



SUBJECT	FINANCE COMMITTEE TERMS OF REFERENCE - AMENDMENTS		
REPORT TO	FINANCE COMMITTEE		
MEETING DATE	NOVEMBER 26, 2019		
MATTER TYPE	<input checked="" type="checkbox"/> BOARD DISCUSSION NOT REQUIRED	<input type="checkbox"/> BOARD DISCUSSION REQUIRED	
ACTION REQUESTED	No decision requested: for information		
REPORT DATE	November 5, 2019		
EXECUTIVE PROPONENT	Hubert Lai, Q.C., University Counsel		
PRESENTED BY	Hubert Lai, Q.C., University Counsel		
SUPPORTED BY	Karen Choi, Legal Counsel Lorena Vlad, Legal Counsel		

PRIOR SUBMISSIONS No prior submissions

EXECUTIVE SUMMARY

The *University Act* vests the management, administration and control of the property, revenue, business and affairs of the university in the Board of Governors. It is empowered to establish committees it considers necessary to carry out the Board's functions, and to confer on those committees the power and authority to act for the Board.

The Board has delegated authority to the Governance Committee to approve terms of reference for each of the standing committees, including the Finance Committee. The Board has recently reviewed responsibilities where delegated authority is shared among two or more of its standing committees and determined that the practice of holding joint committee meetings will be discontinued. The Committee Chairs have reviewed the list of joint responsibilities and agreed upon a reallocation of each responsibility to one Board committee. The Finance Committee previously had 21 jointly delegated responsibilities, which have now been reallocated.

It is anticipated that at its meeting on November 22, 2019, the Governance Committee will approve revised terms of reference for the Finance Committee with the following amendments:

1. revised language to clarify the delegation of authority from the Board to its committees (This language was presented to the Governance Committee at its June 2019 meeting and to the Finance Committee at its September meeting but has not yet been formally approved.);
2. additional items to be included on list of delegated authority (These items were presented to the Finance Committee at its September 2019 meeting but have not yet been formally approved.);
3. reallocation of jointly delegated authority (These reallocations have been identified on the basis of the input provided by the Committee Chairs.); and
4. updates to all cross-references to Board policies to reflect the recently approved naming and numbering system for Board policies.

SUPPLEMENTAL MATERIALS

1. Amended Finance Committee Terms of Reference

PURPOSE

The Board of Governors has delegated to the Finance Committee responsibility for assisting the Board of Governors in fulfilling its oversight responsibilities over the financial affairs of the University, and for ensuring the establishment of sound financial policies and practices which will lead to the long-term financial sustainability of the University.

COMMITTEE OBJECTIVES

Without limiting the general responsibilities as described above, the Finance Committee shall:

1. Approve the University's budget framework, which sets the guiding principles between costs, government funding and tuition fee levels.
2. Review and recommend to the Board of Governors the annual budgets.
- ~~3. Monitor the financial health of the University through projections and forecasts, recommending corrective action where required.~~
- ~~3.~~ 4. Review actual versus budgeted results on a quarterly basis.
- ~~4.~~ 5. Endorse the underlying principles surrounding tuition fee levels, as well actual recommendations for the fiscal year, reviewing the recommendations in conjunction with Policy #71 (Consultation with Students about Tuition and Mandatory Fees).
- ~~5.~~ 6. Assist the Board of Governors to enhance the University's investment position or portfolio performance, applicable (but not limited) to the framework in which UBC Investment Management Trust (IMANT) operates within the UBC investment framework approved by the Board of Governors.
- ~~6.~~ 7. Periodically review UBC IMANT's implementation and conformity with Endowment policies approved by the University.
- ~~7.~~ 8. Review and recommend to the Board of Governors capital expenditure proposals in accordance with Board-delegated authority and signing resolutions.
- ~~8.~~ 9. Review debt management policies for recommendation to the Board of Governors, including extent and methods of obtaining external borrowing for operating and capital expenditures.
- ~~9.~~ 10. Ensure that a sound resource-allocation framework is in place and that decisions are made within the approved framework.
- ~~10.~~ 11. Review trends which have implications for the financial health of the University or which have the potential to impair the strategic plan approved by the Board of Governors.
- ~~11.~~ 12. Review ~~Monitor the financial health of the University through projections and forecasts,~~ and recommend policies and actions to the Board of Governors that enhance the University's financial position or financial performance (cost control or revenue generation).
- ~~12.~~ 13. Review and recommend policies and practices to the Board of Governors that reflect evolving improvements to the financial strategies and operations of the University.
- ~~13.~~ 14. Review (in open session) UBC Board of Governors policies as assigned by the Governance Committee (see appendix).

