# Borrowing Procedures

## 1. COMPLIANCE OBLIGATION SUPPORTED

*Borrowing Policy*

## 2. PROCEDURAL DETAILS

2.1. These procedures cover all borrowings by the University. Under the *Curtin University Act 1966* (WA) the University may do any of the following:

- borrow money;
- obtain credit;
- issue, acquire, hold or dispose of debt paper;
- create and issue capital instruments (described in any way determined by the University and issued on whatever terms the University determines).

2.2. Arrange for financial accommodation to be extended to the University Borrowings will only be entered into to enable funding for strategic purposes.

2.3. Cumulative borrowings will be managed within a range determined by Council on recommendation from Finance Committee.

2.4. All borrowings will be appropriately recorded in the University's financial system and financial reports.

### 2.5. Request to borrow

2.5.1. The Chief Financial Officer will assess the business case for new borrowing requirements, with reference to the:

(a) Strategic business need for the borrowing;

(b) Amount of the borrowing request;

(c) Proposed timeframe of the borrowing;

(d) Details of any asset to be acquired/developed; and

(e) Details of any future revenue streams to the University as a direct result of the proposal.

2.5.2. The Chief Financial Officer will submit to the Vice-Chancellor a borrowing proposal including the following:

(a) Cost of capital

(b) Risk analysis

(c) Long term financial projections

(d) Capacity to meet repayment obligations

(e) Financial ratio analysis

(f) Any security to be provided and any covenants to be complied with

(g) The level of credit facilities with the financier

(h) Timeframes to increase or establish credit facility limits

2.5.3. If the amount proposed to be borrowed is greater than $5 million, Finance Committee will assess and recommend the proposal for submission to Council.

2.5.4. Council will review and, if appropriate, approve the loan proposal.

2.5.5. If the amount proposed to be borrowed is $5 million or less, the Vice-Chancellor will review and may approve the proposal. Finance Committee will be informed accordingly.

2.5.6. If the University intends to seek a guarantee under the *Curtin University Act 1966* (WA) in respect of a borrowing, the University will give the Minister for Education reasonable advance notice of its intention to borrow that money and to seek a guarantee and will notify the Minister of the outcome of the University's application to borrow that money.

### 2.6. Drawdown of funds

2.6.1. Requests for drawdown will be made within the limits of the approved borrowing facility. Drawdowns must be within the limits of the approved facility and approved by two signatories to the authorised signatory list.

2.6.2. Drawdown of borrowings will be made in a timely manner with respect to external payment obligations to minimise interest charges.

### 2.7. Repayment of funds

2.7.1. **Periodic Repayments**
Borrowing repayments will be made in accordance with the relevant borrowing agreement.

2.7.2. **Early Repayment**
Early repayment of borrowings will be at the discretion of the Finance Committee on advice from the Vice-Chancellor.

### 2.8. Debt Management

2.8.1. The University's borrowings will be managed on a portfolio basis to ensure a coordinated, effective portfolio. Any new borrowings must be assessed as part of the University's debt portfolio.

2.8.2. The debt structure will be determined based on the objectives of lowering the average cost of capital and providing budget and cash flow certainty within an acceptable level of risk, over time.

2.8.3. The debt portfolio will aim to be diversified across a range of debt maturities and interest rate exposure over varying time horizons.

2.8.4. A mix of fixed and floating rate debt may be desirable to minimise both cost of capital and risk. The mix will be determined in light of the borrowing environment and purpose.

### 2.9. Reporting

2.9.1. Details of funds borrowed, total facilities available and funds remaining for drawdown will be reported quarterly by Financial Services to Finance Committee.

## 3. RESPONSIBILITIES

Responsibilities are as set out in Section 2.

## 4. SCOPE

These procedures apply to all employees, Finance Committee members and Council members involved in the management, recommendation, approval and oversight of borrowing activities and related financial arrangements.

## 5. DEFINITIONS

(Note: Commonly defined terms are located in the *Curtin Common Definitions*. Any defined terms below are specific to this document)

**Borrowings**
The act of accepting money under a contract which requires its repayment, normally with an associated interest charge. Borrowings include but are not limited to:

- Advances by way of loans (short term or long term)
- Debt capital instruments
- Overdraft facilities

Borrowings exclude credit card facilities and operating leases**.**

**Operating lease**
A contract that allows for the use of an asset but does not convey rights of ownership of the asset. The lease period is over a period smaller than the economic life of the asset and the asset is returned to the lessor at the end of the lease period. For the sake of simplicity, all leases of assets with a value less than $5,000 (excluding GST) are regarded as operating leases.

## 6. SCHEDULES

*Nil*

## 7. RELATED DOCUMENTS/LINKS/FORMS

*Curtin University Act 1966* (WA)

Matters Reserved to Council

Register of Delegations

*Purchasing Procedures*

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|---|---|
| **Policy Compliance Officer** | Rudy Koh, Director Financial Reporting |
| **Policy Manager** | Chief Financial Officer |
| **Approval Authority** | Chief Financial Officer |
| **Review Date** | 1st April 2030 |

**REVISION HISTORY** (*filled out by Risk, Compliance and Audit*)

| Version | Approved/ Amended/ Rescinded | Date | Committee / Board / Executive Manager | Approval / Resolution Number | Key Changes and Notes |
|---|---|---|---|---|---|
| New | Approved | 10/12/2008 | Council | C 198/08 | Attachment 1 to Document No 01270/08 |
| | Administratively Updated | 08/07/2013 | Director, Legal and Compliance Services | | Links Updated |
| | Administratively Updated | 26/03/2014 | Director, Legal and Compliance Services | | Updated Policy Manager |
| | Amended | 28/10/2015 | Audit and Compliance Committee | ACC 64/15 | Reviewed and No Changes Recommended |

| Version | Approved/ Amended/ Rescinded | Date | Committee / Board / Executive Manager | Approval / Resolution Number | Key Changes and Notes |
|---|---|---|---|---|---|
| | Approved | 09/04/2019 | Chief Financial Officer | EM1904 | Conditional upon Council rescinding the Borrowing Policy and Procedures at its 3 July 2019 meeting |
| | Approved | 08/12/2023 | Chief Financial Officer | EM2330 | |
| | Approved | 30/10/2026 | Chief Financial Officer | EM2619 | |