

**ISSUED BY:** Board of Directors

**AUTHORIZED BY:** Board of Directors

**ISSUE DATE:** July 8, 2003

**CATEGORY:** Part IV – Ensure Financial Viability

**SUBJECT:** **BORROWING**

**NUMBER:** **IV-4**

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**PAGE:** 1 of 1

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Board approval is required for the hospital to borrow money.

The hospital will only borrow money for the following purposes:

- To secure **bridge financing** for working capital requirements;
- To secure **operating financing** (line of credit) to fund normal operating requirements arising from timing differences between cash inflows and expenditures;
- To secure **capital project financing** to support the hospital's capital project;
- To **lease or finance capital equipment** that is part of the hospital's Board-approved capital expenditure plan;
- To **lease or finance land or property** consistent with the hospital's Master Plan;
- To support an **expenditure justified by a business case** with an acceptable financial return.

Any of the above must comply with the Board's Delegation of Signing Authority Policy (Policy IV-2).

An annual report detailing the hospital's borrowing and limits will be presented to the Board.