

REGENTS' POLICY
PART V – FINANCE AND BUSINESS MANAGEMENT
Chapter 05.04 - Debt and Credit

P05.04.010. Scope and Purpose.

This policy applies to all external debt transactions of the university. The purpose of this policy is to:

- A. maintain the creditworthiness of the university and the State of Alaska;
- B. minimize the cost of capital for acquisition and construction and/or leasing of facilities;
- C. provide guidelines for debt financing the acquisition or construction of essential facilities and other real property improvements; and
- D. provide guidelines for equipment financing and other credit transactions.

(12-03-94)

P05.04.020. Facilities and Real Property Improvements.

- A. All facilities and other real property debt issuances must be approved by the board. The

- H. Debt proceeds shall not be used to pay or reimburse university departments or employees for the cost of services or expenses unless such costs are directly assignable to the project.
- I. The university shall engage an external financial advisor for each debt issue to prepare a letter of comment and recommendation, including the type of financing, call, security and credit enhancement features, term, time and manner of sale, reasonableness of costs and other terms and conditions, and evaluate at the time of issuance the reasonableness of interest rates, underwriter fees, financing costs, reserve requirements and other related issues.
- J. The university shall engage external bond counsel for each tax-exempt debt issue to perform all services customarily provided by bond counsel, including preparation or review of all debt authorizing resolutions and related documents and agreements.
- K. The university shall use appropriate competitive procedures for selection of financing consultants, bond counsel, underwriters, trustees, bond insurance and for sale of debt.
- L. The university shall provide the State Bond Committee notice of all debt issuance 60

P05.04.050. Corporate Charge and Credit Cards.

The chief finance officer is authorized to execute corporate charge and credit card agreements on behalf of the university. Corporate charge or credit cards may be authorized and used in circumstances where card use can provide more cost effective or efficient procurement or billing processes and where:

- A. other procurement and billing processes are not cost effective or feasible for such activity;
- B. procedures are established for the full payment of charges on a regular basis; and
- C. the chief finance officer determines the arrangement is in the best interest of the university.

(12-03-94)