



COLLEGE of CENTRAL FLORIDA

POLICY MANUAL

Title: FINANCING SHORT TERM AND LONG TERM DEBT	Number: 5.18	Page: 1 of 2
See Procedures: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Legal Authority: Florida Statutes 1009.22, 1009.23, 1004.70	Board Adoption/Revision Approval Dates: 10/28/08	

Financing Short Term and Long Term Debt

The College District Board of Trustees is authorized to enter into short term loans and installment, lease purchase, and other financing contracts for a term of not more than 5 years, including renewals, extensions, and refundings. Payments on short term loans and installment, lease purchase, and other financing contracts shall be subject to annual appropriation by the District Board of Trustees. The District Board of Trustees is authorized to borrow funds and incur long term debt, including promissory notes, installment sales agreements, lease purchase agreements, certificates of participation, and other similar long term financing arrangements, only specifically provided in FS 1009.22(6) and (9) and 1009.23(11).

At the option of the District Board of Trustees, bonds issued pursuant to FS 1009.22(6) and (9) and 1009.23(11) and (12) may be secured by a combination of revenues authorized to be pledged to bonds pursuant to such subsections. Long term debt financing is restricted to:

- a. Capital Improvement Fee revenues
- b. Parking Fee revenues
- c. Motor Vehicle License Tag revenues (CO & DS)

Revenue bonds may not be secured by or paid from, directly or indirectly, tuition, financial aid fees, the Community College Program Fund, or any other operating revenues of the College. Lease purchase agreements may be secured by a combination of revenues as specifically authorized pursuant to FS 1009.22(7) and 1009.23(10). Long term debt must be financed through the Division of Bond Finance except for the pledge of parking fee revenue for a period of seven years or less.

Direct Support Organizations – CF Foundation and ACC, Inc.:



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The College District Board of Trustees must authorize all debt, including lease purchase agreements, incurred by a direct support organization. The District Board of Trustees assigns authority to the CF Foundation to enter into short-term loans and lease purchase agreements for a period of not more than five (5) years, including renewals, extensions and refundings for goods, materials, equipment and services, for up to \$250,000 dollars. Larger amounts must have the prior approval of the District Board of Trustees. The Appleton Cultural Center, Inc. must have the prior approval of the District Board of Trustees before entering any short-term loan or lease obligations. Trustees shall evaluate proposals for debt according to guidelines issued by the Division of Community Colleges. Revenues of the College may not be pledged to debt issued by a direct support organization.

The CF Foundation and the Appleton Cultural Center, Inc. will report annually to the District Board of Trustees on all debt obligations.