



The following Motions and Documents were considered by the Board Finance and Property Committee during the Open Session of its September 26, 2017 meeting:

Agenda Title: **Budget Model Principles**

APPROVED MOTION THAT the Board Finance and Property Committee, on the recommendation of General Faculties Council, recommend that the Board of Governors approve the Budget Model Principles, as set forth in Attachment 1, to take effect upon final approval.

Final Recommended Item: 5b.

Agenda Title: **Appointment of Vice-Chair of the Board Finance and Property Committee**

APPROVED MOTION THAT the Board Finance and Property Committee appoint Mr Dick Wilson as Vice-Chair of the Board Finance and Property Committee, effective immediately.

Final Item: 6.

Agenda Title: **Board Finance and Property Committee Terms of Reference**

APPROVED MOTION THAT the Board Finance and Property Committee recommend that the Board of Governors approve the proposed changes to the Committee's Terms of Reference, as set forth in Attachment 1.

Final Recommended Item: 7.

Agenda Title: **Real Property Compliance Policy Updates**

APPROVED MOTION THAT the Board Finance and Property Committee recommend that the Board of Governors approve the proposed revisions to the Real Property Compliance Policy, as set forth in Attachment 3, to take effect upon final approval.

Final Recommended Item: 8.

OUTLINE OF ISSUE
Action Item

Agenda Title: **Budget Model Principles**

Motion: THAT the Board Finance and Property Committee, on the recommendation of General Faculties Council, recommend that the Board of Governors approve the Budget Model Principles, as set forth in Attachment 1, to take effect upon final approval.

Item

Action Requested	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Recommendation
Proposed by	Provost and Vice-President (Academic), Vice-President (Finance and Administration)
Presenter	Steven Dew, Provost and Vice-President (Academic)

Details

Responsibility	Provost and Vice-President (Academic), Vice-President (Finance and Administration)
The Purpose of the Proposal is (please be specific)	To recommend for approval the principles that will guide and inform the development and application of a new budget model for the University of Alberta. The University's budget model outlines the mechanisms and processes for allocating/re-allocating resources to the Faculties and units in alignment with broad institutional priorities and with the University's strategic plan. The model will help inform decisions enabling the effective use of resources and supporting the long-term sustainability of the University's financial position.
The Impact of the Proposal is	The principles will guide the work of the technical working group and other stakeholders in the development and application of a new budget model for the University.
Replaces/Revises (eg, policies, resolutions)	N/A
Timeline/Implementation Date	The new budget model is being developed over the 2017/18 fiscal year, and is expected to be implemented, at least partially, for the 2018/19 fiscal year.
Estimated Cost and funding source	N/A
Next Steps (ie.: Communications Plan, Implementation plans)	The technical working group will be primarily responsible for the near-term work on the development of the new model, subject to input and final approval by senior administration. The Provost and the Vice-President (Finance & Administration) are the Executive Sponsors for this project.
Supplementary Notes and context	

Engagement and Routing (Include meeting dates)

Participation:	<u>Those who have been informed:</u> •
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(parties who have seen the proposal and in what capacity) <For further information see the link posted on the Governance Toolkit section Student Participation Protocol >	<u><i>Those who have been consulted:</i></u> <ul style="list-style-type: none"> • Deans • Vice-Provosts • Associate Vice-Presidents
	<u><i>Those who are actively participating:</i></u> <ul style="list-style-type: none"> • President’s Executive Committee • Budget Model Technical Working Group
Approval Route (Governance) (including meeting dates)	GFC Academic Planning Committee (recommendation) - June 14, 2017 GFC Executive Committee (for information) – September 11, 2017 General Faculties Council (recommendation) – September 25, 2017 Board Finance and Property Committee (recommendation) – September 26, 2017 Board of Governors (approval) - October 20, 2017
Final Approver	Board of Governors

