

# 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 (or its successor) 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 4, the Committee shall monitor, evaluate and make recommendations to the Board with respect to the management and control of the property, financial resources, and financial obligations of the University.

In particular, the Committee shall provide/be responsible for:

#### 2.1 Financial Oversight

- a) Review and recommend to the Board for approval:
  - (i) Annual budget and underlying assumptions;
  - (ii) Rates and fees, including tuition fees;
  - (iii) Quarterly financial statements;
  - (iv) Revisions to the approved budget as determined through discussions with management; and
  - (v) Significant transfers to or from net assets (reserve accounts).
- b) Review and discuss with management the state of the University’s cash flows, working capital and liquidity positions, and make recommendations to the Board on borrowing arrangements for operational and/or capital needs;
- c) Through the Chair of the Finance Committee, shall sign off on (approve) Board Chair expenses.

#### 2.2 Investments

- a) Recommend to the Board for approval policies governing investment matters;

- b) Approve the External Fund Manager;
- c) Notify the Board of any concerns arising from its review of the quarterly investment status updates and Annual Report provided by the Investment Managers;
- d) Ensure that investment activities comply with the Investment Policy.

### 2.3 Other Responsibilities

- a) Make recommendations to the Board regarding long-range plans for development and funding of physical assets and infrastructure, including land and buildings, service and physical infrastructure, and information technology;
- b) Provide oversight of funding 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, individual project proposals, and advise on implications of short and long-range capital plans in relation to the strategic vision of the University;
- f) Review policy on Intellectual Property;
- g) Seek approval from the Executive and Governance Committee to obtain advice and assistance from legal, accounting or other advisors as deemed appropriate to perform Finance Committee duties and responsibilities.
- h) Annually review these Terms of Reference and recommend to the Board of Governors any required changes.

## 3. Membership

- a) The Committee shall include:
  - One Public member, appointed as Committee Chair by the Board Chair
  - The Chair or Vice-Chair of the Board
  - The President & Vice-Chancellor
  - Three or more public Board members
  - One Student member of the Board
  - One academic or non-academic staff member of the Board

Advisory Members shall include: Vice President Finance & Operations or equivalent and the Director of Finance shall normally be invited to attend Committee meetings.

NOTE: Financial literacy is a prerequisite for service on the Committee. The majority of members

of the Committee shall be capable of reading and understanding financial statements of the breadth and complexity of those of the University; at least one member of the Committee shall have accounting or related financial management expertise. All committee members should be inquisitive, objective, independent and capable of exercising sound judgement.

## 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.

## 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.