

Management Exhibit D, Treasurer's Approval of Interest Factor and Declaration

Office of the Treasurer of The Regents  
300 Lakeside Drive, 17th Floor  
Oakland, CA 94612-3500

Attention: Pursuant to Business and Finance Bulletin BUS-43, Part 6, II B., approval is requested of the interest factor stated below:

Campus/Laboratory and contact person;

Type of equipment;

Original cost of equipment;

Interest rate or factor;

Term of financing;

Financing source and date of its proposal;

Alternative financing source(s)/rate.

\_\_\_\_\_  
Campus/Laboratory Representative

\_\_\_\_\_  
Date

Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Office of the Treasurer

Approval: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_  
Corporate Accounting (Transactions over  
\$1,000,000)

OFFICE OF THE PRESIDENT

300 Lakeside Drive  
Oakland, California 94612-3550  
Phone: (510) 987-9074  
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March 28, 1996

CHANCELLORS

SENIOR VICE PRESIDENT-- BUSINESS AND FINANCE

VICE PRESIDENT--AGRICULTURE AND NATURAL RESOURCES

Delegation of Authority--Declaration of Official Intent to Reimburse Capital Expenditures from Proceeds of Indebtedness

At the meeting of July 19, 1991, The Regents adopted a resolution concerning reimbursement of capital expenditures which states in part:

The President of the University of California, or the President's designee, is hereby authorized to declare the official intent of The Regents to reimburse expenditures from the proceeds of future taxable or tax-exempt debt obligations issued by The Regents.

Effective immediately, subject to the terms of the attached Resolution of The Regents of the University of California and related implementation instructions, each of you is authorized as my designee for his or her related campus/organization to declare the official intent of The Regents to reimburse expenditures related to capital improvement projects or capital purchases (including building and/or equipment acquisition) from the proceeds of future taxable or tax- exempt debt obligations to be issued by The Regents. Recent changes to Federal Treasury Regulations have allowed this delegation to become possible.

Any redelegation of this authority shall be in writing with copies to the Special Assistant-- Coordination & Review and the General Counsel and Vice President for Legal Affairs. This supersedes the June 3, 1993 delegation of authority to the Provost and Senior Vice President-- Academic Affairs (DA 1088) on this same subject.

Richard C. Atkinson  
President

Attachments

cc: Laboratory Directors  
Members, President's Cabinet  
Associate Vice President Hershman  
Special Assistant Gardner  
Principal Officers of The Regents

ATTACHMENT

RESOLUTION  
OF THE REGENTS OF THE  
UNIVERSITY OF CALIFORNIA

WHEREAS, The Regents of the University of California ("The Regents") expects to make capital expenditures from time to time prior to The Regents' issuance of taxable or tax-exempt debt obligations to finance such expenditures; and

WHEREAS, section 1.103-17 of the proposed Treasury Regulations generally requires The Regents, or its authorized representative, to declare The Regents' reasonable intent to reimburse capital expenditures from the proceeds of taxable or tax-exempt debt obligations prior to the date on which such expenditures are made;

NOW, THEREFORE, BE IT RESOLVED by The Regents as follows:

Section 1. The President of the University of California, or the President's designee, is hereby authorized to declare the official intent of The Regents to reimburse expenditures from the proceeds of future taxable or tax-exempt debt obligations issued by The Regents. Any such declaration by the President of the University of California, or the President's designee, shall be substantially in the form attached hereto.

Section 2. This Resolution is adopted by The Regents solely for purposes of establishing compliance with the requirements of section 1.103-17 of the proposed and final Treasury Regulations. Neither this Resolution, nor any action taken by any person pursuant to this Resolution, shall bind The Regents to make any expenditure, incur any indebtedness, or proceed with any project, and all other University procedures and policies relating to the approval and financing of capital projects shall continue to apply.

Section 3. This Resolution shall take effect from and after its adoption.

