

Contact: Joan Racki

**REIMBURSEMENT RESOLUTION,  
UNIVERSITY OF IOWA HOSPITALS AND CLINICS PROJECTS**

**Action Requested:** Consider adopting A Resolution declaring an official intent under Treasury Regulation 1.150-2 to issue debt to reimburse the University of Iowa Hospitals and Clinics for certain original expenditures paid in connection with the University of Iowa Hospitals and Clinics improvement projects.

**(ROLL CALL VOTE)**

**Executive Summary:** The University of Iowa requests adoption of a resolution which would permit the University of Iowa Hospitals and Clinics to be reimbursed from future Hospital Revenue Bond issues for expenditures associated with projects at the University of Iowa Hospitals and Clinics.

At its April 2010 meeting, the Board authorized permission to proceed with project planning for the Iowa River Landing Ambulatory Care Clinic Facility Development project (aka the Satellite Medical Facility or Medical Office Building). The University of Iowa Hospitals and Clinics anticipates the expenditure of funds for this project prior to the issuance of Hospital Revenue Bonds.

The reimbursement resolution is being submitted at this time to ensure maximum reimbursement capability under regulations of the federal Internal Revenue Code. Pursuant to these regulations, project payments made not more than 60 days prior to adoption of the resolution are eligible for reimbursement from future bond issues.

**Additional Information:** United States Department of Treasury Regulation 1.150-2 provides the rules for the reimbursement from future bond proceeds of expenditures originally paid from sources other than bond proceeds. When the bonds are sold, a portion of the bond issue (reimbursement bond) is allocated to reimburse the original expenditure that was paid before the bond issue date.

Treasury regulations require that project costs must be reimbursed from the bond proceeds not later than 18 months after the capital expenditures are paid or 18 months after the property is placed in service, whichever is later.