued or to be issued by the State of Connecticut. (See also Attorney General Opinion 10-23-2013)

**UCONN 2000 CONSIDERATIONS:** In addition to UConn Board of Trustee and other approvals as may be the case, UCONN 2000 tax-exempt debt financed assets have limitations on their use by the Internal Revenue Service rules and regulations (such as Private Activity/Payments/Use, etc.), and by other debt financing documents, such as indentures, as well as Connecticut State Statutes, as well as University Policies. Additionally the State has requirements for approval of private use agreements including the Office of the Attorney General and Office of the State Treasurer.

**PROCEDURE STEPS FOR UConn and UConn Health:**

1. Originating entity at UConn/UConn Health determines it wishes to have private entity (including U.S. Government) utilize an asset (e.g. lease space in a building).
2. Originating entity (UConn/UConn Health) requests permission from Board of Trustees and in case of UConn Health Board of Directors to enter into private use agreements unless otherwise delegated. FOR TIP LEASES: On 6/28/2012 the BOT delegated to President Herbst the authority to approve lease agreements between the University as landlord and tenant companies entered into pursuant to the provided such lease agreements meet the criteria specified in the Resolution.
3. Originating entity at UConn contacts General Counsel, and at UConn Health contacts UConn Health's AVP of Procurement and Contracts. They work respectively with the originating entity in reviewing unexecuted private use agreement and gathering information.
4. General Counsel obtains asset funding (where UCONN 2000 or State Bonds used or will be used) and other information (square feet of building, etc., revenue and expense analysis, etc.) from UConn Controllers or other departments as necessary; UConn Health's Procurement and Contracts is responsible for the same from UConn Health Controllers or other departments as necessary.

5. For UConn's General Counsel or UConn Health's Procurement and Contracts sends the required documents and information to Treasury Services including:
  - a. The unexecuted private use agreement in the form of a lease, management contract, purchasing agreement etc.,
  - b. The "Project Tax Information Compliance Questionnaire for UConn 2000 Projects Finances with Tax-Exempt Debt".
  - c. From the UConn or UConn Health Controller's Office –
    - i. A description of the asset to be utilized (building description and number, location, square footage, etc.).
    - ii. The entire funding information for the asset (including UCONN 2000 bond funding; State debt funding; operation funds; private donations; state or federal grants; etc.).
    - iii. A revenue and expense analysis calculation (sometimes referred to as profitability);
    - iv. Other information.
  - d. Other information, as supplied/requested, (diagrams, etc.).
6. OTS reviews the analyses the information so provided and if UCONN 2000 tax-exempt debt funded assets are involved provides a letter that: (1) such assets use is accommodated within the UConn2000 tax-exempt compliance program; (2) is not accommodated; or (3) that UCONN 2000 tax-exempt debt does not appear to be used. (If assets funded with State bonds this should be disclosed and also checked on General Counsel's or UConn Health's Procurement and Contracts cover sheet to the UConn/UConn Health Attorney General).
7. General Counsel or UConn Health's Procurement and Contracts compiles the "University of Connecticut General Counsel and Property Risk Management" "Required State Documentation - Must Be Attached To All Private Uses of UCONN 2000 Tax Exempt Debt Funded Assets Agreements in the form of leases, management contracts, purchasing agreements etc." checklist (Noting the use of UCONN 2000 and/or State Tax-Exempt Debt, etc.) and attaches materials as necessary (including those referenced in (4) and (5) above) to be forwarded to the UConn or UConn Health's Attorney General and by them to the State Treasurer's Office with Treasury Services review letter).
8. UConn General Counsel or UConn Health's Procurement and Contracts works with the respective Attorney General's Office for their review UConn Property Submission Checklist.
9. UConn and/or UConn Health Attorney General submit approved Private Use Agreements to Hartford for review and approval of Associate Attorney General (if value is \$100 K or more). If less than \$100K UConn and UConn Health Attorney General's Office approves.
10. Following the UConn or UConn Health Attorney General's review the private use agreement package is sent to the Attorney General's Office (Hartford) for submission to the Office of the State Treasurer for their review and consideration and approval.
11. The Office of the State Treasurer reviews the private use agreement, and might contact Treasury Services and others with questions as they deem necessary, and signs off/does not sign off on private use agreement as they determine. State Treasurer returns the approved private use agreements to General Counsel's Office/Attorney General.
12. UConn General Counsel or UConn Health's Procurement and Contracts maintain the appropriate records and audit trail. UConn, UConn Health and Attorney General do the same according to their requirements.