The University of Illinois System is among the preeminent public university systems in the nation and strives constantly to sustain and enhance its quality in teaching, research, public service, healthcare, and economic development.
<table>
<thead>
<tr>
<th>Mission Statement</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>About Us</td>
<td>5</td>
</tr>
<tr>
<td>Treasury Operations Leadership</td>
<td>6</td>
</tr>
<tr>
<td>Agricultural Property Services</td>
<td>7</td>
</tr>
<tr>
<td>Capital Financing</td>
<td>8-9</td>
</tr>
<tr>
<td>Cash Management</td>
<td>10</td>
</tr>
<tr>
<td>i-card Programs</td>
<td>11</td>
</tr>
<tr>
<td>Investments</td>
<td>12-13</td>
</tr>
<tr>
<td>Merchant Card Services</td>
<td>14-15</td>
</tr>
<tr>
<td>Risk Management</td>
<td>16</td>
</tr>
<tr>
<td>Tax Compliance and Analysis</td>
<td>17</td>
</tr>
<tr>
<td>Treasury Operations Staff</td>
<td>18</td>
</tr>
<tr>
<td>Contact Us</td>
<td>19</td>
</tr>
</tbody>
</table>
The mission of Treasury Operations is to support University of Illinois System leadership on capital and programmatic initiatives, protect and grow system assets, and promote student education, research, public service, health care, and economic development.
Treasury is comprised of eight separate units with a total of 51 FTEs. All Treasury employees work in Urbana-Champaign other than our Springfield ID Center. We provide services to the system that closely resemble a corporate treasury department.

Treasury achieved several key milestones this year despite ongoing pandemic-related workforce disruptions. The system’s bonds received a long-overdue upgrade in ratings to Aa3 from Moody’s, and A+ from Standard and Poor’s resulting in millions of dollars in future interest savings, positively affecting various bond financings and reinforcing to investors that the system is a solid and reliable borrower with whom they can feel confident in when purchasing its bonds.

The investment program posted its second consecutive year of the outperformance relative to the endowment’s benchmark while distributing $57 million in income to invested units. Treasury also enhanced liquidity management by collaborating with units across the system to incorporate pandemic-related assumptions into the cash forecast to assist in determining how to best rebalance the operating pool, which has saved approximately $15 million to date. Our cash team managed, operated, and funded all disbursements in a timely manner.

Meanwhile, Agricultural Property Services distributed $2.2 million in farm income, supporting the College of ACES, scholarships, and other beneficiaries. Our claims office formalized an initiative that assigns alternative work arrangements for employees on workers compensation that will help accelerate return to work and reduce the cost of settlements.

Furthermore, i-card Programs pivoted to accommodate early distribution of i-cards to incoming students by delivering them to students and participated in Urbana’s centralized back-to-school event where new i-cards were provided to approximately two thousand students. Merchant Card Services implemented a new payment processor to meet departmental and compliance requirements, while the Tax department claimed COVID-related tax credits of almost $1.3 million.

Treasury Operations supports the system’s role as a global leader in higher education. Descriptions of each team’s services and noteworthy figures are included herein.

Contact Treasury Operations at treasuryoperations@uillinois.edu or 217-244-8359.
<table>
<thead>
<tr>
<th>Treasury Operations Leadership</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agricultural Property Services</strong></td>
<td>Anita Million</td>
<td>Associate Director for Agriculture Property Services</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>Geri Melchiore, CFA</td>
<td>Senior Director for Investments</td>
</tr>
<tr>
<td><strong>Capital Financing</strong></td>
<td>Sarah Crane, MBA</td>
<td>Senior Director for Capital Financing</td>
</tr>
<tr>
<td><strong>Merchant Card Services</strong></td>
<td>Laura Manrique</td>
<td>Senior Associate Director for Merchant Card Services</td>
</tr>
<tr>
<td><strong>Cash Management</strong></td>
<td>Nicole Roberts</td>
<td>Director for Cash Management</td>
</tr>
<tr>
<td><strong>Risk Management</strong></td>
<td>Tina Harlan</td>
<td>Director for Risk Management</td>
</tr>
<tr>
<td><strong>i-Card Programs</strong></td>
<td>John Ealy, MHRIR</td>
<td>Director for i-Card Programs and Merchant Card Services</td>
</tr>
<tr>
<td><strong>Tax Compliance &amp; Analysis</strong></td>
<td>Terry Thompson, CPA</td>
<td>Senior Director for Treasury Operations</td>
</tr>
</tbody>
</table>
# Agricultural Property Services

