



FINANCING POLICY

1.0 PURPOSE

The purpose of this policy is to address the following control objectives:

- Establish requirements for the approval of and reporting on all borrowing undertaken by the University
- Ensure that necessary financing is available in the event of a cash shortfall

2.0 RESPONSIBILITY

The Vice-President (Administration) and the Director, Finance and Administration are responsible for ensuring loans and borrowings are entered into and administered in accordance with authorized policies.

3.0 AUTHORITY

3.1 Line of Credit

- (a) The University will maintain an operating line of credit with its bank of record to cover any shortfall in cash needs to fund operating expenditures.
- (b) Any balance in the Canadian dollar operating account reduces the amount drawn under the Line of credit daily, and any overdraft in the Canadian dollar operating account daily shall be funded by a transfer from the line of credit.
- (c) The operating line of credit will be approved by the Board of Governors on an annual basis at its annual meeting upon recommendation from the Finance Committee.
- (d) Special lines of credit may be established from time to time for building construction or other projects through approval by the Board of Governors upon recommendation of the Finance Committee.

3.2 External Loans or Financing

- (a) All external loans or financing in excess of \$100K require the approval of the Board of Governors upon recommendation of the Finance Committee.

- (b) Administration may choose to undertake loans with terms of less than 7 years and individual amounts of less than \$100K where it makes financial sense for the University. This type of loan might be used to purchase rather than lease vehicles or equipment.
- (c) Loans undertaken in 3.2(b) will require the approval of the Vice-President (Administration) and one other of the University approved signing authorities.

3.3 Leasing

- (a) In the regular course of University operations, Administration may choose to utilize a leasing strategy to finance acquisitions of equipment and vehicles. These leases are for terms of five years or less and may include capital or operating leases depending on the circumstances.
- (b) Such lease agreements must be authorized by the Vice-President (Administration) and at least one other approved signing authority for the University.
- (c) Annual lease payment commitments shall not exceed \$500K.

4.0 REPORTING

The Director, Finance and Administration shall report annually to the Finance Committee of the Board of Governors on any new loans or leases, on year-end balances of all loans, and on changes to the University's line of credit.

Approved by the Finance Committee June 8, 2015

Approved by the Board of Governors June 25, 2015

Reviewed by the Finance Committee April 10, 2018

Approved by the Board of Governors April 18, 2018 (no changes)

Approved by the Finance Committee April 16, 2021 (no changes)

Approved by the Board of Governors, April 29, 2021 (via Consent Agenda)