

**Austin Peay State
University**

**Tennessee State School Bond Appropriation Intercept
Program**

Issued: February 2, 2017

POLICIES

Responsible Official: Vice President for Finance and Administration

Responsible Office: Business Services

Policy Statement

It is the policy of Austin Peay State University to establish procedures for operating with the Tennessee State School Bond Authority for financing capital projects.

Purpose

This policy established University procedures for the operation of the Tennessee State School Bond Authority appropriation intercept program in the instance of payment default.

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Procedures

Background

- A. The Tennessee State School Bond Authority (TSSBA) is a corporate governmental agency and instrumentality of the State of Tennessee whose purpose is to finance capital projects for public institutions of higher education located in Tennessee by issuing its bonds and notes.
- B. T.C.A. § 49-3-1206(b)(2) gives the TSSBA the authority to intercept the University's operating appropriation if any annual financing charges or administrative fees are not paid when due and payable.
- C. The operating appropriation of any and all Tennessee institutions of higher education may be intercepted to remedy the inability of one Tennessee institution of higher education

to pay its prescribed annual financing charges and administrative fees.

Procedures if Payment Default Occurs

If Austin Peay State University were to default on any annual financing charges or administrative fees and an appropriation intercept is necessary, the Tennessee institutions of higher education's operating appropriations would be intercepted in the following order:

1. The operating appropriation of the defaulting institution would be intercepted in an amount equal to the unpaid financing charges or administrative fees due and payable;
2. Should the defaulting institution's operating appropriation be insufficient to satisfy the amount of finance charges or administrative fees due and payable, the remaining unpaid financing charges or administrative fees would be funded from appropriations to other Tennessee State public universities.
 - a. The remaining unpaid financing charges or administrative fees will be prorated to Tennessee State public universities based on their operating appropriation as a share of total appropriations to the sector.
3. If the steps outlined in 1 and 2 above are not sufficient to satisfy the unpaid finance charges or administrative fees due and payable of the defaulting institution, any remaining deficit will be prorated to institutions in other Tennessee institutions of higher education (i.e., community colleges and colleges of applied technology), and the TBR System Office, based on their operating appropriation as a share of appropriations to institutions involved in a subsection 3 assessment.

Revision Dates

APSU Policy 4:021 – Issued: February 2, 2017

Subject Areas:

Academic	Finance	General	Human Resources	Information Technology	Student Affairs
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Approved

President: signature on file
