



Private Business Use Annual Questionnaire

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Overview

The purpose of this document is to provide guidance on how to record Private Business Use.

Tax-exempt bonds (TEB) receive preferential tax treatment but are then subject to federal tax requirements for as long as the bonds remain outstanding. Private Business Use (PBU) is usage of TEB-financed property in trade or business by a “non-governmental person” such as nonprofit organizations, profit business entities, and federal or foreign governments. Note that state and local government usage does not generally constitute PBU.

PBU may occur from usage in a TEB-financed space by a **non-UVM user, which is anyone other than a student, paid UVM staff, or paid UVM faculty.** Everyone else needs to be assessed.

UVM complies with this requirement by units tracking all usage arrangements in their TEB-financed spaces throughout the fiscal year, biennial training, and annual questionnaires. Each Fall, units submit their annual questionnaire for evaluation, and BLX Group LLC (BLX) completes the computations on behalf of the Vice President of Finance and Administration.



PBU triggers can be:

- Transfers of ownership
- Leases, rentals
- Management or service contracts
- Sponsored research
- Naming rights
- Substantial economic benefits to the non-UVM user

PBU may also arise from TEB-financed equipment or energy output from a TEB-financed plant.

Bond-financed space usage must remain ***below 10% PBU per bond to retain its tax-exempt status***. See website for [regulations and more information](#).

BLX Group assists UVM with PBU by evaluating the questionnaires and contracts and completing the yearly complex PBU calculations. BLX Group is registered with the Securities Exchange Commission and Municipal Securities Rulemaking Board as a municipal advisor.

Responsibilities for Officials & Delegates: Year-round monitoring & yearly reporting

1. Monitor all non-UVM space usage contracts, agreements, leases, and non-contract/informal space usage arrangements in bond-financed spaces for your area, as designated in the space survey.
2. Create methods to review, oversee, and collect space usage data for yearly PBU questionnaires, such as having all space usage arrangements flowing through your office.
3. Record, update, and retain all documentation of any private business use.
4. Forward all usage arrangements (new, amended, terminated) pertaining to bond-financed spaces to Treasury.Management@uvm.edu throughout the year.
5. Advise individuals responsible for the specific space usage arrangements not processed by SPA (non-SPA) to track buildings, room numbers, and days of usage by user.
6. Supply information regarding any Non-institutional Agency designations made in the space survey under your purview to Treasury Management.
7. Collect data and complete yearly questionnaire and biennial training.



Completing the Questionnaire

General Information: Tab 1

Fill out the contact information. **Every unit** must fill out this tab, even those units with specialized questionnaires such as SPA, Real Estate, and Physical Plant.

- Only officials or assigned delegates may be listed as the Responsible Party.
- The space survey is heavily relied upon for this compliance, thus the addition of the space survey contact.
- Please note BLX Group may reach out directly for additional information or clarification, so a point of contact is also required.

Responsible Party	Post-Issuance Tax Questionnaire - Use of Bond-financed Property
<p>The Internal Revenue Service requires issuers of tax-exempt debt to account for the use and application of tax-exempt bond proceeds. The primary purpose behind this IRS requirement is to assure the majority of the bond proceeds are expended and used for a qualified tax-exempt purpose.</p> <p>Please complete this questionnaire for all bond-financed spaces assigned to the Responsible Party for the period July 1, 2021 - June 30, 2022</p>	
Responsible party who filled out Questionnaire	
Name(s):	
Phone:	
Email address:	
Name of person who filled out Space Survey:	
Contact person whom BLX may contact for follow-up questions	
Name(s):	
Phone:	
Email address:	

Most questionnaires require that every TEB-financed space has been reviewed for PBU for this post-issuance bond compliance. Therefore, any bond-financed space will be listed here from the space survey in this section.

1. Review copies of the space survey and bond-financed list provided with the questionnaire to be sure everything for your unit is accurately recorded. Write “NO PBU” for any spaces with no usage arrangements in the previous fiscal year.
2. If there are any spaces not under your purview that are listed, notify Treasury Management to have the spaces researched for their designation under your unit. Do not remove the listing until resolved.



