

**Document Name:** Finance Committee Terms of Reference

**Executive Officer:** Provost and Vice-President (Academic) and Vice-President (People, Finance and Operations)

**Approval Authority:** Board of Governors

**Date Document Approved:** June 2026

**Mandatory Review Date:** June 2029

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**AUTHORITY**

The Finance Committee is established by the Board of Governors pursuant to section 18 (c) of the *Carleton University Act* and made a committee pursuant to section 8.02 of the *Carleton University By-law No. 1* (“the By-Law”). The Committee operates under the authority of, and is accountable to, the Board of Governors.

**MANDATE**

The Finance Committee is a standing committee of the Board of Governors established to assist the Board in fulfilling its oversight responsibilities for the University’s financial affairs. The Committee oversees financial planning and performance and makes strategic and policy recommendations to the Board in accordance with these Terms of Reference.

**DUTIES AND RESPONSIBILITIES**

**1. FINANCIAL PLANNING**

In support of the Board’s responsibility for the oversight of the University’s financial affairs, including its property, revenues, and long-term financial sustainability, the Committee will:

- a. Review and recommend to the Board the University’s integrated annual and multi-year operating, capital, and ancillary budgets, including cash flow projections and any required operating debt repayment;

- b. Monitor the University's financial performance against approved budgets, including a review of any material variances and key indicators of the balance sheets and the status of reserve funds at each meeting;
- c. Review and provide advice to the administration on the key assumptions underlying financial plans, including government operating grants, tuition fee frameworks, enrolment, expenses, and other major revenue drivers;
- d. Monitor and assess the University's long-term financial sustainability, including deficits, surpluses, debt levels, and forward-looking forecasts including staffing levels, enrolment trends such as retention rates, application volumes and conversion/yield rates;
- e. Review and recommend to the Board policies governing financial management, including those related to reserves, liquidity, and debt (e.g., Reserve Policy, Debt Policy);
- f. Review and recommend to the Board the approval of tuition fees and ancillary charges, consistent with the University's financial strategy;
- g. Review and assess the current and projected levels of private and external funding, and their implications for the University's financial position;
- h. Review and, where appropriate, recommend to the Board the extent and nature of external borrowing, and monitor the University's debt profile;
- i. Review and provide advice on the financial implications of capital, infrastructure, and real estate decisions, including recommending the financing of major construction projects above thresholds established by the Board;
- j. Review and recommend significant strategic or institutional investments (including major information technology projects) above thresholds established by the Board.

## **2. PENSION**

The Finance Committee plays an oversight role, and makes recommendations, in respect of the University's Retirement Plan, supporting the Board of Governors in its responsibilities as Plan Sponsor and Administrator.

In carrying out this role, the Committee shall:

- a. Review and recommend for Board approval key pension-related documents and decisions of the Pension Committee, including:

- i. Annual updates to the Statement of Investment Policies and Procedures (SIPP), which sets out the investment policy, asset mix, and management framework for the Retirement Fund;
  - ii. Any restatements or substantive amendments to the Retirement Plan Text, which governs plan design, eligibility, contributions, benefits, and administration;
  - iii. At least triennial the Actuarial Valuation Report, to assess the financial health of the Retirement Plan as per the Ontario Pension Regulation;
  - iv. The Responsible Investing Policy, which sets the environmental, social and governance framework for the Retirement Fund at least every three (3) years;
  - v. The selection or termination of external investment managers for the Retirement Fund, based on recommendations from the Pension Committee; and
  - vi. Any other administrative decisions made in accordance with Section 15.03(b) of the Retirement Plan Text.
- b. Provide financial oversight of the Retirement Plan, including consideration of:
  - i. Provide oversight of pension governance and compliance, ensuring that the Plan operates in accordance with applicable legislation, including the Pension Benefits Act (Ontario), and that required filings and disclosures are completed with the appropriate regulatory authorities;
  - ii. The financial condition, funded status, and long-term sustainability of the Plan; and
  - iii. The impact of Retirement Fund's investment performance and funding requirements on the University's financial position and operating budget.
- c. Monitor risk associated with the Retirement Plan, including financial, market, legal, operational, and reputational risks, recognizing the multi-billion dollar scale and strategic importance of the Plan to the University.
- d. Maintain alignment with the Pension Committee, receiving its recommendations and ensuring appropriate review, scrutinize, and escalation to the Board, while respecting the Pension Committee's primary role in plan administration and fund oversight.
- e. Support the University's fiduciary responsibilities, ensuring that pension-related decisions are taken with due regard to the interests of Plan beneficiaries and the long-term sustainability of the Plan.

