

UNIVERSITY of



DAYTON

## Policy on Internal Loans

Effective Date: December 6, 1993

Approval: March 23, 2016

Maintenance of Policy: Vice  
President for Finance and  
Administrative Services

**PURPOSE:** To provide the framework for units of the University to borrow money that may be available from the University's cash, short-term investments or the long-term investment pool.

**SCOPE:** All units of the University

**POLICY:** All unit expenditures for capital items, long-lived assets, long-term purchases or long-term leases are to be funded within that unit's annual operating budgets or through the use of reserve funds.

All uses of reserve funds must be approved by the Provost and the Vice President for Finance and Administrative Services.

A unit may request that funding of expenditures for capital items, long-lived assets, long-term purchases or long-term leases be "financed" through an internal loan from the University's long-term investment pool or cash reserves.

All requests for internal loans must be approved by Vice President for Finance and Administrative Services or his/her designee. Terms and conditions for such internal loans, including repayment plans, will be determined by the Vice President for Finance and Administrative Services or his/her designee on a case-by-case basis at his/her sole discretion, and will be dependent on, among other things, the University's available cash on hand, current market conditions for investments, other pending University needs and similar factors.

The internal loan may bear interest at rates to be determined at the sole discretion of the Vice President for Finance and Administrative Services, or his/her designee.

The University will not borrow funds from true endowments for the purposes of providing internal loans.

### REFERENCE DOCUMENTS:

1. Definition & Use of Restricted and Designated Funds

### POLICY HISTORY:

Approved in Original Form  
December 6, 1993

Approved as Amended  
December 11, 1995

Approved as Amended  
July 24, 2000

Approved as Amended  
March 23, 2016