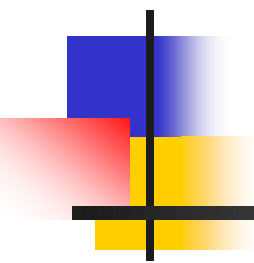


Allowable Costs: Related Parties



Long-term Debt Training
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DAS Chief Financial Office



Costs Paid to Other Agencies

- Bond proceeds cannot be used to pay other state agencies for costs incurred as part of the project unless:
 - Costs represent out-of-pocket payments to unrelated parties, such as employees of the State; and
 - The payment to the unrelated party is made no later than 5 banking days after the date bond proceeds are allocated to the costs



Examples of Allowed Costs

- A portion of an employee's salary can be paid for with bond proceeds if the costs are allowed to be capitalized to the asset (the "Project"), because such costs are paid to an unrelated party (employee)
- Costs paid to DEQ, only if the payment is a reimbursement of a dollar for dollar charge by an outside contractor



Examples of Costs Not Allowed

- DOJ fee, if the costs do not get passed through to a specific employee's salary
- BOLI fee, if the costs do not represent a dollar for dollar reimbursement of costs billed to DEQ by an outside contractor
- DAS assessment, if it does not represent a dollar for dollar reimbursement of costs billed to DAS by an outside contractor



XI-Q Bond Agency Guide & Training

- An agency guide to the XI-Q bond program will be coming soon
- Training sessions on XI-Q bond program to follow

Questions?

