

Office of The Controller

Facility Financing Memorandum of Understanding (MOU)

This document establishes a funding commitment for the following project and financing source line number.

Project Name		Project Manager	
Project Type		Project Number	
Plant Project Account		FS #	
Sponsoring Department		Sponsoring Department Number	
Sponsoring Division		Financing MOU #	

The Controller's Office has identified the funding source referenced above and on the attached Project Plant Account (PPA) as insufficient for purposes of establishing a plant account budget.

This funding source has been deemed insufficient because:

- No plant reserve account is noted as a funding source
- The plant reserve account noted is not fully funded

Or donor funding has not been realized.

- Pledges are not received
- Planned Fundraising is incomplete

In order to establish a plant project budget account, the Controller's Office requires affirmation that expenditures will be funded as incurred upon request of the Controller's Office and :

The plant reserve account be funded in full or

- Level 1) The sponsoring department affirms it's financial commitment to the project and provides written assurance that funds will be made available to the project upon request of the Controller's Office
- Level 2) If the division's financial condition does not meet internal underwriting criteria, the sponsoring department and the division vice president affirm their financial commitment to the project and provide written assurance that funds will be made available for the project upon request of the Controller's Office and the Budget Advisory Committee authorizes the establishment of the budget account.

I) DETERMINATION OF UNDERWRITING REQUIREMENTS

1. After review of the financial condition of the sponsoring department, the Office of the Controller has determined that the sponsoring department:

___ meets
___ does not meet

2. The financial solvency requirements to underwrite this un-funded commitment:

___ with
___ without

The further underwriting commitment of their Division Dean/Vice President.

3. This determination is based on the following criteria:

Fund Balance Multiple is		Division Adjusted Fund Balance		<i>OR</i>	Funding Short Fall is Due to Pledges Currently Not Received
< 5	>5	<0	>0		

4. Prior to the Controller's Office establishing a funding budget, the:

___ Department
___ Division

Must underwrite the un-funded commitment.

5. The further review and approval of the Budget Advisory Committee) If the division's financial condition does not meet internal underwriting criteria:

___ IS REQUIRED
___ IS NOT REQUIRED

II) FUNDING COMMITMENTS (REQUIRED IF CHECKED) DEPARTMENT

In consideration of the immediate establishment of the project budget for the above-referenced financing source, the Department affirms that, in the event available funding is not sufficient to meet the project commitments, the department will make funds available immediately at the request of the Controller's Office.

The department understands that, in the event funding is secured at a later date, the Controller's Office will return funds to the department equal to the amount of funds secured. The return of such funds will be contingent upon the repayment of any supporting commitments made by our Division or any temporary financing authorized by the Budget Advisory Committee.

In the event that our Department and Division is unable to fund this commitment, we understand that we may be subject to the establishment of a institutional internal loan and will be charged interest and principal for a period of time as determined by Budget Advisory Committee. Internal loans may be established to satisfy funding shortfalls; however, we understand that the establishment of such a loan is at the sole discretion of BAC and may or may not be approved.

We further understand that the failure to fund a request by the Controller's Office may result in the Controller's Office freezing payments on this and any other projects until payment authorization to release funds for Division projects is received from BAC.

Fiscal Officer Representing the Department

Signature

Date

Printed Name

DIVISION

In consideration of the immediate establishment of the project budget for the above-referenced financing source, the Division affirms that, in the event available funding is not sufficient to meet the project commitments and the department does not, for any reason make funds available immediately at the request of the Controller's Office, the Division will fund the commitment on behalf of the Department.

The Division understands that, in the event funding is secured at a later date, the Controller's Office will return funds to the Department/Division/University equal to the amount of funds secured. In returning the funds, the Controller's Office will first refund any temporary financing authorized by the Budget Advisory Committee, then supporting commitments made by the Division, and finally return any funding received by the Department.

In the event that our Department and Division is unable to fund this commitment, we understand that we may be subject to the establishment of an institutional internal loan and will be charged interest and principal for a period of time as determined by the Budget Advisory Committee. Internal loans may be established to satisfy funding shortfalls; however, we understand that the establishment of such a loan is at the sole discretion of BAC and may or may not be approved. Loans will be charged directly to the Department. If the department does not have sufficient funds to make payments on the internal loan, our division will fund the loan payments on its behalf.

We further understand that the failure to fund a request by the Controller's Office may result in the Controller's Office freezing payments on this and any other projects until authorization to release funds for Division projects is received from BAC.

Division Dean/Vice President

Signature

Date

Printed Name



Financing MOU # _____
Date: _____

BUDGET ADVISORY COMMITTEE (BAC)

BAC has reviewed this Financing MOU and authorizes the establishment of a project budget for this financing source in the amount of:

Signature

Date

Printed Name