



SUBJECT	Finance Committee Terms of Reference - Amendments
SUBMITTED TO	Finance Committee
MEETING DATE	September 8, 2021
SESSION CLASSIFICATION	Recommended session criteria from Board Meetings Policy: OPEN
REQUEST	For Information
LEAD	Karen Hakkarainen, Board Secretary
SUPPORTED BY	N/A

EXECUTIVE SUMMARY

Anticipated amendments to Terms of Reference for the Finance Committee (pending approval from the Governance Committee) are intended to accomplish two objectives:

1. To add a third elected member to the composition of the Committee and specify that the three elected Governors serving on the Committee comprise one faculty member, one staff member and one student; and,
2. To delegate to the Finance Committee the authority to approve the annual budget of the UNA.

The first of these decisions falls within the authority of the Governance Committee while the second falls within the authority of the Board of Governors. Should the amendments be approved, the changes to the composition of the Committee will take effect immediately while the delegation of authority will be recommended to the Board for approval on September 21, 2021.

Currently, there is no faculty member on the Finance Committee, and the Committee will benefit from the addition of this perspective to its membership. This amendment to the committee membership is supported by both the Board Chair and the Chair of the Finance Committee.

The UNA-UBC 2020 Neighbours' Agreement, section 10.2, includes the requirement that UBC approves the UNA's annual budget. Following consultation with the Chairs of the Finance Committee, Property Committee and Governance Committee it was agreed that the Finance Committee has the appropriate acumen for fulfilling this responsibility on behalf of the Board of Governors. Consequently, it is recommended that the Board delegates this responsibility to the Finance Committee.

APPENDIX

1. Blackline - Amended Finance Committee Terms of Reference

1. MANDATE

- 1.1. Pursuant to section 27(2)(c) of the *University Act*, the UBC Board of Governors (the “**Board**”) has established a standing committee of the Board to address finance-related matters (the “**Finance Committee**”).
- 1.2. The Finance Committee considers matters relating to the financial affairs of UBC other than those matters that are within the mandate of the Audit Committee for the purposes of:
 - 1.2.1. providing recommendations to the Board where Board decisions are required or where the Finance Committee otherwise considers it desirable to make recommendations;
 - 1.2.2. making decisions on behalf of the Board where the Finance Committee has the delegated authority to do so; and
 - 1.2.3. considering any reports submitted for information and responding to any requests from the UBC administration for advice and input;(collectively, the “**Mandate**”).
- 1.3. Appendix A of these Terms of Reference sets out some examples of matters that fall within the Mandate. This list is provided for illustrative purposes only and is not intended to be exhaustive or constrain in any way the definition of the Mandate set out in section 1.2.

2. DELEGATED AUTHORITY

- 2.1. The Finance Committee hereby has the authority to make the following decisions on behalf of the Board:
 - 2.1.1. to set, determine and authorize the UBC administration to collect the fees on behalf of the Board for:
 - 2.1.1.1. instruction, research, and all other activities at UBC, except annual or recurring tuition increases and proposals for international tuition increases applying to incoming students, which require Board approval;
 - 2.1.1.2. non-refundable acceptance deposits paid by international students;
 - 2.1.1.3. extramural instruction;
 - 2.1.1.4. public lecturing, library fees, and laboratory fees;
 - 2.1.1.5. examinations, degrees, and certificates;
 - 2.1.1.6. the use of any student or alumni organizations in charge of student or alumni activities, including the Alma Mater Society and the UBC Student’s Union Okanagan; and
 - 2.1.1.7. the building and operation of a gymnasium or other athletic facilities;
 - 2.1.2. to authorize the UBC administration to pay over on behalf of the Board:
 - 2.1.2.1. the fees collected for a student or alumni organization that the organization may request; and