14. ~~15.~~ Advise the Board when, under the *University Act*, it should consult the Council of Senates, the UBC Vancouver Senate and/or the UBC Okanagan Senate, with regard to budgetary matters.

15. ~~16.~~ Advise and assist the Board of Governors and the President in advancing the finance-related objectives of the University's strategic plan, *Shaping UBC's Next Century*.

MEMBERSHIP & PROCEDURES

Committee members are appointed from among the Board members and include:

- the Board Chair, the Chancellor and the President as *ex officio* voting members
- the Board of Governors Vice-Chair
- one (1) student member
- one (1) faculty member
- up to five (5) Governors who are external to the University

The Chair of the Board of Governors appoints Committee members with the assistance of the President, based on qualifications and interest, and to avoid potential conflicts of interest.

Appointments are made, and reviewed, at each instance of changes in Board membership.

The Committee Chair is selected by the Board Chair, in consultation with the Board Vice-Chair and the Chair of the Governance Committee.

The Committee Chair is responsible for the better conduct of meetings, including agendas, information processes, and oversight of reporting and action items.

The Committee Vice-Chair is selected by the Board Chair, in consultation with the Board Vice-Chair and the Chair of the Governance Committee.

The Committee Vice-Chair assumes the responsibilities of the Committee Chair in the absence of the Committee Chair, and may also be assigned additional tasks at the discretion of the Committee Chair.

The Committee may delegate, or be directed by the Board to oversee, work tasks and action items to subcommittees, the University Executive, or independent third parties, on Board approval.

The Committee will receive (through the Board Secretariat) additional and reasonable support for the assembly, assessment and reporting of information.

The Committee has the authority to engage independent counsel and other advisors, with prior approval from the Board Chair, subject to reasonable limits on resources available to the Board of Governors for these matters.

MEETINGS & QUORUM

The Finance Committee meets prior to each regularly scheduled Board of Governors meeting and in addition may meet at the call of its Chair as required.

Attendance by 35% of Finance Committee members (including *ex officio* voting members) is required to establish quorum. When considering proposals for tuition and fees, the Committee shall make every effort to ensure the attendance of student members.

ACCOUNTABILITY

Minutes of Finance Committee meetings are approved at the next Committee meeting or by means of electronic approval and are distributed as soon as practicable. Minutes of closed sessions are distributed only to Governors and others authorized to attend such closed sessions and are confidential unless resolved otherwise by the Committee Chair.

A record of all agenda items considered and any resolutions passed during *in camera* meetings of the Finance Committee are approved as soon as practicable by the Committee Chair, are distributed only to those individuals who are authorized to attend such *in camera* sessions, and are confidential.

The Chair of the Finance Committee reports on discussion and any action taken at the next regularly scheduled meeting of the Board of Governors.

In addition to the above, procedures and practices of the Finance Committee are governed by ~~Policy 93 (Open, Closed and In-Camera) the Board Meetings of the Board of Governors~~ Policy (GA8) and Committee Meeting Rules and Practices.

DELEGATED AUTHORITY

The Board of Governors has delegated to the Finance Committee authority to ~~approve~~ transact the following business on its behalf:

Approve the following reports ~~on behalf of the Board of Governors:~~

~~Agency Agreements with UBC Properties Investments Ltd (jointly with Property Committee)~~

- Annual Fee Schedule – Alma Mater Society
- Annual Fee Schedule – UBC Students’ Union Okanagan
- Endowment Collapse Requests
- Endowment Variation Requests
- Faculty Pension Plan – Amendments to Plan Text

~~Neighbours Agreement (UNA and UBC) (jointly with PC&I Committee)~~

- Non-Refundable Acceptance Deposits

~~Routine Capital Plan (jointly with Property Committee)~~

- Signing Resolutions
- Staff Pension Plan (SPP) – Amendments, Restatement(s)
- Staff Pension Plan (SPP) – Funding Policy
- Staff Pension Plan (SPP) – Governance Policy and Terms of Reference
- Statements of Investment Policies & Procedures – Endowment, Staff Pension Plan, Supplemental Plan, Sustainable Future Pool, Core Working Capital, UBC Liquidity Fund

~~Student Financial Support (jointly with PC&I Committee)~~

- Student Housing & Hospitality Services (SHHS) Housing Rates ~~(jointly with PC&I Committee)~~

- Student Union/Association/Organization Fees

- Threshold for Capital Project and Internal Loan Approval Authority
- Tuition ~~Fees (jointly with L&R Committee)~~ and other Fees for Academic Programs

NOTE: Annual/recurring tuition increases and proposals for international tuition increases applying to incoming students are excepted and will be presented to the Board of Governors for approval.