2. Usage Arrangements		During the period of July 1, 2021 - June 30, 2022				Yes/No	
		were any bond-financed spaces operated and/or occupied by anyone other than UVM students, UVM-paid faculty, or UVM-paid staff of the University?					
<p>If yes, provide the following:</p> <p>1) Provide responses for each usage arrangement in the table below.</p> <p>2) Send original usage arrangements to Treasury Management, along with any modifications to such arrangements.</p> <p>3) Alert Treasury Management of any terminated or completed arrangements with the end date.</p> <p>BLX Group will review these usage arrangements and may request copies of additional usage arrangements as well.</p>							
Organization Name	Organization Type (fed govt, state or local govt, 501(c)(3), for-profit, other)	Was Usage Arrangement negotiated through SPA? (Yes/No) If No, also fill in red columns.	Building ID Code	Description of Service	Room #(s)	Time in Use (Days)	Contract sent to Treasury Management? (Yes/No)

Other Use: Tab 3

- List all informal or verbal usage arrangements for TEB-financed spaces that may not have formal documentation. If there is an email agreement, please forward to Treasury Management.
- Answer the Yes/No question regarding PBU usage.
- Fill in columns. Note: all columns must be filled in for all non-SPA arrangements.
 - The space survey should assist you with usage location such as room #.
 - The number of days the space was utilized is VITAL for PBU determination.
 - Be sure any spaces designated as Non-institutional Agency in the space survey are listed with PBU arrangements. If not PBU, send explanation of designation and room usage to Treasury Management.

Responsible Party		<i>Post-Issuance Tax Questionnaire - Use of Bond-financed Property</i>					
3. Other Use		During the period of July 1, 2021 - June 30, 2022				Yes/No	
		were there any informal , non-contract or non-documented use of bond-financed space and/or equipment by anyone other than UVM students, UVM-paid faculty, or UVM-paid staff of the University?					
<p>If yes, provide the following:</p> <p>1) Provide responses to all headers for each use in the table below.</p> <p>2) If applicable, send original documents to Treasury Management, along with any modifications to such arrangements.</p> <p>3) Alert Treasury Management of any terminated or completed arrangements with the end date.</p>							
Organization/Individual Name	Organization Type (fed govt, state or local govt, 501(c)(3), for-profit, other)	Building ID Code	Description of use	Room #(s)	Time in Use (Days)		

What to Expect After Submitting the Questionnaire

- Once questionnaires and usage arrangements are received, Treasury Management will review for completion and reach out, if necessary, with questions or document requests.



2. If there were any space survey issues, Treasury Management will work with Planning, Design, and Construction and respond to you with resolution.
3. Treasury Management will forward documentation to the BLX Group. BLX may reach out to you directly with clarifying questions or requests for additional information. Please work with them and cc: Treasury Management with responses. Treasury Management may also request additional information on behalf of the BLX Group.
4. The calculations take time. Do not be surprised if you are contacted in the new year with a questionnaire inquiry.
5. Keep in mind that this compliance requirement continues for the life of tax-exempt bonds. Bonds have a general lifespan of 1 to 30 years; however, if the University ever refunds a bond with another bond, that lifespan gets extended for the life of the new bond, and so forth – continual monitoring of outstanding bonds.
6. If Treasury Management can be of service in helping units create their PBU tracking systems, please let us know.

Ongoing PBU Monitoring Tips

1. Keep [bond-financed space list](#) on hand for reference.
2. Ensure all usage arrangements flow to you.
3. Check each usage arrangement to the bond-financed space list and forward it to Treasury Management if:
 - a. it pertains to a bond-financed space used by a non-UVM user OR
 - b. if the space is designated as “non-institutional agency” in the space survey.
4. Create a tracking mechanism, such as an Excel spreadsheet, to ensure collection of the necessary information from your usage administrators.
5. **Advise usage administrators** that days of usage, building, and room/area must be tracked **for non-SPA arrangements** and forwarded to you by August (for the previous fiscal year) for ease in completing the yearly questionnaire for your areas.

Resources

[Email Treasury Management](#)

[Private Business Use website](#)