PALO VERDE COMMUNITY COLLEGE DISTRICT
BOARD POLICY **BP _____**

Debt Acquisition and Management

In accordance with Accreditation Standards, the Board of Trustees is responsible for acquisition and management of college debt and has the authority to approve business transactions which result in debt obligations for the District.

Debt is defined as any significant financial agreement or transaction of more than $1,000,000, exclusive of those resulting from day-to-day operations, which result in significant short or long-term payment obligations.

The policy of the Palo Verde Community College District is not to acquire any debt unless a justification for such debt has been presented to the Board of Trustees for discussion and approval.

Standard debt obligations include those funding mechanisms associated with cash flow, revenue deferrals, emergency need, etc. in which short-term transitions are required to meet immediate financial obligations, but which include full debt resolution within an established timeframe.

All agreements (TRANS, COPs, Bonds, etc.) which incur a debt obligation for the District must be approved by the Board of Trustees and must be accompanied with a debt management plan for the short or long-term debt repayment.