A member of the Finance Committee will serve on the Pension Committee as determined by the Executive Committee.

### **3. INVESTMENT**

The Committee provides oversight of the Investment Committee, including its mandate, composition and effectiveness. The Committee shall:

- a. Receive and review reports from the Investment Committee on the investment performance, asset allocation and risk exposure of endowed and non-endowed funds bi-annually or upon request;
- b. Monitor overall performance of the University's investable funds, with a focus on alignment with long-term objectives and sustainability of distribution rates;
- c. Ascertain that performance and investment-related risks such as market risk, liquidity risk, reputational risk are being appropriately monitored by the Investment Committee;
- d. The Responsible Investing Policy for the endowed and non-endowed funds, which sets the environmental, social and governance framework at least every three (3) years;
- e. Annual review and make recommendations to the Board regarding the endowed Statement of Investment Policies and Procedures (SIPP), Responsible Investing Policies and any material changes to investment strategy;
- f. Review and make recommendations to the Board regarding the non-endowed Statement of Investment Policies and Procedures (SIPP) at least every five (5) years;
- g. Review and make recommendations to the Board regarding updates to the Investment Committee Terms of Reference at least every three (3) years; and
- h. Have a Finance Committee representative on the Investment Committee as determined by the Executive Committee.

In addition, the Committee undertakes the following:

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

#### **4. OTHER**

Where circumstances warrant, the Finance Committee may hold joint meetings with other Board of Governors Committees to consider items of interest to both committees.

The Committee shall:

- Make recommendations for Board approval on matters within its mandate; and
- Escalate any significant issues, risks, or matters requiring Board attention in a timely manner.

The Committee will monitor, receive updates on and report to the Board regarding key developments and material risks within its mandate, including in the following risk areas:

- Student Enrolment
- Financial Sustainability

Review no less than every three (3) 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**

### **Committee Members**

The Committee shall be comprised of up to eleven (11) members appointed by the Board, including the following shall be *ex-officio* members of the Committee:

- Board Chair,
- Board Vice-Chair, and
- 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.

All members of the Committee shall serve a one-year term which may be renewed by the Executive Committee.

### **Executive Support**

The Vice-President (People, Finance and Operations) and the Provost and Vice-President (Academic) reports to and, in coordination with the University Secretary and Chief Governance Officer, supports the committee in preparing and submitting reports, providing advice, and making recommendations in line with its mandate.

### **Standing Invitations**

The Vice-President (Research, Innovation and International), the Associate Vice-President (Financial Services) and Chief Financial Officer, Associate Vice-President (Planning, Budgeting and Analysis) and General Counsel have a standing invitation to attend meetings of the Committee.

### **Secretary**

- a. The University Secretary and Chief Governance Officer (Secretary) or their designate shall be the Secretary of the Committee.
- b. The Secretary will prepare, in consultation with the senior team and the Chair of the Committee, the agenda and all documentation in support of items of business for the Committee's agenda and will keep records of the Committee's business.

## **PROCEDURE :**

### **Quorum:**

Quorum for meetings shall consist of one-half the number of voting 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.

### **Meeting:**

The Committee meets in closed session. Where matters before the Committee are of a particularly confidential or sensitive nature, the Committee may move in camera. The Committee meets a minimum of three times per year, and more frequently as required to fulfill its mandate.

Meetings are held in accordance with the [Appendix A of the By-law](#).

### **Minutes and Reports:**

Minutes of the meeting prepared by the Secretary will normally be approved at the next regular meeting of the Committee.

The Committee Chair or Vice-Chair will report to the Board of Governors on its activities following each meeting.

### **Revisions and Approvals:**

- 281<sup>st</sup> Meeting, Sept. 15/15 - deferred formal review until completion of By-law review in Spring 2016
- 599<sup>th</sup> Meeting, Dec. 1/16 – approval of revised Terms of Reference
- 616<sup>th</sup> Board of Governors Meeting, June 27, 2019, approved revised terms of reference for Finance Committee.
- 629<sup>th</sup> Board of Governors Meeting, March 10, 2022, approved revised terms of reference for Finance Committee.
- 652<sup>nd</sup> Board of Governors Meeting, June 4, 2026, approved revised terms of reference.