## By the Numbers

- 2 Unit Employees
- $3.13 Million Distributions from Endowment Farms
- $511,000 Distributions from Other Farms
- $115.8 Million Total Value of All Managed Endowment Properties

The University of Illinois System has 53 farm properties in its care, of which 36 are endowments. Our team manages the farms and serves as fiduciary for the endowed farms’ beneficiaries.

Our responsibilities are accomplished by focusing on optimal net income and improving farm properties while pursuing environmental stewardship, positive local community relations, and supporting the educational and research missions of the system’s three universities.

As farm managers, we closely monitor soil fertility and conservation practices to optimize returns while ensuring long-term productivity. The success of the farm managers and farm operators relies on building and maintaining collaborative relationships. Furthermore, our stewardship improves these farmlands’ value. As fiduciaries for these farms, we encourage profitability while limiting risk as much as possible. Our farm leases stay current with agricultural market prices, which helps us to ensure yearly income. Earnings from endowment farms support University research, student fellowships, scholarships, and student loans. These returns also support 4-H activities and operation of the Allerton Park and Retreat Center.

Our presence in each farming community builds positive public relations and furthers the University of Illinois’ mission and vision for research, public service, and economic development.
CAPITAL FINANCING

Our office collaborates with our clients to meet their financing needs. We have developed a cooperative process to supply clients with tools, ideas, and data that assists them in making informed financing decisions. Our services include modeling pro-forma operating budgets, stress testing plans, and debt capacity studies to ensure our clients achieve the best outcome of their debt financed projects. We employ nationally recognized financial advisory firms that provide market intelligence and structuring advice.

In addition to ensuring debt service is made accurately and promptly for the life of all bonds issued by University of Illinois System, this office is responsible for record retention and ongoing compliance obligations. Monitoring compliance with financing agreements is a long-term, ongoing task. Most of the debt we issue is tax-exempt and highly regulated by the Internal Revenue Service. Additionally, we regularly check in with our financial advisor to review current market conditions in search of refunding opportunities that can save the System millions of dollars each year.

Investor outreach and promoting the credit strengths of the System are key efforts to keep our borrowing costs low. We work diligently with Moody’s Investors Service and Standard & Poor’s to promote our fiscal conservatism and strong management. Our efforts have enabled us to maintain the highest possible credit ratings, and thus ensure the lowest possible borrowing costs for the system.
CAPITAL FINANCING

DEBT OUTSTANDING AS OF JUNE 30, 2022 WITH BOND CREDIT RATINGS

- $1,030 MILLION Aa3/A+ AUXILIARY FACILITIES SYSTEM

- $50.3 MILLION Aa3/A+ CERTIFICATIONS OF PARTICIPATION

- $20.9 MILLION ENERGY SERVICE CONTRACTS (NOT RATED)

- $93.4 MILLION A3/A- HEALTH SERVICES FACILITY SYSTEM

- $0.8 MILLION A1/A+ UIC SOUTH CAMPUS

- $266 MILLION ILLINOIS FINANCE AUTHORITY P3 PROJECTS & CAPITAL LEASES
CASH MANAGEMENT

We manage banking relationships and services for the University of Illinois System and those of University Related Organizations and affiliated agencies. Our team manages all of the daily cash flows, bank balances, electronic fund transfers, fraud controls and banking and financial services contracts for contracts for 73 foreign and domestic bank accounts with 11 different financial institutions and 30 lockboxes for hospital and student/vendor payments. We also process debt payments, investment movements and URO payments for Singapore and Prairieland Energy.

