

CASH MANAGEMENT AGENCY MANUAL		NUMBER 02 18 09.PO
OFFICE OF THE STATE TREASURER	POLICY	EFFECTIVE December 1, 2006
CHAPTER	CASH MANAGEMENT	
PART	INTERFUND BORROWING	
SECTION		APPROVAL

Authority ORS 293.210 to ORS 293.214

PURPOSE OF THE POLICY

- .101 This policy documents requirements and responsibilities for agencies regarding interfund borrowing requests under ORS 293.210 to ORS 293.214.

AGENCY RESPONSIBILITIES

- .102 Interfund borrowing is a tool employed by the Treasurer's Office to assist agencies experiencing short-term, transitory cash imbalances created in the conduct of legislatively approved agency activities. It is not to be used to fund activities not contemplated in an agency's budget request.
- .103 All agency interfund borrowing requests will be in writing and will be signed by the agency head. Governing board or commission approval is required where applicable. Such approval should be indicated by a signature of a member of the governing board or commission so empowered to provide such approval.
- .104 Requests must include the following:
- Purpose/use of funds
 - Reasons cash balances and current revenues cannot fund activity
 - Analysis of other options available to fund activity, i.e. Emergency Board request, etc.
 - Source(s) of repayment and any conditions that must change to allow repayment

- Legal basis for request (Does agency have specific borrowing authority granted in statute, or is agency looking to general interfund borrowing statutes? ORS 293.205-225)
- Implications of not receiving funding

.105 Requests will be accompanied by the documentation specified below:

- Balance sheet
- Income statement
- Aged receivables listing
- Historical data on repayment source(s)
- Cash flow projections of repayment source(s)
- Pages from agency's legislatively approved budget highlighting the related program
- Explanation if the program has had cash flow problems in the past and how it was handled

.106 Agency will execute an interfund borrowing agreement that must be signed by the agency head, agency CFO, and the Treasurer's Office.

.107 Agency will be assessed a \$150 set-up fee per agreement and shall reimburse the Treasurer's Office for any legal fees directly associated with such borrowing.