

CAL POLY POMONA FOUNDATION, INC.

POLICIES AND PROCEDURES

Subject: Loan Policy

Policy No. 134

Reference: 282-II-B

Old No. 1997-1

Date: 06/26/97

Revision:

POLICY

Foundation will annually, as part of the budgeting process, review cash available from operations and place excess funds available after funding retirement, capital, debt repayment and other primary reserves in the Foundation Emergency Reserve Fund. The Foundation will utilize the Foundation Emergency Reserve Fund to provide loans to the university programs that meet the following criteria:

- Maximum loan amount for any program -- \$100,000.
- Security and pay back revenue stream is demonstrated.
- Payback for loans less than or equal to \$25,000 will normally occur in less than three (3) years.
- Payback for loans greater than \$25,000 will normally occur in less than five (5) years.
- Interest will be charged at prime plus 2%.
- Loan request first approved and guaranteed by appropriate vice president.
- Any loan request over \$100,000 will require special action.

The Finance/Investment Committee will review all loan requests prior to presentation to the Board of Directors.