With annual receipts and disbursements over $5 billion each, managing cash flows is a daily, high-volume task requiring a keen attention to detail. Each day we monitor balances for all bank accounts in order to pool funds in a concentration account for overnight investing. Our team moves cash every day banks are open, even when the system is closed.

The unit uses historical cash flow information to maintain a monthly cash forecast, ensuring there is an ample amount of liquidity available at all times. We have multiple fraud controls in place including daily monitoring of account activity, managing users’ access and limits, and requiring dual control for all processes. We collaborate with University Accounting and Financial Reporting (UAFR) for reconciliation of bank accounts providing a segregation of duties. We strive to create efficiencies for units while ensuring transactions are executed safely and securely.

### BY THE NUMBERS

- 4 UNIT EMPLOYEES
- 71 BANK ACCOUNTS MANAGED
- 30 LOCKBOXES
- 11 BANK RELATIONSHIPS
- $5.7 BILLION DISBURSEMENTS FUNDED
- $6 BILLION RECEIPTS RECEIVED
I-CARD PROGRAMS

Our office and ID Centers provide products and services centered on electronic and physical identification and devices. We centrally fund all card-printing supplies for each university ID Center and carding station. Our office issues all University Identification Numbers (UINs), provides card data and applications, and oversees the “one card” program for the entire University of Illinois System, including UI Health.

We fund the software, equipment, and supplies used at the ID Centers to produce IDs. Our centralized, bulk ordering saves money and spares others’ time and effort. We also enable Campus Recreation sites on the Chicago and Urbana campuses to provide visitor IDs for members.

ID Centers issue all University IDs, including i-cards, visitor cards, and other affiliate IDs, verifying the identity of each person. For students, ID Centers are the only unit performing identity assurance.

Our office is the authoritative source for all UINs. This includes generating UINs for external affiliates so they receive the services they require.

We supply data, database connections, file shares, card swipes, and query applications to over 100 units. Many units use our technology to verify a person’s role, status, or other data points electronically. With up-to-date information, units can provision services quickly and accurately.

We manage the student banking relationship, as part of our one card program. Each cardholder needs only one card for identification, campus spending, door access, and other services.

BY THE NUMBERS

- 17 UNIT EMPLOYEES
- 154,724 UINS GENERATED
- 65,906 ID CARDS ISSUED
- 5,757,563 CARD SWIPES TRANSACTED AT LOCATIONS USING OUR APPLICATIONS
- 5,991,404 SWIPES MADE FOR DINING AND DEBIT PLANS
  - UIUC - 5,231,876
  - UIC - 522,996
  - UIS - 236,532
- 1,539 CARD SWIPE REPORTS GENERATED FOR UNITS
INVESTMENTS

Our team oversees and monitors the management of the University of Illinois System’s operating and endowment funds, which comprise nearly $4.15 billion. As fiduciaries, our role is to make prudent investments that balance risk and total return.

Oversight begins with our Board of Trustees-approved asset allocation policy and the selection of investment managers and funds to fulfill each mandate. We provide investment guidelines for the assets to control risk at the onset. On an ongoing basis, we maintain close contact with our investment managers to analyze performance, investment allocations, risk controls, and organizational developments.

Portfolio monitoring is a daily task. We developed a suite of analytical tools that enable our office to examine our investment funds and accounts for potential risk concerns. Our real-time view of portfolio characteristics allows us to respond quickly to market and geopolitical events.

We routinely perform stress testing to understand how portfolios will react under various interest rate environments. Scenarios are derived from a combination of forecasts from investment managers, the Federal Open Market Committee, and federal funds future pricing, along with our analysis of market data.

Our forethought, monitoring, and proactive modeling enable us to ensure that our assets are invested prudently and efficiently, even in uncertain financial times.

