



Borrowing

Background

KTCEA may need to borrow money from time to time. KTCEA wants its Members to know that borrowing funds will only be done in the best interests of the education of community Members' students and will not jeopardize the reputation of KTCEA or any of the Kee Tas Kee Now Tribal Council (KTC) Member Nations.

Guidelines

1. KTCEA may borrow funds from a chartered bank once the need to do so has been established and approved by the appropriate authority.
2. The Finance Director will determine the requirement for KTCEA to incur a long-term debt obligation by examining the strategic plan, annual budget, current financial situation and any planned activities requiring funding.

#	Procedure	Roles & Responsibilities
1.	<p>Approval of Borrowing</p> <ol style="list-style-type: none"> 1.1 Once the need and amount of funding required is determined, a proposal of borrowing options will be prepared for review and approval. 1.2 The Superintendent will review the borrowing proposal and, if required, present the recommended option to the Board for approval. If the requirement to incur debt is approved, the Superintendent and/or the Board must also approve the terms and conditions of the long-term debt financing option that will be used. 1.3 Interest rates and payment terms must be clearly stated and defined in loan documents. 1.4 Funds borrowed must be used for stated and approved purposes. 	<p>Finance Director Superintendent Board</p>
2.	<p>Management and Monitoring of Debt Obligations</p> <ol style="list-style-type: none"> 2.1 Payments on loan obligations will be made on a timely basis according to the terms, conditions and repayment schedule of the long-term debt obligation. 2.2 The financial records and statements from lenders will be reconciled to KTCEA records on a monthly basis. 2.3 Each month, financial obligations contained in the lending agreements will be calculated and KTCEA's compliance with those obligations will be confirmed. 	<p>Finance Director</p>
3.	<p>Records Management</p> <ol style="list-style-type: none"> 3.1 Records pertaining to each long-term debt obligation will be created, maintained and retained. This includes: 	<p>Finance</p>

	<ul style="list-style-type: none"> • The loan agreement and any ancillary agreements. • The long-term debt financing proposal on which the Board based its decision. • Documented Superintendent and/or Board approval. • An interest and principal repayment schedule (if applicable) that includes the dates of all payments required under the loan agreement or plan for paying the debt. • The cost of borrowing, including interest payments and service or other charges. • The purpose for which the long-term debt has been incurred. • Reconciliations of the long-term debt with lender records. 	
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Definitions:

None

References:

None

Procedure Amendments and Updates

The responsibility for updating and amending this procedure rests with the Associate Superintendent Corporate Services.