

# Commitment Balances

**WIFA Policy #:** V.4

**Purpose:**

*Require annual adoption of commitment balances by activity and use.*

**Policy:**

**Section 1: Commitment Balances**

The Controller, with the assistance of the Chief Financial Officer, shall generate commitment balances by funding source for the activities and uses summarized below. The Board will review and discuss the commitment balances as required at each meeting of the Board of Directors.

Activity 1: Debt Service – includes the following uses:

- Bond Debt Service Payments
- Deposits to and Expenses from WIFA's Annual Debt Service Suspense Accounts
- Bond Debt Service Reserve Requirements
- Investment Income to be Rebated to the Federal Government

Activity 2: Financial Assistance – includes the following uses:

- All Loan Commitments
- Grant Commitments
- Loan Guarantee Commitments

**Section 2: Over-Commitments**

If WIFA commits more than the balances available by activity and use during the applicable Financial Assistance Funding Cycle, State Fiscal Year, or Technical Assistance Funding Cycle, the Chief Financial Officer and Controller, in consultation with Executive Director, must analyze the effect of the over-commitment on debt service coverage levels pledged to bondholders and report findings to the Board for further action.

**Responsibility:** Controller

**Statutory Reference:** A.R.S. Title 49, Chapter 8

**Rule Reference:** N/A

**Original Issue Date:** April 18, 2002

**Previous Amendment Date(s):** June 21, 2006

**Most Recent Amendment Date:** August 17, 2011 (*Replaces All Previous Versions*)

**Approval:**

  
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Executive Director

  
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Date