

		Policy/Procedure Name:	Borrowing
Manual:	Governance	Number:	
Section:	Financial and Organizational Viability	Effective Date:	09 JUNE 2022
Pages:	1 of 2	Revision Date:	27 MAR 2025

Purpose

This policy designates the approvals required and the purposes for which the Corporation may borrow from external organizations.

Scope

The policy pertains to Board of Directors for Muskoka Algonquin Healthcare (MAHC).

Approval

In accordance with the Corporate By-Law, the Corporation may, from time to time, subject to the Articles:

- borrow money on the credit of the Corporation;
- issue, sell, or pledge securities (including bonds, debentures, notes or other similar obligations, secured or unsecured) of the Corporation; or
- charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Corporation, including book debts and unpaid calls, rights and powers, franchises and undertakings, to secure any securities or for any money borrowed, or another debt, or any other obligation or liability of the Corporation.

Approval of the Board, on the recommendation of the Resources & Audit Committee, is required for the Corporation to borrow money.

Purposes

The Corporation 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 a capital project;
- to lease or finance capital equipment that is part of the Corporation's Board-approved capital project plan;
- to lease or finance land or property consistent with the Corporation's master plan; or
- to support an expenditure justified by a business case with an acceptable financial return.

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The Board will maintain an adequate line of credit with its primary bank to cover short-term funding requirements. The President and Chief Executive Officer may not use the line of credit without prior notification to the Chair and the Resources and Audit Committee Chair, and such notification will be given to the Resources & Audit Committee at the next regularly scheduled Board meeting.

Should larger amounts of interim funding be required, enhancement to the line of credit provisions is the first step. A further source would be the Ontario Financing Agency (OFA) and discussions with Ontario Health Central would be undertaken before pursuing this.

Cross Reference

MAHC Corporate By-Law

Notes

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