

FY2020 Internal Bank Update Office of Financial Services

Jake Wozniak, University Treasurer
Audit, Compliance & Finance Committee | August 27, 2020



Internal Bank Overview

The Office of Financial Services (OFS) manages cash, investments, and debt for the university, and serves as a "bank" to university departments by taking deposits, issuing debt, investing operating funds and administering loans. The internal bank coordinates these activities and provides a consolidated view of the associated assets, liabilities, revenues and expenses.

- Policy Guidelines: Internal bank loans & capital equipment leases must adhere to the provisions stated in the University Debt Policy.
- ➤ **Governance:** Oversight is provided by the Office of Financial Services and Financial Planning & Analysis.
- Capital Planning Process: Internal Bank Loans are identified as a funding source for projects during the University's capital planning process.
- ➤ Rates: Each loan/lease is given a rate within the below ranges based on the term, asset, and prevailing market conditions. Current loan/lease rates range between 2.50% and 5.25%.

Allocates scarce financial resources, managing risk and creating long-term unrestricted resources

Leverages
institutional
borrowing to
address capital
funding needs for
departments and
affiliates

Sources of Funds: external (bond issuances and leases) and internal (cash)

Internal Bank Overview

Loan Process

Step 1

- A need for funding is identified:
- Department/Unit submits formal loan application

Step 2

 Loan application and supporting documentation reviewed and vetted by Office of Financial Services

Step 3

 Memorandum of Understanding setting forth loan terms and conditions is reviewed and approved by department/unit, Treasurer and CFO

Step 4

Loan disbursement occurs via an agreed upon draw schedule or as a reimbursement to a project

Step 5

 Loan repayment begins upon first disbursement of funds, unless otherwise agreed upon in terms of MOU

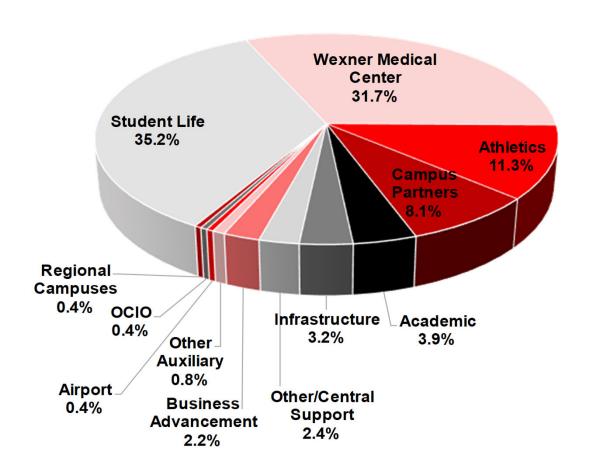
Loan Statistics (as of June 30, 2020)

Loan Summary	Number	Amount
Loans Outstanding	166	\$2.27B
Loans in Repayment	156	\$2.09B
Average Cost of Capital	4.37%	
Average Life	16.34 Years	

Recent Loan Activity	Number	Amount
Funded in FY2020	11	\$155.8M
Near Term Requests	11	\$1.1B



Internal Bank Portfolio



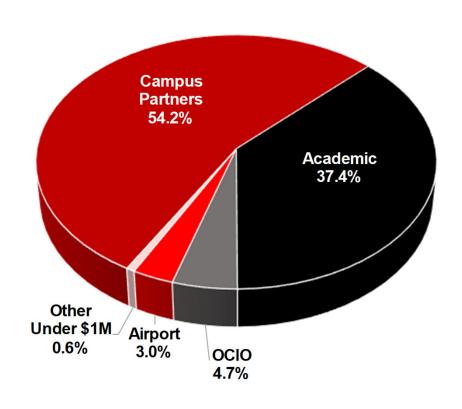
Funding Source	Oı	Loans utstanding (\$MM)
Bonds		2,234.1
Capital Equipment Leases		36.6
Total	\$	2,270.8

Borrowing Unit/ Obligor	C	Loans Outstanding (\$MM)
Student Life		798.4
Wexner Medical Center		719.9
Athletics		255.5
Campus Partners		183.4
Academic		88.1
Infrastructure		73.1
Other/Central Support		55.5
Business Advancement		50.7
Other Auxiliary		17.5
Airport		9.9
OCIO		9.5
Regional Campuses		9.3
	Total	\$ 2,270.8

as of 6/30/2020



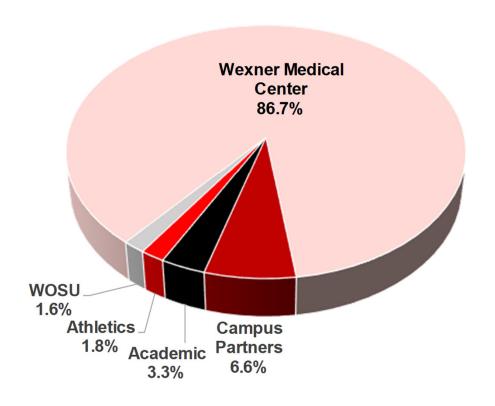
FY2020 Funding Commitments



Borrowing Unit/Obligor	Amount (\$MM)
Academic	()
FAES- Controlled Environment Food Production	20.2
OAA- Interdisciplinary Research Facility	38.0
	58.2
Campus Partners	
15th & High Building A	45.5
15th & High Building B-1 (on hold)	39.0
	84.5
OCIO	
Equipment Purchase	6.0
Hybrid Cloud Equipment	1.4
	7.4
Airport	
Knowlton Airport Terminal	4.7
Loans/Leases Under \$1 Million	1.0
Total	\$ 155.8



Near Term Loan Requests



Borrowing Unit/Obligor Amo	ount (\$MM)
Wexner Medical Center	
New Hospital Tower	984.0
Campus Partners	
15th & High Building B-2 - Construction (on hold)	54.2
15th & High Parking Garage, Liner Bldgs	21.0
15th & High Hotel	TBD
	75.2
Academic	
Nursing- Newton Hall Expansion	7.5
University Libraries Book Depository	7.0
Education and Human Ecology- Campbell Hall Renovation	10.0
Engineering- Biomedical Material Engineering Complex Phase II	12.5
	37.0
Athletics	
Lacrosse Stadium	20.0
WOSU	
New Headquarters Building	13.5
Equipment Loan	5.0
	18.5
Total	\$ 1,134.7