

<b>TITLE:</b>	<b>Borrowing</b>		
<b>Manual/Policy #:</b>	Board of Directors IV-7	<b>Division:</b>	CPDMH
<b>Original Issue:</b>	November 2021	<b>Issued by:</b>	Board Chair and Board Secretary
<b>Previous Date Reviewed:</b>		<b>Approved by:</b>	Board of Directors
<b>Last Date Reviewed:</b>	November 2021	<b>Cross References:</b>	Board Policy IV-1 Signing Authority

**1. POLICY STATEMENT:**

The Carleton Place & District Memorial Hospital (CPDMH) is committed to prudent financial management and fiscal responsibility with the use of debt financing.

**2. SCOPE:**

This policy applies to debt financing, capital lease financing and other financial arrangements that contractually obligate or pledges owned assets. This policy does not apply to trade payables or other accounts payable that are in the normal course of operations.

**3. GUIDING PRINCIPLES:**

Borrowing should not impact the CPDMH's ability to meet requirements set by the Ministry of Health.

**4. DEFINITIONS:**

N/A

**5. PROCEDURE:**

CPDMH from time to time, may need to borrow money for the following purposes:

- To secure financing for working capital requirements;
- To secure operating financing (line of credit) to fund normal operating requirements arising from timing differences between cash inflows and expenditures;
- To secure financing to support capital projects;
- To lease or finance capital equipment that is part of Board approved capital project plan;
- To lease or finance land or property consistent with the master plan; or
- To support an expenditure justified by a business case with an acceptable financial return.

The Chief Financial Officer (CFO) will prepare a report for the Joint Finance, Resources and Audit Committee (JFRAC) identifying the purpose for the financing, cash flow and balance sheet analysis to support the ability to meet the repayment of the debt.

The CFO will seek financing from the following sources:

- Schedule 1 Canadian Bank as per the Canadian Federal Bank Act, ensuring the most appropriate financing rates
- Ministry of Health
- Reputable organizations that provide capital leasing

All financial commitments must follow CPDMH's Signing Authority Policy.

Board approval is required for all increases to existing operating lines or any new debt and or contractual obligations. The Designated Signing Authorities can enter into Board approved financial commitments.

The Ministry of Finance, under the Public Hospitals Act, may make a loan or provide financial assistance providing that it is in the public interest to do so. In those cases, CPDMH must adhere to any specific requirements from the Ministry of Health.

## 6. REFERENCES:

Trillium Health Partners IV- 5 Borrowing Policy

## 7. APPENDICES:

N/A

## Evaluation

This policy will be reviewed every two years.