

The University of North Texas System

finance the scope increase. A revised debt service schedule shall be transmitted under cover of *RFS Financing* form Section II, and *RFS Financing* form Section III must be signed and returned to Treasury by the component institution before an appropriation for

operating budgets and identified revenue streams.

2. The UNT System CFO monitors and reports key financial indicators to the Board of Regents at least annually and shall benchmark these financial ratios to external sources, such as medians for the "Aa2/AA" category and peer higher education institutions.
3. The System evaluates its performance against these measures with a long-term view and will monitor the trend of the ratios over time. The System recognizes that financing a strategically important project may cause one or more ratios to perform poorly against the trend, median, or peer comparison in the short-term. Accordingly, the System takes a long-term view to evaluate the project. Based on changing market conditions, the Vice Chancellor for Finance may change the financial indicators or ratios as related to the financial strength of the System.
4. The UNT System CFO will evaluate alternative financings to determine the impact on the System's credit profile.

10.305

Debt Financial Ratios. In connection with this policy the ratios below will be monitored on at least an annual basis in conjunction with the adoption of the annual capital improvement plan - at both the System and component level - and reported to the Board of Regents. These ratios will be taken into consideration when developing long-term capital plans and when authorizing the issuance of additional debt. While these primary ratios below will be analyzed, other ratios may also be evaluated. The UNT System CFO Body (a) with B167-07 (2) (D) 0084-01 (4) 0.048 (4) (1) 0.101 (1) 0.24 (1)

4. Cash and Investments to Operating Expenses: This ratio measures the ability to cover operating expenses with cash and investments and is an indicator of the financial strength of the System. Also, it provides insight into the amount of flexibility the System has to invest in new initiatives from existing resources.

10.306 Short-term Indebtedness.

1. The Board delegates to the UNT System CFO or to the Associate Vice Chancellor for Treasury, subject to Section 10.312 below, the authority to issue short-term indebtedness of up to \$150,000,000 in Revenue Financing System ("RFS") commercial paper, which may be issued as traditional commercial paper ("CP") or as extendible commercial paper ("ECP"). The aggregate principal amount of CP at any one time

10.312 Financing of Capital Items with Commercial Paper. Financing of any capital item with RFS commercial paper must be approved by the Board. The UNT System CFO shall be responsible for submitting any required notice to the Texas Bond Review Board.

10.313 Compliance. The System receives financial benefits from the Revenue Financing System and the issuance of tax-exempt RFS commercial paper and bonds to achieve the System's tax-exempt purposes. The Board recognizes that legal obligations must be met to ensure good stewardship of this tax-exempt benefit. The System shall adopt appropriate regulation(s) and procedures related to tax-exempt RFS commercial paper and bond compliance, including issuance, expenditure of proceeds, and post-issuance compliance consistent with the Internal Revenue Code, Treasury Regulations, these Regents Rules, and bond documents.

Adopted: November 15, 2007

Effective: November 15, 2007

Revised: May 8, 2008; February 20, 2014, November 18, 2016, August 18, 2017, May 18, 2018, August 10, 2018, August 11, 2022, August 17, 2023