Alignment/Compliance

Alignment with Guiding Documents	<i>For the Public Good:</i> Objective 22: Secure and steward financial resources to sustain, enhance, promote, and facilitate the university’s core mission and strategic goals. Strategy ii: Ensure a sustainable budget model to preserve and enhance our core mission and reputation for excellence in teaching, learning, research, and community engagement.
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please <u>quote</u> legislation and include identifying section numbers)	<p>1. Post-Secondary Learning Act (PSLA) Section 26(1) states: “Subject to the authority of the board, a general faculties council is responsible for the academic affairs of the university and, without restricting the generality of the foregoing has the authority to [...]”</p> <p>(o) make recommendations to the board with respect to affiliation with other institutions, academic planning, campus planning, a building program, the budget [...] and any other matters considered by the general faculties council to be of interest to the university[.] [...]”</p> <p>2. Post-Secondary Learning Act (PSLA) Section 60 states: Section 60(1) The Board of a public post-secondary institution shall (a) Manage and operate the public post-secondary institution in accordance with its mandate.</p> <p>3. Post-Secondary Learning Act (PSLA) Section 78 states: Business plans 78(1) Each year a board must prepare and approve a business plan that includes: (a) the budget, and (b) any other information required by the Minister.</p> <p>4. GFC Academic Planning Committee Terms of Reference (Mandate) “The Academic Planning Committee (APC) is GFC’s senior committee dealing with academic, financial and planning issues. [...]” APC is responsible for making recommendations to GFC and/or to the</p>

	<p>Board of Governors concerning policy matters and action matters with respect to the following: [...]</p> <p>4. Budget Matters a. To recommend to GFC on budget principles. [...]"</p> <p>5. GFC Executive Committee Terms of Reference (3. Mandate of the Committee) "5. Agendas of General Faculty Council GFC has delegated to the Executive Committee the authority to decide which items are placed on a GFC Agenda, and the order in which those agenda items appear on each GFC agenda.</p> <p>When ordering items, the GFC Executive Committee will be mindful of any matters that are of particular concern to students during March and April so that the student leaders who bring those items forward are able to address these items at GFC before their terms end."</p> <p>6. BFPC Terms of Reference (3. Mandate of the Committee) (Financial) b) review and recommend to the Board the Integrated Planning and Budgeting Policy which includes guiding principles for changes to approved budgets and for transfer or reallocation of monies included in approved budgets;</p>
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Attachments:

1. Budget Model Principles (1 page)

Prepared by: Kathleen Brough, Senior Administrative Officer, Office of the Provost and Vice-President (Academic)

University of Alberta Budget Model Principles

The university's budget model outlines the mechanisms and processes for allocating/re-allocating resources to the Faculties and units in alignment with broad institutional priorities and with the university's strategic plan. The model will help inform decisions enabling the effective use of resources and supporting the long-term sustainability of the university's financial position. The following principles will guide and inform the development and application of the university's budget model.

- a. Supremacy of academic priorities -- the university's mission and academic priorities as set out in the university's strategic plan are paramount in all decision making. The budget model will facilitate the alignment of resources in support of the university core mandate of teaching and research.
- b. Transparency -- the process for making resource allocation decisions is transparent and sources of institutional resources and comparative data are clearly identified and made available
- c. Accountability -- Faculty and unit leadership have the responsibility and authority to make resource allocation decisions and are accountable for achieving performance targets, including financial performance targets.
- d. Simplicity -- rules and processes are understandable and actionable
- e. Consistency -- rules are applied equitably across all Faculties and units.
- f. Predictability -- long-term budget planning is facilitated. Changes to the model will require consultation among the stakeholders.

OUTLINE OF ISSUE
Action Item

Agenda Title: **Appointment of Vice-Chair of the Board Finance and Property Committee**

Motion: THAT the Board Finance and Property Committee appoint Mr Dick Wilson as Vice-Chair of the Board Finance and Property Committee, effective immediately.

