

**MURRAY STATE UNIVERSITY FOUNDATION, INC.
POLICY**

SUBJECT: Loans to Murray State University

DATE: April 1, 1996

PURPOSE

In fulfilling its objective of providing services for the enhancement and improvement of Murray State University (University), the Murray State University Foundation, Inc. (Foundation) is often called upon to make loans to various University units. The following policy will provide guidelines for future loans of this nature:

POLICY

1. The unit requesting a loan should submit a written request to the President of the Foundation. The request should indicate the amount and purpose of the loan, as well as a formal plan for repayment.
2. The President will compile information on the current financial position of the Foundation and the details of future commitments. The Executive Committee will review the financial information and submit a recommendation to the full Board of Trustees.
3. The interest rate charged on all loans will be one percent above the average annualized yield computed on Foundation investments for the most recent investment reporting period.
4. A formal loan agreement and promissory note will be prepared for all loans approved by the Foundation Board of Trustees. The loan agreement shall be signed by a representative of the unit requesting the loan, the President of Murray State University, the University Vice President of Administrative and Financial Services, and the President of the Foundation.
5. No loan shall be for a term in excess of one year without the express prior approval of the Board of Trustees. All loans from time to time outstanding shall be reviewed at least annually by the Finance Committee. Loans may be extended for successive one year terms at the discretion of the Board of Trustees.