BY THE NUMBERS

- $4.2 BILLION ASSETS UNDER MANAGEMENT
- $56.7 MILLION INVESTMENT INCOME DISTRIBUTED
- 85 DUE DILIGENCE MEETINGS HELD WITH 32 INVESTMENT MANAGERS
- 6 INVESTMENT FUNDS / ACCOUNTS ADDED TO OUR PLATFORM
INVESTMENTS

ENDOWMENT POOL ALLOCATIONS

- U.S. Equity: 22%
- Non-U.S. Equity: 20%
- Global Fixed Income: 20%
- Private Equity: 13%
- Diversifying Strategies: 8%
- Real Estate: 8%
- Farmland: 8%
- Cash Equivalents: 1%

OPERATING POOL LIQUIDITY RANGE

- Actual Allocation: 57%
- Primary Liquidity (0-1 Year): Policy Range: 30-75%
- Liquid Core (1-3 Years): Policy Range: 10-40%
- Core (3-5 Years): Policy Range: 10-40%
- Permanent Core (5+ Years): Policy Range 5-25%

Actual Allocation: 17%
Actual Allocation: 13%
Actual Allocation: 13%
MERCHANT CARD SERVICES

Our team facilitates electronic payment processing for the units (“merchants”) that accept credit and debit cards, and we help administer the online system for issuing Amazon eGift cards.

The iPay software we wrote and support handles the online payment processing for many units. iPay allows merchants to accept all major credit cards and electronic checks without requiring them to handle any payment data. This resource is a convenience and reduces the security impact for units’ websites.

Our service includes operational support and training. We handle all charge disputes, monitor sales figures, and post daily sales revenue to merchants’ accounts. We also develop, initiate, and oversee the annual self-assessment process required for units to comply with the Payment Card Industry Data Security Standard (PCI DSS).

In partnership with Cash Management, our team enables researchers to pay human subjects with Amazon eGift cards that can be emailed or printed. We wrote and help support the application used for obtaining eGift cards. Business managers and research investigators appreciate the convenience, ease, and control of paying with eGift cards instead of cash. Eliminating cash handling prevents losses and provides savings.

Our software and support helps hundreds of faculty and staff members conduct their units’ research and business with efficiency and security.

BY THE NUMBERS

- 2 UNIT EMPLOYEES
- 254 DISPUTES RESEARCHED
- 245 ACTIVE MERCHANTS
- 58 ACTIVE MERCHANTS USING IPAY
- 400 UNIQUE CFOAPALS USED TO POST REVENUE IN IPAY
- 225 NEW STUDIES BEGAN ISSUING AMAZON ECODES
- 19,957 AMAZON ECODES ISSUED ($544,712)
- 2.54 MILLION PAYMENT CARD TRANSACTIONS PROCESSED
- $116.7 MILLION PAYMENT CARD TRANSACTIONS
- $18.4 MILLION IPAY TRANSACTIONS
MERCHANT CARD SERVICES

PAYMENT CARD TRANSACTIONS VOLUME
7 YEAR TREND

FY16: $2,753,234
FY17: $2,783,317
FY18: $2,852,631
FY19: $2,775,999
FY20: $2,473,833
FY21: $1,541,809
FY22: $2,544,479
Our unit provides advice to system leadership to help determine whether to accept, transfer, or self-insure potential liabilities from risks such as bodily injury and property damage losses to employment practices claims and adverse medical outcomes.

In addition to administering the self-insurance plan, we coordinate the purchase of over 70 commercial insurance policies. Each of these requires day-to-day administration such as gathering and submitting underwriting information, billings, financial assessments and reconciliations, and assistance with claims processing. We regularly manage a variety of risks by identifying key hazards and employing effective risk financing techniques to protect the system's assets. We also continually strive to improve the delivery of our services by providing outreach, participating on various committees, assisting with contract language reviews, and being a resource to all within the University System.

