



BOARD OF GOVERNORS FINANCE COMMITTEE TERMS OF REFERENCE

1. PURPOSE

The Finance Committee (“Committee”) is appointed by, and has responsibility to, the Board of Governors (“Board”) to assist the Board in fulfilling its fiduciary responsibilities in the oversight of the financial plans, investments, monitor financial risk management, financial policies and practices of the University, and to perform other duties as the Board may delegate or direct from time to time. The Committee operates in accordance with the *Alberta Post-Secondary Learning Act* and the Board governing documents.

2. MEMBERSHIP

2.1 The following shall be the members (voting) of the Committee:

- Chair of the Finance Committee *
- Chair of the Board (*ex-officio*)
- President and Vice-Chancellor (*ex-officio*)
- Vice-Chair of the Board (*ex-officio*)
- Two (2) other Board Members
 - The Board may also appoint one member of the Committee who is not a member of the Board but is considered a financial expert. Factors that may contribute to designation as a financial expert include, but are not limited to:
 - education and experience as a public accountant or auditor or principal financial officer, comptroller, principal investment officer, or principal accounting officer;
 - professional certification in accounting or audit;
 - experience in preparing, auditing, analyzing or evaluating audited financial statements of comparable institutions;
 - experience with internal accounting controls; and
 - experience with investment management.

*In the case where the Chair of the Board Finance Committee is different than the Chair of the Board Audit Committee, each chair must then serve as a voting member on the other committee.

Following the *Board of Governors Bylaws*, membership on committees is determined annually by recommendation from the Board Executive Committee.

2.2 The following (non-voting) shall attend meetings of the Committee:

- Vice-President (Finance and Administration)

Authority: Board of Governors

Responsibility: Finance and Governance Committee

Effective Date: October 12, 2023

- Provost & Vice-President (Academic)
- Associate Vice-President (Finance)
- Executive Director, Financial Services

Non-voting members and other individuals may be invited by the Committee Chair to attend all or any part of a Committee Meeting to provide input or information.

- 2.3 A Committee member must be financially literate or become financially literate within a reasonable period of time after appointment to the Committee. A member is considered financially literate if they can read and understand a set of financial statements at the level of complexity of accounting issues that are in the University's financial statements.
- 2.4 Committee Members are required to abide by the *Code of Conduct - Board of Governors* which indicates proper conduct by members and also requires annual signing of confidentiality and conflict of interest statements.

3. MEETINGS

- 3.1 The Committee shall meet at least five (5) times per year, with additional meetings at the call of the Chair.
- 3.2 Quorum for a meeting, as defined within the *Board of Governors Bylaws* (2.2.3), shall consist of a majority of voting members being in attendance in person, or virtually (phone or video). A meeting that starts with quorum shall be deemed to have a continuing quorum, until a quorum count is requested by a voting member. Where a quorum count is requested and there are insufficient voting members present to constitute a quorum, the meeting shall be adjourned immediately and reconvened seven days later, or at another mutually agreed upon date.

4. RESPONSIBILITIES

4.1 *Policies*

Recommend to the Board for approval policies governing financial, budgetary and investment matters affecting the University.

4.2 *Budget*

- 4.2.1 Recommend to the Board for approval guidelines respecting the preparation of the annual operating and capital budgets;
- 4.2.2 Recommend to the Board for approval annual operating budget that reflects the strategic vision, priorities and values of the University;
- 4.2.3 Recommend to the Board for approval annual setting of tuition and other fees;
- 4.2.4 Recommend to the Board for approval annual allocations of operating and capital funds to budget units including all continuing and one-time adjustments;
- 4.2.5 Recommend to the Board for approval all material changes to the approved operating and capital budgets.

4.3 *Financial Status*

- 4.3.1 Establish guidelines for optimal financial position of the University;

- 4.3.2 Monitor long-range strategic and financial planning to ensure adequate resources;
- 4.3.3 Monitor financial information provided by University Financial Services;
- 4.3.4 Approve allocation of any surplus funds and proposed action on anticipated deficits;
- 4.3.5 Monitor the preservation of the institution's facilities and make capital decisions by authorizing and monitoring major capital projects;
- 4.3.6 Recommend to the Board for approval Ancillary Services' and Campus Mobility Services' Business Plans.

4.4 **Financial Statements**

- 4.4.1 Recommend to the Board for approval the annual University of Lethbridge financial statements and annual report.
- 4.4.2 Review the annual financial statements of the Students' Union and Graduate Students' Association

4.5 **Investments**

Develop, evaluate and monitor the University's investments and investment policy, and make recommendations to the Board for any required amendment thereto.

4.6 **Risk Management**

Monitor the management of the principal risks that could impact the University, including but not limited to finance, security, health and safety, environment disaster recovery planning, protection of computer systems, and insurance coverage.

4.7 **Report to Board of Governors**

The Chair of the Committee shall provide oral or written reports of its proceedings to the Board in a manner that will allow the Board to understand how decisions today impact upon the short and long term financial position of the University. Minutes, supporting schedules and information of the Committee will be made available to any Board member upon request.

4.8 **Self-Assessment**

The Committee shall review the annual self-assessment of the performance of the Committee against their terms of reference and report their findings to the Governance Committee.

4.9 **Terms of Reference Review**

The Committee shall conduct an annual review of the Committee Terms of Reference and report their findings to the Governance Committee.

4.10 **Other Matters**

- 4.10.1 The Committee can engage other advisers, with the Board approval and in accordance with the University's *Contracts - Approval and Signing Authority Policy*, if it is deemed necessary to carry out the Committee's responsibilities. The signing authority for any such engagement is the Chair of the Board of Governors.

- 4.10.2 The Committee may consider any other matters, which in the opinion of the Committee or at the request of the Board, would assist the Board in meeting their responsibilities.

Document History:

Board of Governors Approved: October 18, 2023; May 30, 2022 (editorial revisions); May 28, 2021 (editorial revisions); April 17, 2019; June 16, 2017 (editorial revisions); June 16, 2016; Feb. 26, 2015; Mar. 20, 2014; Jan. 24, 2013; May 17, 2012