

UNIVERSITY OF DENVER POLICY MANUAL DEBT MANAGEMENT		
<p><u>Responsible Department:</u> Business and Financial Affairs</p> <p><u>Recommended By:</u> SVC Business and Financial Affairs, Controller</p> <p><u>Approved By:</u> Board of Trustees</p>	<p><u>Policy Number</u> FINA 2.20.041</p>	<p><u>Effective Date</u> 6/2/2023</p>

I. INTRODUCTION

Debt is a limited resource that the University must manage strategically in order to best support University priorities. The primary objective of this Policy is to provide a framework for approving and managing debt in order to:

strategically utilize and structure debt to fund mission-critical projects;

appropriate mix of debt and other capital funding sources to minimize the cost of capital while mitigating interest rate risk;

creditworthiness and most favorable cost of capital and borrowing terms; however, the University will not manage its debt portfolio to achieve a specific rating, and
delineate and assign responsibilities for the implementation, management, and oversight of the matters relevant to this Policy.

Adherence to this Policy will enable the University to fund mission-critical projects and maintain a sound debt position and protect credit quality.

II. POLICY OVERVIEW

A. The University may use debt financing for academic, adminis/F2 (admini)5(s/F2 (admini

- C. The University will consider other reasonable financing options, including utilizing philanthropy, public private partnerships (P3) and unrestricted funds, to reduce its overall cost of capital and to provide for maximum flexibility of its debt portfolio.
- D. All new debt issuances must be approved by the Board of Trustees.
- E. The University will adhere to this Policy and its other policies and procedures related to debt management, and the processes set forth herein and therein, to effectively manage the risks associated with debt financing and the maintenance

III.