- 2.1.2.2. the fees collected for a student society or a provincial or national student organization in accordance with the *University Act*;
- 2.1.3. to authorize the UBC administration to impose fees on and collect fees on behalf of the Board from students who are not members of a student society, and remit those fees to the student society in accordance with the *University Act*;
- 2.1.4. to authorize the UBC administration to administer funds, grants, fees, endowments, and other assets on behalf of the Board;
- 2.1.5. to provide for student loans and other forms of financial assistance;
- 2.1.6. to invest money belonging to UBC and which is available for investment, including approving the Statements of Investment Policies and Procedures;
- 2.1.7. to create UBC's budget framework which sets the guiding principles between costs, government funding, and tuition fee levels, and amendments thereto;
- 2.1.8. to provide Board 1 Approval, Board 2 Approval, and Board 3 Approval for IT Projects (as defined in the Capital Projects Policy) valued between \$5,000,000 and \$20,000,000 in accordance with the Capital Projects Policy;
- 2.1.9. to approve Internal Loans (as defined in the Capital Projects Policy) between \$5,000,000 to \$20,000,000;
- 2.1.10. to authorize the UBC administration to:
- 2.1.10.1. collapse endowments; and
 - 2.1.10.2. vary the documentation governing endowments;
- 2.1.11. to approve changes to the documentation that governs the Faculty Pension Plan; ~~and~~
- [2.1.12.](#) to approve changes to the documentation that governs the Staff Pension Plan, including, without limitation, the Staff Pension Plan's Funding Policy, Governance Policy and Terms of Reference; ~~and~~,
- ~~2.1.12-2.1.13.~~ [2.1.13.](#) to approve annually the budget of the University Neighbourhoods Association (UNA).

3. COMPOSITION

- 3.1. In addition to the ex officio members as required by the *Committee Meeting Rules and Practices*, the Finance Committee will have up to ~~nine~~ ~~eight~~ members, all of whom are to be selected in accordance with the *Board Meeting Rules and Practices* and the *Committee Meeting Rules and Practices* as may be amended from time to time. Those additional members will include:
- 3.1.1. the Board Vice-Chair;
 - 3.1.2. ~~three~~ ~~we~~ elected Governors, one ~~of each from the faculty, staff and student Governors, of which will be an elected student Governor~~; and
 - 3.1.3. up to five Governors who have been appointed by the Lieutenant Governor in Council.



These Terms of Reference were approved by the Board on [September x, 2021](#)~~June 16, 2020~~.



APPENDIX A
FINANCE COMMITTEE MANDATE

Further to section 1.3 of the Finance Committee Terms of Reference, the following sets out examples of matters that fall within the Mandate:

- a) Board Policies for which responsibility has been assigned to the Finance Committee by the Governance Committee pursuant to its Terms of Reference
- b) annual budgets
- c) actual and budgeted results
- d) tuition fee levels
- e) capital expenditure proposals
- f) debt management policies and recommendations to borrow funds
- g) financial strategies
- h) financial policies and practices for long-term financial sustainability
- i) fiscal strategy
- j) financial statements and annual reports of UBC-controlled, related, or affiliated entities
- k) Annual Debt Report
- l) Capital Planning and Prioritization Process
- m) Endowment Status Report
- n) Faculty Pension Plan Reports
- o) Staff Pension Plan Reports
- p) UBC Investment Management Trust (UBC IMANT) Quarterly Portfolio Review
- q) Student Housing and Community Services Financial & Operational Annual Update
- [r\) general oversight of the implementation and operationalization of the Integrated Renewal Program](#)
- [s\) University Neighbourhoods Association Annual Budget](#)

**APPENDIX B***
BOARD POLICIES ASSIGNED TO FINANCE COMMITTEE

Policy	Name
UP3	Disposal of Surplus Equipment and Materials
FM5	Endowment Management
FM1	Late Payment of Fees and Accounts
FM4	Over-Expenditure on Research and Specific Purpose Trust Project/Grants
FM2	Purchasing
LR3	Research Grants as Part Payment During Study Leave
LR5	Research Grants During Periods Other Than Study Leave
FM10	Retained Risk Fund for Major Construction Projects
FM9	Term Invested Fund Management
UP4	Vending Machines on or in UBC Space

* For information only; not included in TOR as approved