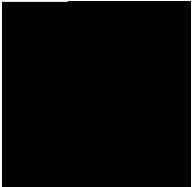


STOCKTON UNIVERSITY



PROCEDURE

Tax-Exempt Bond Compliance

Procedure Administrator: Controller
Authority: N.J.S.A. 18A:64-8; IRS Revenue Procedures 2007-47 and 2016-44,
Treasury Regulation §1.141-12, §1.145-2 Effective Date: January 12, 2015;
November 20, 2023
Index Cross-References: VI-57.5 – Post Issuance Tax Exempt Bond Compliance
Policy
Procedure File Number: 6409
Approved By: Dr. Joe Bertolino, President

Purpose

The University finances a portion of its capital needs through the issuance of tax-exempt bonds issued by the University. The University has a compliance obligation to ensure that the bonds issued comply with federal and state requirements for tax-exempt bond issues.

Organizational Responsibility

The Vice President for Administration & Finance and Chief Financial Officer has primary responsibility to ensure post-issuance compliance and monitor post-issuance matters with respect to the University’s bond issues, which includes providing information and training on implementing these procedures.

The Office of Fiscal Affairs is responsible for tracking draws and expenditures, including cost of issuance, ensuring bond proceeds are expended on projects as authorized in the applicable bond documents, preparing requisitions, allocating sources of project funding between bond issues and other sources, identifying and monitoring private use, reviewing arbitrage reports, and maintaining adequate records to support all the foregoing.

Fiscal Affairs, in consultation with Facilities & Operations, shall also determine when

higher education. Because more than one institution receives funds from a single state-backed issue, the NJEFA will determine at the time of issuance, as documented in the tax covenants of the bond issue documents, if the applicable percentages referenced (above) in connection with stand-alone TEBs is available to each participating institution.

Special legal entitlements to bond-financed property includes leases of financed property, management contracts, sponsored research agreements, naming rights, licenses of facilities for use by cell phone service providers, energy providers and the like, as set forth in bond documents and arbitrage certificates. Typical examples of private business use in a university setting often include food service contracts, bookstore contracts, certain research agreements, and dorm or summer event use, if they do not

