

Office of Treasury and Planning

The Office of Treasury and Planning (OTP) reports to the executive vice president and treasurer (EVPT) and is responsible for ensuring the ongoing liquidity of the Institute as it pursues its bold research and educational missions. OTP staff is comprised of Allen Marcum, director; Carol Ann Schultz, office manager; and senior financial analysts Sean Adams, Eileen DesRosiers, and Allison Parisi.

Staff members help guide the Institute's long-term financial strategy by providing research and analysis in support of new and ongoing EVPT initiatives. Additionally, during the course of the year, OTP is responsible for the strategic and operational deployment of MIT's working capital, the optimization of its debt structure, and the funding and strategic implementation of its capital plan. Key ongoing deliverables include the preparation and presentation of financial reports and analysis to the Institute's Executive Committee and the MIT Corporation in the areas of capital planning, financial forecasting, borrowings, and working capital management.

Major FY2017 accomplishments included contributing significantly to the startup of The Engine Accelerator, Inc.; The Engine Room; and the associated venture fund The Engine Accelerator Fund I, L.P. This effort included working with the Office of the General Counsel and others on the corporate structure for the entities, working on the team that developed prototypes for the online resource marketplace, and leading the project to lease and develop 501 Massachusetts Avenue to serve as the organization's headquarters. It also involved modeling the financials for all of the entities and working with The Engine team to put processes in place, as well as working on the launch event in October 2016.

OTP also executed a record-setting century bond issuance: \$500 million of Series E taxable bonds. Maturing in 2118, the bonds were issued at a yield of 3.885%, capitalizing on the market dislocation that occurred after the United Kingdom voted to leave the European Union. This deal was put together in about two-and-a-half weeks, and was the lowest-priced US century bond in more than a century and the lowest ever in higher education. The proceeds added to the existing capital project fund and are expected to support execution of the capital plan out to FY2021.

In addition, OTP staff worked with Facilities, the Office of the General Counsel, the Office of Sustainability, and others to put in place a power purchase agreement with SunEnergy1 to support development of the 600-acre Summit Farms Solar project in North Carolina. MIT's share of the purchase adds carbon-free energy to the grid equivalent to 40% of MIT's annual campus electric use and will offset 17% of MIT's greenhouse gas emissions. This will contribute significantly to meeting MIT's commitment to reduce emissions by 32% by 2030.

Allen Marcum
Director