

LINE OF CREDIT PROVIDER REQUEST FOR PROPOSAL

College is seeking a line of credit to facilitate and enhance operating liquidity management. **College**, located in **City**, is an independent, four-year liberal arts college that was founded in **Year**. The College is organized and operated as a **State** nonprofit corporation and it has been recognized by the Internal Revenue Service as a tax-exempt educational organization described in Section 501(c)(3) of the Internal Revenue Code.

The College is inviting proposals from qualified institutions to provide a working capital line of credit for the period of November 1, 20XX through October 31, 20XX. The line of credit will be in the amount of \$4,000,000, which will be available for borrowing, re-paying, and re-borrowing until the October 31, **Year** maturity date, at which time the line of credit might be renewed. The line of credit will be unsecured. The College has long-term obligations outstanding through bonds issued by **County, State**. The bonds are secured by loan repayments from gross revenues of the College. Re-payments for the proposed line of credit will be made only after all bond fund payments have been made and all bond covenants have been met under the indentures associated with the outstanding bonds.

The line of credit will support the College's day-to-day operating capital liquidity, which is derived primarily from tuition, fees, endowment distributions, and unrestricted annual gifts. Year-over-year, the College's cash flow cycle has remained relatively consistent. However, working capital requirements vary within each fiscal year, and an available line of credit would optimize the College's cash management practices and fiscal planning.

In addition to the line of credit, the College will consider proposals for short-term and intermediate-term cash management, if the responding institution would want to include such proposals in a more comprehensive operating liquidity management submission.

Request for Proposal (RFP) Required Components

An RFP response must include each of the following items, along with the signed certification at the end of this RFP.

1. Institution's Verification

Verify that the respondent institution is licensed to perform business in and operates an office in **State**

2. Line of Credit Proposal

Discuss the institution's proposed line of credit facility. The discussion is to include, but not be limited to:

a. Proposed Fee Structure

Discuss the proposed fee structure, including a.) any commitment fee(s), b.) the interest rate to be charged on any borrowings, and c.) any other fees or costs associated with maintaining and drawing on the institution's line of credit facility.

b. **College's** Reporting Requirements and Covenants

Discuss reporting requirements of **College** to the institution. Detail any covenants or conditions required by the institution.

3. Institution's Relationship Managers

Provide the names and contact information for the institution's primary and back-up relationship managers for the proposed line of credit.

4. Disclosure of Any Conflicts

Disclose any conflicts of interest that might interfere with the institution's proposed line of credit engagement with the College.

5. References

Describe similar or comparable facilities provided by the institution to other educational or nonprofit entities, providing at least two references and contact information for each reference.

Optional Response for Short-term and Intermediate-term Cash Management

The College also would welcome proposals for the short-term and intermediate-term investment of working capital, if an institution chooses to include such a proposal along with its response to the line of credit RFP. In recent years, the College's unrestricted cash balances have varied from about 118% of monthly expenses up to as much as 300% of working capital needs. The College is considering short-term and intermediate-term investments for the balances above a targeted liquidity level. The investments must preserve capital and three to 24 month liquidity needs, while optimizing yield. All investments must meet the College's permitted investments criteria and the weighted average credit quality of both the short-term and the intermediate-term holdings must each be "A-" or higher.

Would an institution's short-term and intermediate-term investment proposal work in tandem with its line of credit proposal?

Questions from Responding Institutions

Questions, clarifications, or additional information should be submitted by e-mail to the **College's** Treasurer and Vice President for Finance, Name, email address.

Response Submissions

Responses and all related information must be received by August 29, 20XX via e-mail to
Name, email address

Respondent's Certification

I acknowledge that I have read and understood the provisions of the RFP and that I am legally authorized to sign and submit this certification to **College**. I certify that the information contained in the submitted RFP response and any attached information is correct and true and that the submitted response is an accurate representation of the proposed services to be provided to the College.

Signed: _____ Title: _____

Name: _____ Date: _____

Institution: _____