
1807 INTERFUND BORROWING – EQUIP. LOAN BORROWING PROGRAM

Subject: Debt Financing
Effective: December 1986
Revised: May 2006
Last Reviewed: March 2016
Responsible Office: Treasurer's Office
Approval: V.P. for Finance and Treasurer

PURPOSE

The University provides loans to departments for certain purchases of equipment.

POLICY

1. The University has committed resources for an internal equipment financing program. Aggregate limits by school will be reviewed and determined annually by the Treasurer's office for approval by the Trustees. At any given time, the total of committed and outstanding loans will not exceed this limit. Any commitments beyond the established limit will be approved by the Vice President for Finance and Treasurer.
2. Equipment purchases in excess of \$25,000 are eligible for this program.
3. The Treasurer's office is responsible for approving participation in the internal equipment loan program. Acquisitions funded from unrestricted funds are not eligible for participation in the program unless specifically approved by the V.P. for Finance and Treasurer.
4. Senior Business officers must approve all loan requests.
5. The Treasurer's office is responsible for notifying University Office of Budget and Management Analysis of all future commitments for equipment loan debt service.
6. Individuals originating requests cannot exceed their Transaction Authorization Card (TAC) limits. Both principal and interest must be considered as the total obligation subject to the TAC limits.
7. Interest will be charged on all internal equipment loans. The rate on loans will be fixed at the prime rate of the University's lead bank in effect at the time the loan is granted.
8. Loan repayment terms are limited to five years and loans may be prepaid, in whole or in part, at any time without penalty.