Policy 2.126
Capital/Debt Planning Model

Responsible Official: VP for Finance
Administering Division/Department: Controller’s Office
Effective Date: September 1, 2008
Last Revision: June 29, 2008

Policy Sections:

I. Overview

To provide guidelines assuring the proper debt ratio will be maintained in capital project planning. The Controller’s Office is responsible for monitoring debt ratio by maintaining the debt planning model on an ongoing basis.

II. Applicability

All finance employees.

III. Policy Details

The debt planning model is maintained by the Controller’s Office and determines how much debt the University can appropriately issue within a fiscal year and still meet debt ratio thresholds mandated by the Board of Trustees. The process also tracks cash flow of capital projects and applies this data to capital bank.

The planning model includes, but is not limited to, the following procedures:

1. Perform project cash flow analyses.
2. Update funding plans to address timing of project revenues and expenses.
3. Forecast future debt and fundraising needs.
4. Update various assumptions to develop proforma financial statements from which various financial ratios are automatically derived.

The Index sheet in the model provides a purpose for each section and indicates the person responsible for updating each section. Updates are completed monthly, and various reports from the model are included in the Monthly Accounting Review (MAR), which is reviewed by the Controller and Senior Management as part of internal review standards.
IV. Definitions

*Capital Projects:* Major construction, acquisition, or renovation activities which add value to the University’s physical assets.

V. Related Links and Resources

- Current Version of This Policy: [http://policies.emory.edu/2.126](http://policies.emory.edu/2.126)

VI. Contact Information

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<tr>
<th>Subject</th>
<th>Contact</th>
<th>Phone</th>
<th>Email</th>
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</thead>
<tbody>
<tr>
<td>Capital/Debt Planning Model</td>
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<td>404.727.6080</td>
<td><a href="mailto:ctrl@emory.edu">ctrl@emory.edu</a></td>
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VII. Revision History

No previous versions of this policy were found.

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