

FINANCE COMMITTEE

Terms of Reference

1. Authority

- a) The Board Finance Committee (the “Committee”) is created and responsible to the Board of Governors (the “Board”) of Concordia University of Edmonton (the “University”).
- b) The Vice President, Finance & Operations shall provide management support to the Committee.
- c) The Office of the University Secretariat shall provide administrative support to the Committee.
- d) The Committee shall function in accordance with the Bylaws of the Board of Governors, Section 13 “Board Committees”.

2. Mandate

Subject to Section 3, the Committee shall monitor, evaluate and make recommendations to the Board with respect to the management and control of the property and financial resources of the University.

In particular, the Committee shall:

2.1 Financial Oversight

- a) Approve the guiding principles, as established by administration, and process for the annual budget;
- b) Review and recommend rates and fees, including tuition fees, to the Board for approval;
- c) Review and recommend annual operating and capital budgets to the Board for approval;
- d) Review quarterly financial statements;
- e) Review and recommend to the Board approval of any transfer between, to or from net assets (reserve accounts); and
- f) Review and recommend changes to approved budgets and the transfer or reallocation of monies included in approved budgets to the Board for approval.

2.2 Investments

- a) Assist the Board with all of its policy setting responsibilities related to Investments and making recommendation for Board approval;
- b) Appoint external fund managers and to retain other investment consultants as appropriate;
- c) Review portfolio managers and investment performance and make recommendations to the Vice President Finance & Operations;
- d) Review and recommend to the Board, the Endowment Objectives and the Endowment Spending Policy for the University; and
- e) Approve a write down in the book value of an investment where there is significant and permanent impairment in the value of an investment.

2.3 Edmonton Employee Pension Plan Oversight

- a) The Finance Committee will retain advisors as may be necessary, including the investment manager(s), trustee(s), third party administrator(s) and actuaries, to assist in meeting the Board's legal and fiduciary responsibility to plan members;
- b) Establish criteria for the selection, termination and performance monitoring of investment manager(s), trustee(s)/ custodian(s)/third party administrator(s), actuary and other advisors;
- c) Approve the selection or termination of investment manager(s), trustee(s), custodian(s), third party administrators, actuary, and other advisors;
- d) Review the performance measures established for measuring the performance of the DB and DC investment manager(s), trustee(s)/ custodian(s)/ third party administrator(s), actuary and other advisors;
- e) Ensure that those involved with plan governance (including Finance Committee members, Vice President of Finance & Operations, and other university staff) are provided with appropriate training and ongoing education, and they possess and apply the knowledge and skills that they need to fulfil governance responsibilities;
- f) Provide oversight of the Plan's financial management
 - i. Establish and periodically review investment manager structure;
 - ii. Approve investment manager mandates, any securities lending agreements, trust/custodial/administrator agreements, actuarial and consulting agreements related to the plan and pension fund;
 - iii. Review and amend as necessary the Plan's Statement of Investment Policy and Principles (SIPP), and establish appropriate asset mix structure for the DB plan within SIPP guidelines with advice from administration and advisors as needed; and
 - iv. Develop a policy for the payment of fees and expenses from the Pension Fund and periodically assess the competitiveness and reasonableness of these fees and expenses.
- g) Make recommendations to the Board of Governors on fiduciary and non-fiduciary decisions on funding strategy based on the advice of the actuary that is retained by Finance Committee;
- h) Ensure that actuarial valuations are prepared by an actuary every three years, or more frequently as required, in respect to the DB portion of the plan to determine financial position of the plan, assist in decisions on funding and contribution strategy, and to comply with applicable legislation; and
- i) Arrange for the preparation of Pension Plan amendments as may be needed and recommend the changes to the Board.

2.4 Other Responsibilities

- a) Make recommendations to the Board regarding long-range plans for development of physical assets and infrastructure, including land, buildings, roads and sidewalks, service infrastructure and information technology;
- b) Provide oversight of capital projects and exercise authority delegated to the Committee by the Board with regard to approval of cost overruns, change orders and stakeholder issues;
- c) Recommend Capital Expenditure policies to the Board for approval;
- d) Review and provide recommendations on the risks and risk measures related to the Committee Mandate;
- e) Review and recommend to the Board policies regarding the acquisition, management, control and disposition of University buildings, land and equipment and regarding individual project proposals and the implications of these short and long-range capital plans to the strategic vision of the University;
- f) Review policy on Intellectual Property;
- g) Review and recommend policies to the Board, concerning the use of space and facilities by university and community members, other than for regularly-scheduled academic purposes (e.g., Campus Alcohol Policy); and
- h) The Committee may seek approval from the Executive and Governance Committee to obtain advice and assistance from legal, accounting or other advisors as deemed appropriate to perform its duties and responsibilities.

3. Membership

- a) The Committee shall consist of the Chair or Vice-Chair of the Board, the President & Vice-Chancellor, the Chancellor, at least three Board members and other individuals appointed by the Board. The Chair of the Committee will be appointed by the Chair of the Board.
- b) Vice President Finance & Operations and the Financial Administrator shall normally be invited to attend Committee meetings.

4. Limits on Authority

Notwithstanding the provisions in Section 2, the Committee shall bring to the Board for final approval:

- a) All rates and fees, including tuition fees;
- b) Reports, information and recommendations with respect to issues that, in the opinion of the Committee, may pose a material risk to the University; and
- c) Recommendations with respect to information from the auditors on controls, or related matters the Chair of the Committee may consider prudent or necessary.

5. Reliance on Management and Experts

In contributing to the Committee's discharging of its duties under these Terms of Reference, each member of the Committee shall be entitled to rely in good faith upon:

- a) Any report of a lawyer, accountant engineer, appraiser or other person whose profession lends credibility to a report made by such a person.

"Good faith reliance" means that the Committee member has considered the relevant issues, questioned the information provided and assumptions used, and assessed whether the analysis provided by management or the expert is reasonable. Generally good faith reliance does not require that the member question the honesty, competency and integrity of management or the expert unless there is a reason to doubt the honesty, competency and integrity.

6. Limitations of Committee's Duties

In contributing to the Committee's discharging of its duties under these Terms of Reference, each member of the Committee shall be obligated only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in these Terms of Reference is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject.

7. Meetings

The Committee shall meet a minimum of four (4) times per year, or more frequently as circumstances dictate. The Committee Chair shall prepare and/or approve an agenda in advance of each meeting.

8. Annual Work Plan

The Committee will develop and approve an annual work plan to be provided to the Board for information.