ROLL CALL

APPROVE FISCAL YEAR 2009 INTERNAL FINANCING PROGRAM FOR GLOBAL CAMPUS

Action: Approve Fiscal Year 2009 Internal Financing Program for Global Campus

Funding: Internal Loan Generated from Operating Funds Investment Pool Balances

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.”

At its July 30, 2007, meeting, the Board of Trustees with the concurrence of the President and other appropriate administrative officers authorized the Vice President/Chief Financial Officer and Comptroller to establish an internal financing program for the Global Campus. The Board also established an initial financing
authorization of $6.45 million as this was the maximum amount by which Global
Campus expenditures were 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.

Through the end of FY 2008, the Global Campus projected draw is
$3.90 million dollars against the original financing authorization of $6.45 million leaving
a balance of $2.55 million. Global Campus expenditures are projected to exceed revenue
sources by a maximum of $5.95 million for FY 2009. Therefore, an increment of
$3.40 million is requested in the Global Campus financing authorization for FY 2009
which would increase the cumulative financing authorization for FY 2008 and FY 2009
to $9.85 million.

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 recommends approval.

The President of the University concurs.