



Monument Academy

Board of Directors Governance and Policy

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| Policy Name: | Borrowing |
| Policy Number: | DC |
| Original Date: | |
| Reviewed: | October 2023 |
| Approved | December 14, 2023 |
| Category: | Finance |
| Author: | Glenn Gustafson |
| Approval: | |

Borrowing

The Board may authorize the President and Secretary to execute promissory notes on behalf of the school from time to time as such borrowing of funds becomes necessary and may further authorize them to execute any and all other documents necessary or incidental to the borrowing of funds. All loans, leases and bonds of any kind, must be approved by the Board of Directors and must conform to the requirements of TABOR and Bond/COP covenants.

When it becomes evident early in the fiscal year before substantial tax monies have been received, that the cash balances will not meet the anticipated obligations, the School Board may negotiate, under the provisions of Colorado statutes, for a short-term debt in such amounts as may be required to meet such obligations.

By law, these short-term loans are liquidated within six months of the close of the fiscal year from moneys received by the school for the general fund

- a. Short-term options may include such debt instruments as lines of credit when necessary or prudent to allow the school to meet its cash flow requirements.
- b. Equipment Financing: Lease obligations are a routine and appropriate means of financing capital equipment. However, lease obligations also have a significant impact on budget flexibility. Therefore, efforts will be made to fund capital equipment with pay-as-you-go financing where feasible, and only the highest priority equipment purchases will be funded with lease obligations.

According to the TABOR Amendment, these short-term loans may not cross fiscal years.

Adopted: 12/14/2023

LEGAL REFS.:

C.R.S. 22-40-107

C.R.S. 22-54-110