

Board Meeting
July 30, 2007

ROLL CALL

APPROVE FISCAL YEAR 2008 INTERNAL FINANCING PROGRAM
FOR GLOBAL CAMPUS

Action: Approve Fiscal Year 2008 Internal Financing Program for Global Campus

Funding: Internal Loan Generated from Operating Funds Investment Pool Balances

The President with the concurrence of the appropriate administrative officers recommends that the Vice President/Chief Financial Officer and Comptroller be authorized to establish an internal financing program for the Global Campus Partnership. At its March 13, 2007, meeting, the Board of Trustees approved the “Establishment of the Global Campus as a Unit Organized at the University Level.” The item specified that “funds for the support of the Global Campus will be budgeted and accounted for as a separate unit” and that “there will be funding needs for personnel, start-up costs, and other operating expenses which will be separately requested through normal University budgeting and Board approval processes. As described in the financial plan, the start-up costs and working capital will largely be funded by establishing a line of credit with the University.”

Financing authorization in the amount of \$6.45 million is requested as this is the maximum amount by which Global Campus expenditures are projected to exceed

revenue sources during Fiscal Year 2008. The funding would be advanced from the operating funds investment pool under the same terms offered to campus units. Interest will be assessed on a quarterly basis. The financing principal plus interest is expected to be repaid from future Global Campus revenues.

Prior to the beginning of each calendar quarter the Global Campus management shall present a funding request and supporting financial documents. The Vice President/Chief Financial Officer and Comptroller will review and approve the funding to be advanced for the quarter and inform the Board regarding the transaction. The Board will be informed regularly regarding actual financial performance versus the Global Campus financial plan.

The board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and the Board of Trustees policies and directives.

The Vice President/Chief Financial Officer and Comptroller concurs.

The President of the University recommends approval.