- Tuition Instalment Schedules
- UBC Development Cost Charges ~~Plans (jointly with Property Committee)~~

~~The Board of Governors has delegated to the Finance Committee authority to receive~~ [Receive for information](#)
the following reports ~~on behalf of the Board of Governors:~~

- Annual Debt Report

~~Approval of Academic Programs / Fees – Communication and Consultation (jointly with L&R Committee)~~

~~Board 4 Reports (jointly with Property Committee)~~

- Capital Planning and Prioritization Process ~~(jointly with Property Committee)~~

~~Capital Projects Updates (jointly with Property Committee)~~

- Endowment Status Report
- ~~Enrolment Strategy Review (jointly with PC&I Committee)~~ Faculty Pension Plan (FPP) – Plan Summary and Audited Financial Statements
- Faculty Pension Plan (FPP) – Report
- Financial Statements – Great Northern Way Campus Trust
- Financial Statements – The Neighbours’ Fund
- Financial Statements – Tri-University Meson Facility (TRIUMF)
- Financial Statements – UBC Foundation
- Financial Statements – UBC Investment Management Trust (IMANT)
- Financial Statements – UBC Properties Investments Ltd (UBCPIL/UBCPT)
- Financial Statements – University Neighbourhoods Association (UNA)
- Fiscal Strategy – [Working Capital](#), Liquidity and Debt Update (Vancouver and Okanagan)

~~Flexible Learning Updates (jointly with L&R Committee and Property Committee)~~

- Professional Masters Programs – Enrolment and Tuition
- Research Data Management and Access
- Rental Revenues - Review

~~Routine Capital Plan (jointly with Property Committee)~~

~~Seismic Resilience Plan | Progress Updates (jointly with Property Committee)~~

- Staff Pension Plan (SPP) – Fund Management Report
- Staff Pension Plan (SPP) – Governance Report
- Staff Pension Plan (FPP) – Plan Summary and Audited Financial Statements
- Staff Pension Plan (SPP) – Report

~~Student Diversity Initiative / Commitment to Diversity Fund (jointly with PC&I Committee)~~

- Student Housing & Hospitality Services (SHHS) Financial & Operational Annual Update

~~Student Housing Growth Plans (jointly with Property Committee)~~

~~UBC GamePlan Updates (jointly with Property Committee)~~

~~- [Sustainability Reports \(UBC Vancouver and UBC Okanagan\)](#)~~

- UBC Investment Management Trust (UBC IMANT) Quarterly Portfolio Review

~~UBC Properties Trust 20-Year Outlook (jointly with Property Committee)~~

~~UBC Properties Trust Update (jointly with Property Committee)~~

- UBC-Controlled, Affiliated or Related Organizations, ~~Major Campus Tenancies, Off-Campus Properties and Advisory Committees~~ Annual Report ~~(jointly with Property Committee)~~

~~UBC's Rapid Transit Strategy Updates (jointly with Property Committee)~~

Appendix
Board Policies for Review by Finance Committee

Policy	Name
35 LR5	Research Grants During Periods Other Than Study Leave
37 LR3	Research Grants as Part Payment During Study Leave
67 FM1	Late Payment of Fees and Accounts
90 FM4	Over-Expenditure on Research and Specific Purpose Trust Project/Grants
101 UP4	Vending Machines on Campus or in UBC Space
108 UP3	Disposal of Surplus Equipment and Materials
109	Ownership
113 FM5	Endowment Management
121	Campus Mailing Services
122 FM2	Purchasing
123 FM9	Term Invested Fund Management
125 FM1 0	Retained Risk Fund for Major Capital Construction Projects

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Description	Finance Committee ToR-draft-Nov05-2019
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Split/Merged cell	
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