

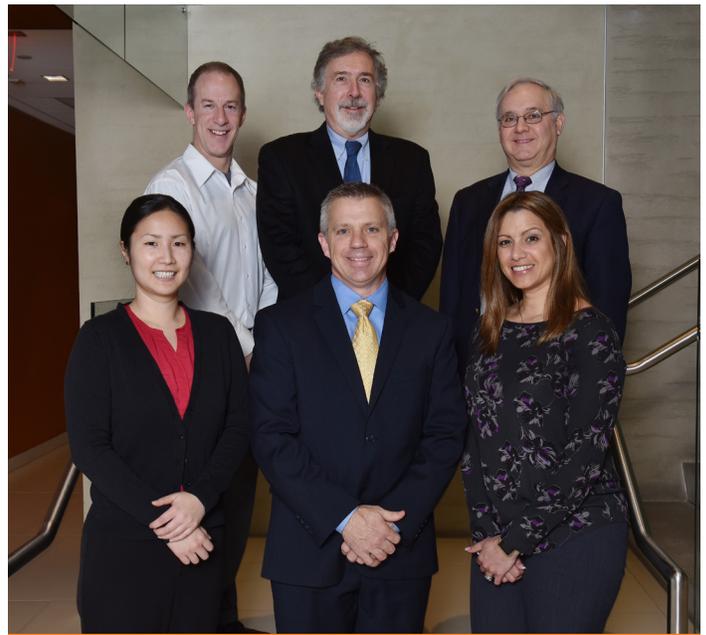
the general ledger

News from the Princeton University Office of Finance & Treasury

Debt Savings of \$70 Million

The University utilizes tax-exempt debt to finance many of its capital building initiatives, including the recent capital plan. Debt helps to smooth out payments over an extended period of time, but the resulting debt service creates a significant long-term financial obligation for the institution. Occasionally, markets are favorable, allowing the University to refund debt to achieve debt service savings, similar to refinancing a very large mortgage. Such an opportunity arose in the late-fall of 2017, however with the U.S. Senate and House actively debating tax reform, many of the benefits of refunding tax-exempt debt were potentially going to be eliminated by January 1, 2018.

The Office of Finance & Treasury embarked on an effort to complete a refunding of over \$400 million of debt in a highly compressed five-week period. A task that would typically span three to four months to complete. To support this significant undertaking, a cross-functional team from the Office of Finance and Treasury was convened, including staff from the Office of Capital Planning & Financing and the Controller's Office. At the same time, a supporting team of external partners was assembled including investment banks, financial advisors, legal firms, auditors and others, along with individuals from the New Jersey state government. Together, the groups worked to prepare, review, edit and complete all of the necessary technical, legal, and financial documents to enable the University to enter the debt market before the end of 2017. The University's 'AAA' rating was affirmed



DEBT ISSUANCE TEAM

Back Row (L to R): Dan Richlin, Matt Kent, Ken Molinaro
Front Row (L to R): Christine Lee, Don Heyer, Brenda Yepes
Not pictured: Amye Kim

by both Moody's and Standard & Poors rating agencies in early December, which is a requirement of debt issuance, and a sign of the institution's continued financial strength.

On December 14th, 34 days after making the decision to move forward, through the seamless collaboration of internal teams and external partners, the University entered the debt market and refunded a total of \$412 million of bonds, resulting in long-term savings of over \$70 million, or approximately \$3.5 million per year.

Changes to Uniform Guidance

The United States Office of Management and Budget issued new regulations for the management of federally funded sponsored projects, which took effect on December 26, 2014. These regulations, referred to as “Uniform Guidance,” are intended to reduce the administrative burden and cost of compliance by reducing eight current circulars into a single set of uniform regulations. Although much of the Uniform Guidance (UG) is already in effect, the government delayed implementation of the Procurement standards until July 1, 2018.

The UG Procurement standards introduce new purchasing guidelines for federally sponsored projects based on dollar amount and we are currently completing an assessment of their impact to University buying and paying processes. Beginning in early Spring, Finance and Treasury will offer information sessions across campus highlighting specific changes to University policies and processes necessary to comply with these regulatory changes. Training sessions will be available on the [Employee Learning Center](#). More information will be announced on the [Prime RSS feed](#), and via upcoming General Ledger newsletters.

Report of the Treasurer Now Available

The annual [Report of the Treasurer](#) is now available on the Office of Finance and Treasury website. This Report includes the FY2017 audited financial statements, the report on investments, and a highlights section which features a pictorial summary of the recently completed 10-year capital plan and its importance to the University’s mission and priorities.

eShipGlobal Enhancements Coming February 5th

Several enhancements are coming to the eShipGlobal shipping tool available in the Prime Marketplace. The enhancements, which will be available on Monday, February 5th, include the ability to manage multiple credit cards, improved support for international shipments that may be subject to federal export controls, and a new feature to aid in managing shipping expenses among research collaborators. For more information, see the [eShipGlobal Website](#), or register for one of the upcoming eShipGlobal webinars via the [Employee Learning Center](#).

DID YOU KNOW...

The new IRS tax withholding rates for 2018 are reflected in the January 2018 pay for monthly paid staff, and the January 24 pay for biweekly paid staff.

New Prime Asset Management Tool

A new tool will be available on February 12, 2018, to help manage capital equipment. The Prime Asset Management module will allow equipment custodians or other departmental contacts to easily update information about capital equipment, including make, model, serial number, custodian, and location. Attach photos to equipment records, and run reports to view capital equipment associated with you, your department, or a PI. Enhanced information may also be included, such as noting fabricated equipment or flagging an item as hazardous.

DID YOU KNOW...

W-2/W-2c tax forms are now available through self-service. Electronic transmission of your tax form is a more secure way to receive your information. To electronically access your W-2/W-2C in self-service, go to "Payroll", then "View W-2/W-2c/1042 Forms."



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Published by the
Office of Finance and Treasury
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