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- (b) maintain key financial metrics to assure continued access to capital markets and manage creditrelated risks;
- (c) exhibit a maturity profile that meets liquidity requirements and manages the balance sheet of the institution; and

(d)

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ARTICI F III LONG-TERM CAPITAL FINANCING PROGRAM

SECTION I. RESERVATION AND DELEGATION OF AUTHORITY.

Subd. 1. Reservation of Authority to Approve Use of Proceeds.

The Board reserves to itself authority to approve the use of proceeds to finance or refinance capital projects that require Board approval as defined by Board of Regents Policy: Reservation and Delegation of Authority. The Board reserves to itself authority to approve the use of proceeds for any purpose other than capital projects, with the exception of those items delegated to the president or delegate in Subd. 4 of this section.

Subd. 2. Reservation of Authority to Oversee the Principal Repayment Reserve.

The Board reserves to itself authority to approve the amount and source of the Principal Repayment Reserve, which will be invested in accordance with Board of Regents Policy: Endowment Fund. The Board reserves to itself authority to withdraw funds from the Principal Repayment Reserve for any purpose.

Subd. 3. Reservation of Authority to Approve Use of Funds from Internal Lending Program. The Board reserves to itself authority to approve the use of funds from the Internal Lending Program to finance capital projects that require Board approval as defined by Board of Regents Policy: Reservation and Delegation of Authority. The Board reserves to itself authority to approve the use of funds from the Internal Lending Program for purposes other than capital projects regardless of the amount.

Subd. 4. Delegation of Authority.

The president or delegate shall have the authority to take all actions other than those described in Subds. 1 3 of this section to manage the long-term capital financing programs consistent with Board policies. Such actions include:

- (a) Determining the investment strategy of the proceeds within the parameters established in Section II, Subd. 1 of this article, and by Board of Regents Policy: Investment Functions prior to their authorized use by the Board.
- (b) Use of proceeds for (i) costs of issuance related to the issuance of interest-only bonds; (ii) the use of the realized earnings on the invested proceeds to fund annual interest expense due on the interest-only bonds; and (iii) to finance or refinance capital projects not requiring Board approval.
- (c) Withdrawal of the earnings realized on the investment of the proceeds to fund interest expense on the interest-only bonds, and to fund investment manager or other related fees incurred in managing the invested proceeds.
- (d) Oversight of the Internal Lending Program including approval of funding for capital projects not requiring Board approval and establishing repayment terms for all internal loans.

SECTION II. LONG-TERM CAPITAL FINANCING PROGRAM GUIDELINES.

Subd. 1. Investment of Proceeds.

The primary investment objective for the proceeds shall be current income and capital preservation, with the following requirements:

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SECTION IV. CERTIFICATION OF AUTHORITY.

As needed or may be requested, the secretary of the Board shall certify the authority and power of the president or delegate to enter into Interest-Only Bond transactions as provided in this policy.

REVISION HISTORY

Adopted: June 11, 2004

Amended: December 13, 2012

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