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation
Proposed by	Owen Tobert, Chair, Board Finance and Property Committee; Michael Phair, Chair, Board of Governors
Presenter	Owen Tobert, Chair, Board Finance and Property Committee

Details

Responsibility	University Governance
The Purpose of the Proposal is (please be specific)	To appoint a Vice-Chair for the Board Finance and Property Committee. The Committee Chair has consulted with the Board Chair.
The Impact of the Proposal is	See purpose
Replaces/Revises	n/a
Timeline/Implementation Date	Upon approval
Estimated Cost/ funding source	n/a
Next Steps	n/a
Supplementary Notes	

Engagement and Routing (Include meeting dates)

Participation: (parties who have seen the proposal and in what capacity) <For further information see the link posted on the Governance Toolkit section Student Participation Protocol >	<u><i>Those who have been informed:</i></u> <ul style="list-style-type: none"> •
	<u><i>Those who have been consulted:</i></u> <ul style="list-style-type: none"> • Michael Phair, Chair, Board of Governors • Marion Haggarty-France, University Secretary • Juli Zinken, Board Secretary and Manager, Board Services
	<u><i>Those who are actively participating:</i></u> <ul style="list-style-type: none"> • Owen Tobert, Chair, Board Finance and Property Committee • Dick Wilson, Member, Board Finance and Property Committee
Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee, September 26, 2017 (for approval)
Final Approver	Board Finance and Property Committee

Alignment/Compliance

Alignment with Guiding Documents	<p><u>Institutional Strategic Plan - For the Public Good</u> SUSTAIN our people, our work, and the environment by attracting and stewarding the resources we need to deliver excellence to the benefit of all.</p> <p>21. Objective: Encourage continuous improvement in administrative, governance, planning, and stewardship systems, procedures, and policies that enable students, faculty, staff, and the institution as a whole to achieve shared strategic goals.</p>
Compliance with Legislation,	Section 9 of the <u>Board's General Terms of Reference for Board Standing</u>



<p>Policy and/or Procedure Relevant to the Proposal (please <u>quote</u> legislation and include identifying section numbers)</p>	<p><u>Committees</u> states: <i>...In order for a meeting to be validly constituted for the transaction of business, either the Chair or the Vice-Chair shall be present.</i></p> <p>Section 2 of the <u>Board Finance and Property Committee Terms of Reference</u> states: <i>(e) The Committee shall designate the Vice-Chair from the Committee membership upon the recommendation of the Board Chair and the Committee Chair. The Vice-Chair undertakes and discharges all duties of the Chair in the absence of the Chair.</i></p>
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Prepared by: Erin Plume, Assistant Board Secretary and Committee Coordinator, erin.plume@ualberta.ca, 780-492-9699.

OUTLINE OF ISSUE
Action Item

Agenda Title: **Board Finance and Property Committee Terms of Reference**

Motion: THAT the Board Finance and Property Committee recommend that the Board of Governors approve the proposed changes to the Committee’s Terms of Reference, as set forth in Attachment 1.

Item

Action Requested	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Recommendation
Proposed by	Owen Tobert, Chair, Board Finance and Property Committee
Presenter	Owen Tobert, Chair, Board Finance and Property Committee

Details

Responsibility	University Governance
The Purpose of the Proposal is	To review the Committee’s Terms of Reference and recommend proposed changes to the Board of Governors.
The Impact of the Proposal is	The proposed changes do not affect the core mandate of the Committee, but will better reflect current practices, policies and legislation.
Replaces/Revises	Current Board Finance and Property Committee (BFPC) Terms of Reference
Timeline/Implementation Date	Immediately upon approval
Estimated Cost /funding source	n/a
Next Steps (ie.: Communications Plan, Implementation plans)	University Governance, Administration, and the Committee will use these terms to guide the Committee’s work for the year.
Supplementary Notes and context	<p>Changes are being proposed as follows:</p> <ul style="list-style-type: none"> • Functional namings have always come to the committee for information, as per the Functional Naming of Physical Entities Procedure, but have not been included in the terms of reference. • Acquisition and disposition of real property will follow approval limits as determined by the Real Property Compliance Policy (which is pending BFPC and Board approval). • Traffic policies will be recommended to the Board, in accordance with the Post-Secondary Learning Act and as per the revised Parking and Traffic Management Policy, approved by the Board on May 12, 2017.

