

Ingersoll Support Services Inc.

Policy: Cash and Debt Management	Policy #A 13 Section: Administration
Reviewed and Effective: April 1 2018 Date of Origin: April 1 2018	Ministry requirement -
<i>Cash and debt management is the responsibility of the Finance Department, the Executive Director and the Board elected Treasurer. Short-term borrowing options are in place as a safeguard against extraordinary circumstances in which timing of expenditures and the receipt of budgeted income are out of sync. Long-term borrowing is utilized to finance capital projects and equipment leases.</i>	

Procedure:

Annual cash flow projections are developed and presented as part of the annual budget and are modified throughout the year as necessary. The Executive Director, Finance Department and the Board elected Treasurer will review updates of the agency's cash position as required. Short- and long-term borrowing will be utilized by Ingersoll Support Services as necessary.

Short Term Borrowing

A line of credit is in place as a safeguard against extraordinary circumstances in which the gap between the timing of expenditures and the receipt of budgeted income must be bridged. A line of credit is a revolving bank loan which is automatically used and repaid based on the cash balance in the bank account. The standing amount of the line of credit is periodically negotiated with the bank and when changed, is to be approved by resolution of the Board of Directors.

Short term borrowing will not be required as part of the daily cash management activities of Ingersoll Support Services.

Long Term Borrowing

Long-term borrowing will be used by Ingersoll Support Services for the financing of capital projects and equipment leases. Terms of these transactions will be for longer than one year. The instruments chosen could include leases, loans and mortgages.

Bank Loans – Bank loans and mortgages are negotiated for specific purposes. Such loans are to be approved by a resolution of the Board of Directors.

Purchase and Sale of Real Property – Real property is land and the things permanently attached to the land. The purchase or sale of real property is to be approved by a resolution of the Board of Directors.

Other Borrowing – Borrowing in any other form, including actions which assign, transfer, convey, hypothecate, mortgage, pledge, charge or give security in any manner upon all or any of the real or personal, moveable or immoveable property, rights, powers, or other assets, present or future, is to be approved by resolution of the Board of Directors.

Limits – The limit of any transaction will be specific to the individual proposal. Each proposal will include a repayment schedule and the revenue source.