

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS

POLICY 52

DEBT POLICY

Section 1. General

- 1.1. Scope: Policy regarding issuance of debt for West Virginia University by the West Virginia University Board of Governors.
- 1.2. Authority: WV Code §18B-10-1 and 18B-10-8
- 1.3. Effective Date: September 12, 2008

Section 2. Policy

- 2.1. The West Virginia University Board of Governors (Governing Board) has sole authority to approve the issuance and basic structure of all West Virginia University (WVU) debt. Subsequent to its approval, the Governing Board delegates the authority to execute the issuance of debt exclusively to the President. Such delegated authority may also be revoked by the Governing Board at any time.
- 2.2. The President may also delegate authority to others to act as the President's designee to execute the issuance of debt. All such authorizations and approvals shall be made in accordance with the provisions of this rule.
- 2.3. The President or designee may also develop administrative policies and procedures, consistent with this rule, to provide additional guidance to employees and others as it relates to the issuance of debt.
- 2.4. This policy relates to all forms of debt financing including long-term, short-term, fixed-rate, variable-rate debt and any instruments that have the effect of committing WVU to future payments and therefore, impact its operating budget and credit. In addition to the above mentioned, debt

also includes capital leases, on and off-balance sheet financing, as well as any legal derivative instruments.

2.5. The objectives of this policy are to:

2.5.1. Maintain timely and favorable access to capital markets and

2.5.2. Maintain WVU's current credit rating and strategically use WVU's access to capital markets to fund the Master Plan and other strategic capital plans.

2.6. In accordance with this policy the President or designee shall:

2.6.1. Establish debt management guidelines, including monitoring appropriate ratios;

2.6.2. Manage the debt portfolio on a portfolio basis rather than as a transactional process; and

2.6.3. Coordinate debt management with asset and liquidity management decisions and portfolio management decisions.

2.7. The President or individuals receiving delegated authority in section 2.2 shall provide the Governing Board annual reports and updates regarding this policy, all financing activities and the University's debt structure. Also, the President or those receiving delegated authority shall be subject to periodic internal, as well as external audits; and shall comply with all applicable federal and state laws.