Engagement and Routing (Include meeting dates)

Participation: (parties who have seen the proposal and in what capacity) <For further information see the link posted on the Governance Toolkit section Student Participation Protocol >	<p><u>Those who have been informed:</u></p> <ul style="list-style-type: none"> •
	<p><u>Those who have been consulted:</u></p> <ul style="list-style-type: none"> • Owen Tobert, Chair, Board Finance and Property Committee • Marion Haggarty-France, University Secretary • Juli Zinken, Board Secretary • Brad Hamdon, General Counsel • Gordon Weighell, Senior Administrative Officer, Facilities and Operations

	<p><u><i>Those who are actively participating:</i></u></p> <ul style="list-style-type: none"> • Board Finance and Property Committee members and administration • Erin Plume, Assistant Board Secretary and Committee Coordinator
Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee, September 26, 2017 (for recommendation) Board of Governors, October 20, 2017 (for approval)
Final Approver	Board of Governors

Alignment/Compliance

Alignment with Guiding Documents	<p>Institutional Strategic Plan – For the Public Good: <i>SUSTAIN: Sustain our people, our work, and the environment by attracting and stewarding the resources we need to deliver excellence to the benefit of all Albertans.</i></p> <p><i>21. Encourage continuous improvement in administrative, governance, planning and stewardship systems, procedures, and policies that enable students, faculty, staff, and the institution as a whole to achieve shared strategic goals.</i></p> <p><i>v. Develop a set of equitable, meaningful, and relevant measures to monitor our progress toward strategic goals and develop the tools required to report on them.</i></p>
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please quote legislation and include identifying section numbers)	<p>1. Post Secondary Learning Act (PSLA), Section 60 (1)(b): “The Board of a public post-secondary institution shall develop, manage and operate, alone or in cooperation with any person or organization, programs, services and facilities for the educational or cultural advancement of the people of Alberta.”</p> <p>2. Board of Governors General Terms of Reference, Section b: “The Board has delegated to each Committee responsibility and authority to make decisions on behalf of the Board in the Committee's defined area of responsibility except to the extent that such authority has been specifically limited by the Board in the Terms of Reference for the Committee.”</p> <p>...</p> <p>“...issues which remain with the Board or which would be referred by a Committee to the Board would generally be in the nature of...any matter involving an alteration in the mandate, terms of reference, membership, or structure of a Committee;...”</p> <p>3. Board Finance and Property Committee Terms of Reference Section 3. Mandate of the Committee (Reports, Advice, Trends): w) annually review the terms of reference for the Committee and recommend to the Board any required changes.</p>

Attachments:

1. Board Finance and Property Committee Proposed Terms of Reference – showing edits (4 pages)
2. Board Finance and Property Committee Proposed Terms of Reference – clean version (4 pages)

Prepared by: Erin Plume, Assistant Board Secretary and Committee Coordinator



BOARD FINANCE AND PROPERTY COMMITTEE Terms of Reference

1. AUTHORITY

- a) The Board Finance and Property Committee (the "Committee") is created by and responsible to the Board of Governors (the "Board") of the University of Alberta (the "University").
- b) The Vice-President (Finance and Administration) and the Vice-President (Facilities and Operations) shall provide management support to the Committee.
- c) The Committee shall function in accordance with the Board's General Committee Terms of Reference.

2. COMPOSITION OF THE COMMITTEE

- a) Voting Members appointed by the Board (ordinarily a maximum of 11 voting members):
 - (1) Two Board members from the membership categories identified by the *Alberta Post-Secondary Learning Act (the Act)* as *general public, alumni* and *Senate*
 - (2) A Board member from the membership category identified by the Act as *academic staff of the University*
 - (3) A Board member from the membership category identified by the Act as *non-academic staff of the University*
 - (4) Two Board members from the membership category identified by the Act as *students nominated by the council of the students association* or as *graduate student nominated by the council of the association*
 - (5) One other member of the Board of Governors
 - (6) A member of the general public with specific expertise in a field of interest to the Committee
 - (7) The Board Chair, by virtue of office
 - (8) The President and Vice-Chancellor, by virtue of office
 - (9) The Chancellor, by virtue of office
- b) Non-Voting Officials appointed by the President
 - (1) Provost and Vice-President (Academic)
 - (2) Vice-President (Facilities and Operations)
 - (3) Vice-President (Finance and Administration)
 - (4) Vice-President (University Relations)
 - (5) University Secretary
 - (6) Committee Secretary
 - (7) Other officers, as determined by the President
- c) One of the members from the Board's constituencies of general public, or the Senate or the Alumni Association who is a member of the Committee shall also serve as a member of the Audit Committee.
- d) The Board of Governors shall appoint the Committee Chair from the Committee membership category 2(a)(1), upon the recommendation of the Board Chair.
- e) The Committee shall designate the Vice-Chair from the Committee membership upon the recommendation of the Board Chair and the Committee Chair. The Vice-Chair undertakes and discharges all duties of the Chair in the absence of the Chair.