ATTACHMENT

Instructions for Preparation of the  
Declaration of Official Intent to Reimburse Advances for  
Capital Expenditures from the Proceeds of Indebtedness

- Purpose: To comply with IRS regulations requiring a "declaration of official intent" when cash resources are used for capital expenses with the expectation they will be reimbursed from the proceeds of tax-exempt financing issued at a later date. These regulations were put in place due to abuses of entities using cash resources for projects, and later when cashflows were tight, would take advantage of their tax-exempt status and issue debt on projects that had already, in essence, been paid for.
- The Forms To Use: 1. The Declaration Form: This form must be used as found in this packet -- no language may deviate from that shown. It must be signed and dated, and have at least one Schedule A form attached.
2. The Schedule A form: This form lists projects and is dated and attached to a signed and dated Declaration form. The date on the Declaration and Schedule A form must match.
- What to Declare: Any project for which campus funds are to be advanced and which might be reimbursed from the proceeds of external financing--whether you expect the financing will be taxable or tax-exempt. This includes capital improvement projects as well as capital purchases (including building and/or equipment acquisition). This will also include any campus advances for projects ultimately funded by other entities, such as the Energy Efficiency Bond Program funded by State Public Works Board bonds. See attached Schedule A form for suggestions regarding project titles.
- What NOT to Declare: Any projects for which the University is NOT the party advancing funds. For instance, State PNHA loans for State-funded projects should not be declared by the campus. The agency advancing funds is responsible for filing the Declaration.
- When to Declare: The IRS Regulations state that the declaration for advanced funds must be approved (signed, and filed) no later than 60 days after the expenditure of funds expected to be reimbursed. It is imperative that funds advanced for new capital expenditures be "declared" on a timely basis throughout the year as necessary to comply with reimbursement regulations.
- Consequences of late, or no Declaration: Should the campus advance funds and fail to approve a Declaration in a timely manner, funds will not be eligible for reimbursement from tax-exempt debt. Specifically, funds spent more than 60 days prior to the Declaration's approval will not qualify. The campus will have the responsibility of permanently funding the advance from cash resources, or if available, pursue taxable financing for that portion that does not qualify. You are asked to provide a copy of the signed and dated Declaration and Schedule A to Senior Finance Officer Randall Young in the Treasurer's Office at the time it is approved.

March 1996

ATTACHMENT

DECLARATION OF OFFICIAL INTENT  
OF THE REGENTS OF THE UNIVERSITY OF CALIFORNIA  
TO REIMBURSE CERTAIN EXPENDITURES  
FROM PROCEEDS OF TAXABLE OR TAX-EXEMPT INDEBTEDNESS

WHEREAS, The Regents of the University of California ("The Regents") intends to build, construct, purchase or renovate the projects listed and described on the attached Schedule A (the "Projects");

WHEREAS, The Regents expects to finance all or some portion of the costs associated with the Projects through the issuance of interim and/or long term debt;

WHEREAS, The Regents expects to pay certain expenditures in connection with the Projects (the "Reimbursement Expenditures") prior to the issuance of indebtedness for the purpose of financing costs associated with the Projects on a long-term basis;

WHEREAS, The Regents reasonably expects that debt obligations will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures;

WHEREAS, by its Resolution dated July 19, 1991, The Regents has authorized its President, or its President's delegate, to declare the official intent of The Regents to reimburse expenditures from the proceeds of future taxable or tax-exempt debt obligations issued by The Regents; and

WHEREAS, by his letter dated March 28, 1996, the President of The University of California has delegated to the campus Chancellors, Senior Vice President--Business and Finance, or the Vice President--Agriculture and Natural Resources the authority to declare such official intent of The Regents;

NOW, THEREFORE, on behalf of The Regents, the (Chancellor, Senior Vice President--Business and Finance, or the Vice President--Agriculture and Natural Resources) makes the following findings, determinations and declarations:

Section 1. The (Chancellor, Senior Vice President--Business and Finance, or the Vice President--Agriculture and Natural Resources) finds and determines that the foregoing recitals are true and correct.

Section 2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1. 150-2 of the Treasury Regulations. This declaration does not bind The Regents to make any expenditures, incur any indebtedness, or proceed with any of the Projects.

Section 3. The (Chancellor, Senior Vice President--Business and Finance, or the Vice President--Agriculture and Natural Resources) hereby declares The Regents' official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This Declaration shall take effect from and after its adoption.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

(Title: Chancellor, SVP--B&F or VP--ANR),  
University of California, (Campus)

ATTACHMENT

SCHEDULE A  
Declaration of Official Intent  
of The Regents of the University of California  
to Reimburse Certain Expenditures  
from Proceeds of Indebtedness

Expected Total Costs to be  
Paid From Indebtedness

Project\*

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(Approval date)

\*Instructions: Provide a general functional description of each Project (e.g., "five acres of unimproved land" or "a ten-floor office building") in enough detail so that it may be distinguished from other projects.