



UNIVERSITY OF CONNECTICUT

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Treasury Services
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FROM: John D. Sullivan, MBA, CFA
Manager of Treasury Services

DATE: September 9, 2019

RE: **COMPLIANCE: UConn 2000 Tax-Exempt Debt Records Retention and Electronic Requirements**

The Internal Revenue Service has record retention requirements that applies to UCONN 2000 tax-exempt debt. Accordingly, attached please find a summary of retention dates by debt issue. Below is additional record retention advice and policy information in Q&A format.

Question 1: How long should documents be retention for the UConn 2000 tax-exempt financing?

Answer 1: Pursuant to the Tax Regulatory Certificate and Agreement UConn will retain records of the determination made in regards to the Rebate Requirement until three years after the retirement of the last obligation of the issue (unless otherwise noted below).

Additionally please note Section 1.6001-1(e) of the Regulations provides that records should be retained for so long as the contents thereof are material in the administration of any internal revenue law. Generally speaking the IRS holds that material records should generally be kept for as long as the bonds are outstanding, plus 3 years after the final redemption date of the bonds.

Generally to meet the IRS mandate records should be kept for at least the following lengths of time for UConn 2000 tax-exempt debt (new money):

- 23 years for each UConn 2000 General Obligation Bond issue;
- 33 years for each of the UConn 2000 Special Obligation Bonds;
- 23 years Government Lease Purchase Agreement (Co-Gen) Certain federal, state, or local record retention requirements may also apply.
- If an entire bond issue has been refunded bond records must kept until 3 years after the final maturity of the last refunding issue.

Question 2: You might also wish to know what are the basic records that should be retained?

Answer 2: Although the required records to be retained depend on the transaction and the requirements imposed by the Code and the regulations, records common to most tax-exempt bond transactions include:

- Basic records relating to the bond transaction (including the trust indenture, loan agreements, and bond counsel opinion);
- Documentation evidencing expenditure of bond proceeds;
- Documentation evidencing use of bond-financed property by public and private sources (i.e., copies of management contracts and research agreements);
- Documentation evidencing all sources of payment or security for the bonds;
- Documentation pertaining to any investment of bond proceeds (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received the investment of proceeds, guaranteed investment contracts, and rebate calculations).
- Are these the only records that need to be maintained?

No, the list above is very general and only highlights the basic records that are typically material to many types of tax- exempt bond financings. Each transaction is unique and may, accordingly, have other records that are material to the requirements applicable to that financing. The decision as to whether any particular record is material must be made on a case-by-case basis and could take into account a number of factors, including, for instance, the various expenditure exceptions. Moreover, certain records may be necessary to support information related to certain requirements applicable to specific types of qualified private activity bonds.

Question 3: You might also wish to know if the records can be stored electronically?

Answer 3: The answer is yes subject to the following.

Rev. Proc. 97-22, 1997-1 C.B. 652 provides guidance to taxpayers that maintain books and records by using an electronic storage system that either images their hardcopy (paper) books and records, or transfers their computerized books and records, to an electronic storage media. Such a system may also include reasonable data compression or formatting technologies so long as the requirements of the revenue procedure are satisfied. The general requirements for an electronic storage system of taxpayer records are provided in section 4.01 of Rev. Proc. 97-22. A summary of these requirements is as follows:

1. The system must ensure an accurate and complete transfer of the hardcopy books and records to the electronic storage system and contain a retrieval system that indexes, stores, preserves, retrieves, and reproduces all transferred information.
2. The system must include reasonable controls and quality assurance programs that (a) ensure the integrity, accuracy, and reliability of the system; (b) prevent and detect the unauthorized creation of, addition to, alteration of, deletion of, or deterioration of electronically stored books and records; (c) institute regular inspections and evaluations; and (d) reproduce hardcopies of electronically stored books and records that exhibit a high degree of legibility and readability.
3. The information maintained in the system must be cross-referenced with the taxpayer's books and records in a manner that provides an audit trail to the source document(s).
4. The taxpayer must maintain, and provide to the Service upon request, a complete description of the electronic storage system including all procedures relating to its use and the indexing system.
5. During an examination, the taxpayer must retrieve and reproduce hardcopies of all electronically stored books and records requested by the Service and provide the Service with the resources necessary to locate, retrieve, read and reproduce any electronically stored books and records.
6. The system must not be subject, in whole or in part, to any agreement that would limit the Service's access to and use of the system.
7. The taxpayer must retain electronically stored books and records so long as their contents may become material in the administration of federal tax law.

