

System-wide Procedure:	
FI0105-UTSA Procedure: Cashflow Bridging Program Cashflow Bridging Program	
Version: 1	Effective Date: 08/16/2023

Objective

This procedure establishes the University's procedures for UT System Administration's cashflow bridging program.

Scope

This procedure applies to all University departments.

Procedure

I. General Information

- A. UT System Administration (UTSA) has final discretion on all decisions related to this procedure.
- B. UTSA will allocate approximately 5% of the University's Cash Management Investment Pool (CMIP) to start a cashflow bridging program.
- C. The primary objective of this program is to support campuses and institutes by financing strategic investments that demonstrate a return on investment from known funding sources.
- D. Bridge funding will be limited to projects/uses of strategic importance to the University and/or campus/institute.

II. Cashflow Bridge Structure

- A. UTSA will assess a finance charge when allocating a cashflow bridge. The finance charge for the bridge funds will be based on the prevailing interest earnings on the CMIP. UTSA will set the interest rate utilizing a three-year rolling average of CMIP returns.
- B. Once the applicable campus or institute and UTSA agree on a cash bridge, the interest rate will remain constant throughout the life of the repayment.
- C. The duration of a cash bridge allocation payback period will not exceed 10 years.

III. Application

- A. To apply, campuses and institutes must submit an application form, a financial proforma for the project/campus during the annual budget cycle.
- B. Applications must be limited to projects/uses that do not have other readily available sources of funding, for example a bridge to signed and irrevocable gift agreements.
- C. In the proforma, the campus or institute must provide at least the following details:
 - i. Intended use of the funds.
 - ii. Description of equipment or project.

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iii. Identify the source of funds for repayment.

IV. Review and Funding

- A. The Treasurer and Chief Financial Officer (CFO) will review applications to determine compliance with industry standards and desired financial metrics, and will consult with UTSA, campus staff and subject matter experts, as necessary to determine alignment with operational, programmatic and strategic goals of the University.
- B. Prior to submission of an application to the President, the Treasurer and CFO will determine the project/use of funds meets finance industry standards and subject-matter industry standards.
- C. The President will have final authority when reviewing the application.
- D. If the President approves, the CFO or designee will notify the campus or institute of the President’s approval and the Treasurer will fund the cash bridge by doing an internal transfer from the consolidated cash pool to the applicable campus or institute account.

V. Repayment

- A. The Treasurer or designee will do an internal transfer of the repayment amount at an interval that UTSA and the applicable campus or institute will mutually agree to.
- B. Campuses and institutes may not request a deferral on the repayment.

Responsible Official & Additional Contacts

Subject Matter	Office Name	Telephone Number	Email/Web Address
Policy Clarification and Interpretation	Luke Lybrand	865-974-2302	luke.lybrand@tennessee.edu

Related Policies/Guidance Documents

FI0105