Number:	FIN-315
Title:	Use of Debt
Person responsible for enforcement:	Vice-Rector, Administration
Entered into force:	April 25, 2018
Approved:	April 25, 2018 by the Board of Governors *This document replaces all previous regulations on this subject.*
Exception:	No exception to this regulation without prior written authorization from the Board of Governors

In this document, the masculine form is used without prejudice and for conciseness purposes only.

1. Objective

This regulations establishes: a) the ratios used to monitor the impact of the debt on the financial health of the University; and b) the principles governing the use of indebtedness to achieve the University's strategic objectives.

2. Definitions

Ratio 1 – Debt Capacity: This ratio is calculated by subtracting liabilities and funds from all assets. The University has set up its new debt capacity at 50% of net assets.

Ratio 2 – Debt Burden: This ratio measures the percentage of revenue dedicated to repayment of the current debt (capital and interest). The burden must be net of any gift tied to the repayment of the debt. The University sets a debt burden threshold of 6% of revenues.

3. Regulation

3.1 The University may only use debt financing to meet funding requirements for capital projects that have been approved by the Board of Governors.

3.2 The Administration Committee is authorized to take out new loans after having obtained authorization from the Board of Governors.

3.3 The Administration Committee approves refinancing of existing loans. The duration of the loan and amortization period must remain the same or be less.

3.4 The Finance Committee compiles the ratios annually, with figures from the audited financial statements.