Please let me know if you have a question or suggestion or if I may be of further assistance.

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UCONN 2000 DEBT OBLIGATIONS

**RECORD RETENTION DATES FOR UCONN2000 DEBT OBLIGATIONS
FOR IRS REQUIREMENTS FOR TAX EXEMP DEBT**

<u>A. UConn 2000 General Obligation Bonds</u>	<u>Minimum Record Retention Date</u>	<u>STATUS AS OF 9/9/2019 KEEP RECORDS</u>
1996 Series A Bonds	1/15/2017	OPTIONAL
1997 Series A Bonds	2/15/2023	MUST KEEP
1998 Series A Bonds	2/15/2023	MUST KEEP
1999 Series A Bonds	2/15/2023	MUST KEEP
2000 Series A Bonds	2/15/2023	MUST KEEP
2001 Series A Bonds	2/15/2023	MUST KEEP
2002 Series A Bonds	4/1/2025	MUST KEEP
2003 Series A Bonds	2/15/2026	MUST KEEP
2004 Series A Bonds	2/15/2028	MUST KEEP
2005 Series A Bonds	2/15/2028	MUST KEEP
2006 Series A Bonds	3/15/2030	MUST KEEP
2007 Series A Bonds	3/15/2030	MUST KEEP
2009 Series A Bonds	11/1/2031	MUST KEEP
2010 Series A Bonds	2/15/2033	MUST KEEP
2011 Series A Bonds	2/15/2034	MUST KEEP
2013 Series A Bonds	8/15/2036	MUST KEEP
2014 Series A Bonds	2/15/2037	MUST KEEP
2015 Series A Bonds	2/15/2038	MUST KEEP
2016 Series A Bonds	3/15/2039	MUST KEEP
2017 Series A Bonds	1/15/2040	MUST KEEP
2018 Series A Bonds	4/15/2041	MUST KEEP
2019 Series A Bonds	11/1/2041	MUST KEEP
2004 Series A Refunding Bonds	1/15/2017	OPTIONAL
2006 Series A Refunding Bonds	2/15/2023	MUST KEEP
2007 Series A Refunding Bonds	4/1/2025	MUST KEEP
2010 Series A Refunding Bonds	2/15/2024	MUST KEEP
2011 Series A Refunding Bonds	2/15/2026	MUST KEEP
2013 Series A Refunding Bonds	2/15/2027	MUST KEEP
2014 Series A Refunding Bonds	2/15/2028	MUST KEEP
2015 Series A Refunding Bonds	2/15/2029	MUST KEEP
2016 Series A Refunding Bonds	3/15/2030	MUST KEEP
2017 Series A Refunding Bonds	1/14/2025	MUST KEEP
2019 Series A Refunding Bonds	11/1/2031	MUST KEEP

**RECORD RETENTION DATES FOR UCONN2000 DEBT OBLIGATIONS
FOR IRS REQUIREMENTS FOR TAX EXEMP DEBT**

<u>B. UConn 2000 Special Obligation Bonds</u>	<u>Minimum Record Retention Date</u>	<u>9/9/19 KEEP RECORDS</u>
1998 Series A Bonds	11/15/2030	MUST KEEP
2000 Series A Bonds	11/15/2033	MUST KEEP
2002 Series A Bonds	11/15/2032	MUST KEEP
2018 Series A Bonds	11/15/2050	MUST KEEP
2002 Series A Refunding Bonds	11/15/2032	MUST KEEP
2010 Series A Refunding Bonds	11/15/2030	MUST KEEP
2012 Series A Refunding Bonds	11/15/2032	MUST KEEP
<u>C. Governmental Lease Purchase Agreement</u>		
Governmental Lease Purchase Agreement	12/29/2028	MUST KEEP
Governmental Lease Purchase Agreement	12/29/2028	MUST KEEP
<u>D. Residential Life Facilities (Nathan Hale) Taxable Note</u>		
Amended and Restated Promissory Note	NA	NA