The Office of Claims Management and Workers’ Compensation reports to the Risk office. They administer the workers’ compensation self-insurance program, coordinating and controlling claim activities, and negotiating and settling claims. Should an injury occur the Claims office collaborates with injured workers, supervisors, and health-care providers to provide necessary care to ensure a quick and safe return to work. The return-to-work initiative promotes favorable outcomes for employees and the system as a whole. The Claims office also handles non-litigated general liability claims.
TAX COMPLIANCE AND ANALYSIS

Our team serves as a resource for various issues for the system and its three universities, across the United States and worldwide. Although the system is a state entity, it is required to comply with tax rules.

We routinely research, determine implications, and provide consultation and advice on various federal, state, and international tax matters. We establish and maintain effective connections with system colleagues and external relations, including other universities, governments, consultants, and attorneys. We lead and coordinate required correspondence for tax and audit inquiries.

The Tax Office furthers compliance efforts by monitoring tax legislation, determining impacts and risks, and communicating results. Our team develops policies and promotes awareness to maximize compliance. We also identify and research operational issues to ensure procedures align with relevant laws and rules.

Through our commitment and effort, we protect and maintain the system's exempt status and minimize its potential tax exposure. Our ability to bring expertise, interpret complex matters, provide recommendations, and communicate outcomes is significant to making informed and responsible decisions in the system's best interest.

IRS FORMS PREPARED WITH CONSULTATION FROM TAX

- **128,407** 1098-T, TUITION STATEMENT
- **68,745** W-2, WAGE AND TAX STATEMENT
- **1,931** 1042-S, FOREIGN PERSON'S U.S. SOURCE INCOME
- **6,446** 1099 INFORMATION RETURNS
- **47,102** 1095, HEALTH COVERAGE

**BY THE NUMBERS**

- 3 UNIT EMPLOYEES
- OVER 250 UNITS CONSULTED
- 66 COUNTRIES RESEARCHED FOR TAX AND LEGAL REQUIREMENTS
- 51 U.S. STATES AND TERRITORIES RESEARCHED
TREASURY OPERATIONS STAFF

Brandon Branson Claims Management
Jennifer Brown Cash Management
Ellie Burnette i-card Programs
Josh Burns i-card Programs - Springfield ID Center
Brandi Clemens Claims Management
Kathleen Cooke i-card Programs
Kelly Cooper Risk Management
Rod Coty i-card Programs
Sarah Crane Capital Financing
John Ealy i-card Programs
Scott Eichman i-card Programs
Sara Featherlin i-card Programs - Springfield ID Center
Christine Flaningam Risk Management
Darlene Frazier Claims Management
Kelly Foster i-card Programs
Nathan Grace i-card Programs
Tina Harlan Risk Management
Brad Hart i-card Programs
Victoria Hill Risk Management
Melita Irwin Claims Management
Nichole Jackson Risk Management
Griffin Knight Claims Management
Mary Johnson Claims Management
Hannah Leischner Agricultural Property Services
Misty Lockhart Investments
Laura Manrique Merchant Card Services
Jarvis Manuel i-card Programs - Urbana ID Center
Kim Maxwell Tax Compliance & Analysis
Geri Melchiorre Investments
Kevin Miller Capital Financing
Anita Million Agricultural Property Services
Abdullah Ozkaldi Capital Financing
Valerie Pacely Cash Management
Patricia Peacock i-card Programs - Urbana ID Center
Natika Roberson Cash Management
Nicole Roberts Cash Management
Shelly Romack Risk Management
Nick Schmidt Investments
Matthew Schneier Merchant Card Services
Jennifer Selk Risk Management
Kim Smith Claims Management
Raegan Smith Investments/Agricultural Property Services
Annette Soutchay Claims Management
Dayton Stahl i-card Programs
Brenda Sutherland Tax Compliance & Analysis
Marie Tan-Jones Treasury Operations
Terry Thompson Tax Compliance & Analysis
Paige Voorhees Risk Management
Felicia Wildermuth i-card Programs - Urbana ID Center
Jessica Wong i-card Programs
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