

## **Foundation Loan Policy**

From time to time, the financial needs of various campus and related organizations and units will be such that loans to finance specific projects or activities may be required. It is the policy of the California State University, Fresno Foundation, hereinafter referred to as Foundation, to make loans for purposes consistent with the mission of the Foundation.

### **Loan Types**

There are two types of loans available through the Foundation:

1. Interest Bearing Loans
2. Non-Interest Bearing Loans

No interest is charged on non-interest bearing loans by the Foundation.

All interest bearing loans are charged a fixed interest rate equal to the rate for the Local Agency Investment Fund on the date of the loan, plus one percent.

### **Loan Categories**

There are two categories of loans available through the Foundation:

1. Large Loans
2. Small Loans

Large loans are for an amount of \$25,000 or more, and/or for a period exceeding thirty-six (36) months. Small loans are for an amount of \$25,000 or less, and for a period not exceeding thirty-six (36) months.

### **Limitations on Total Amounts of Loans outstanding**

As large loans are reviewed and acted upon by the Foundation Finance Committee and, as necessary, the Foundation Board of Governors, limits on large loans shall be established by the Board of Governors.

### **Review and Approval**

Small loans may be made by the Executive Director of the Foundation, consistent with this policy. Non-interest bearing loans may require additional review and consultation with the Foundation Finance Committee and/or the Campus President, depending on the specific situation.

All large loans, both interest and non-interest bearing, will be approved by the Foundation Finance Committee, and the Foundation Board of Governors as necessary in the view of the Foundation Finance Committee. Depending on the specific circumstances associated with a large loan, review and approval by the Campus President may be required.

### **Loan Procedures**

The Executive Director of the Foundation shall establish such procedures and documentation processes as are necessary to insure the fiscal integrity of the Foundation, and to insure that the Foundation meets its-fiduciary requirements. At a minimum, documentation of all loans will require the following information: name of borrower, date, amount and term of loan, type of loan (large or small; interest bearing or non-interest bearing), interest rate, explicit description of the purpose of the loan (to determine consistency of the use of funds with Foundation's mission), source of repayment of the loan, account number into which loan proceeds will be deposited (including a list of authorized signators on the account), and campus reviews and approvals required (to be determined on a case by case basis by the Foundation staff, but at a minimum to include the cognizant vice president and/or campus president).

In order to make a small or large loan, the Foundation will require a loan application form with evidence of a commitment from an appropriate campus official to guarantee repayment of the loan. Where the source of guaranteed repayment is indirect charges (i.e. one or more projects may be removed from the indirect pool), approval by the Dean and the Provost is required. Evidence of the source of fund repayment will be required on all large loans.

The Executive Director of the Foundation may, as required by his or her judgment, consult with appropriate persons relative to approval of any loan requested pursuant to this policy.