

Document Name:	Finance Committee - Terms of Reference
Executive Officer:	Vice- President (Academic) & Vice-President (Finance and Administration)
Approval Authority:	Board of Governors
Date Document Approved:	March 2022
Mandatory Review Date:	March 2026

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COMMITTEE ROLE – OVERVIEW:

The Finance Committee is a standing committee of the Board of Governors (the Board) of Carleton University constituted to oversee the financial framework and management of the University budget. The Committee monitors the institution’s financial affairs and makes related strategic and policy recommendations as set out in these Terms of Reference.

1. FINANCIAL PLANNING

In support of its mandate to oversee financial planning, the Committee will perform the following functions annually:

- a. Review and recommend to the Board the budget plan for the University’s operating and ancillary income and expenses, including any operating debt repayment required;
- b. Review and provide comments to the administration on the major assumptions inherent in the budget plan relating to government operating grants, tuition fees, enrolment, and inflationary costs;
- c. Review and recommend to the Board approval of tuition fees and ancillary charges;
- d. Review, assess, and make recommendations to the Board relating to the current level of private funding and projections for the future;
- e. Review and, if appropriate, recommend the extent and nature of external borrowing for capital and/or operating needs;

- f. Receive and review a report on the Pension Plan, including a review of surpluses, deficits, and potential liabilities. Examine recommendations from the Pension Committee and make such recommendations to the Board as deemed appropriate; and
- g. As required, review and recommend the financing proposed for new construction projects with a dollar value over five million (\$5,000,000).

2. OTHER

The Finance Committee has specific responsibilities relating to reporting requirements and membership of the Endowment Investment Committee:

The Committee shall receive and review reports from the Endowment Investment Committee on the performance of the endowed funds bi-annually or upon request. In addition, the Committee, undertakes the following:

- Upon recommendation of the President, appoint a Dean to the Endowment Investment Committee;
- Upon recommendation of the Endowment Investment Committee, appoint two or more additional members with a relevant professional background; and
- Upon recommendation of the Endowment Investment Committee, approve the renewal of membership term, excluding those *ex officio*.

Where circumstances warrant, the Finance Committee may hold joint meetings with the Building Program Committee to consider items of interest to both committees.

Review no less than every four years, the Committee's terms of reference, and recommend changes to the Governance Committee, Executive Committee, and Board, as necessary.

Perform such functions as may periodically be assigned to the Committee by the Board of Governors or the Executive Committee.

MEMBERSHIP, QUALIFICATIONS AND COMPOSITION:

The Committee shall be comprised of up to eleven (11) members appointed by the Board, including the Chair and Vice-Chair of the Committee.

The following shall be *ex-officio* members of the Committee: the Board Chair, the Board Vice-Chair, and the President and Vice Chancellor.

All Committee members shall be financially literate in that they shall have the ability to read and understand financial statements of a complexity comparable to the financial statements of the University.

QUORUM:

Quorum for meetings shall consist of one-half the number of members of the committee plus one, present in person, by teleconference, or by videoconference, at least one of whom must be the chair or vice-chair of the Committee.

Revisions and Approvals:

- 281st Meeting, Sept. 15/15 - deferred formal review until completion of By-law review in Spring 2016
- 599th Meeting, Dec. 1/16 – approval of revised Terms of Reference
- 616th Board of Governors Meeting, June 27, 2019, approved revised terms of reference for Finance Committee.
- 629th Board of Governors Meeting, March 10, 2022, approved revised terms of reference for Finance Committee.