

OLYMPIC COLLEGE POLICY

TITLE: DEBT POLICY

POLICY NUMBER: 600-07

REFERENCE: RCW 28B.50

The Board of Trustees of Washington Community College District 3, hereafter to be referred to as Olympic College, in accordance with applicable State law, policies and rules, hereby adopts the following Debt Policy:

1. The President shall ensure that sufficient funds are available to meet the current and future debt service requirements on all indebtedness, while adequately providing for recurring operating requirements. The issuance of debt limits the college's flexibility to respond to future learning priorities; consequently, the College shall issue and manage debt in a manner which maintains a sound fiscal position, protects its creditworthiness and complies with the Community and Technical College Act of 1991, RCW Chapter 28B.50. To meet the objectives of this policy the President shall ensure that the College incurs and services all debts in a manner that will:
 - a. Maintain a balanced relationship between debt service requirements and current operating needs;
 - b. Prudently incur and manage debt to minimize cost to the taxpayers and ensure that current decisions do not adversely affect future generations;
 - c. Not extend payments past the useful life of the asset or equipment;
 - d. Indebtedness will not exceed five percent of the College's operating budget, unless supported by its own revenue sources;
 - e. If supported by a revenue source, total revenues generated must be equal to or greater than 125% of the annual debt service costs over the life of the debt schedule.

Recommended by
Submitted to President's Cabinet for Review
Approved by President
Submitted to Board of Trustees
Approved by Board of Trustees
Published in Washington Administrative Code

Barbara Martin, VP for Administrative Services

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03/27/07
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