3. MANDATE OF THE COMMITTEE

Except as provided in paragraph 4 and in the Board's General Committee Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University. The Committee shall also consider any other matter delegated to the Committee by the Board.

Without limiting the generality of the foregoing, the Committee shall:

Financial

- a) review the quarterly financial statements with respect to operating and capital funds;
- b) review and recommend to the Board the Integrated Planning and Budgeting Policy which includes guiding principles for changes to approved budgets and for transfer or reallocation of monies included in approved budgets;
- c) review and recommend to the Board the annual and other budgets and major issues of policy related to budgets;
- d) review and recommend to the Board tuition and other like fees;
- e) approve authorized signing officers in respect of all banking and safekeeping;

Facilities and Property

- f) review, recommend to the Board or approve original Capital Expenditure Authorization Requests (CEARs) or individual Supplemental CEARs as determined by the Board-approved University of Alberta Capital Expenditure Authorization Request (CEAR) Policy;
- ~~g)~~ review, and recommend to the Board or approve the acquisition or disposal/disposition of real property as determined by the Board-approved Real Property Compliance Policy;
- ~~g)h), including review and recommend to the Board~~ lands transferred to University of Alberta Properties Trust Inc.;
- i) review and recommend to the Board the appointment and renewal of terms of office of directors of the University of Alberta Properties Trust Inc.;
- ~~h)j) receive for information functional namings as approved by the Vice-President (Facilities and Operations);~~

Information Technology

- ~~ij)k)~~ review reports, strategies, and plans regarding physical infrastructure and resource optimization for University information technology systems;

Policies

- ~~ij)l)~~ approve policies for intellectual property and technology transfer;
- ~~k)m)~~ approve policies for construction and supply contracts, policies governing the use of space and planning reports for individual capital projects;
- ~~h)n)~~ recommend to the Board capital expenditure policies for the committee and for the Board;
- ~~m)o)~~ approve-review and recommend to the Board policies for the control and regulation of pedestrian and vehicle traffic on University lands;
- ~~p)q)~~ review and approve policies on financial risk management for risks which may jeopardize the achievements of the strategic vision of the University;
- ~~e)q)~~ 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;

Reports, Advice, Trends

- ~~p)r)~~ Review and provide recommendations to the Board Audit Committee on the University's enterprise-wide risks and risk measures related to the Committee mandate;
- ~~q)s)~~ monitor trends affecting the University and the implications of those trends on finances and property of the University;
- ~~r)t)~~ annually provide advice to the President, through the Chair of the Board Human Resources and Compensation Committee, with respect to the responsibilities and performance (in relation thereto) of those Vice Presidents whose responsibilities are within the mandate of the Committee;
- ~~s)u)~~ review annual and quarterly reports highlighting progress achieved in implementing the University's current budget and strategic business plan, including appropriate and relevant performance indicators;
- ~~t)v)~~ review planning reports for individual capital projects and receive a quarterly report on these;
- ~~u)w)~~ receive for review an annual report from University of Alberta Properties Trust Inc.;
- ~~v)x)~~ receive for review an annual report on donations and gifts and monitor performance against fundraising goals; and
- ~~w)y)~~ annually review the terms of reference for the Committee and recommend to the Board any required changes.

4. LIMITATIONS ON DELEGATION BY THE BOARD

The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee set out in paragraph 3, the Board shall:

- a) approve the guiding principles, budgets and changes to approved budgets and the transfer or reallocation of monies included in approved budgets;
- b) approve the annual and other budgets and major issues of policy related to budgets;
- c) approve capital expenditures as determined by the Board-approved University of Alberta Capital Expenditure Authorization Request (CEAR) Policy;
- d) approve capital expenditure policies;
- e) approve tuition and other like fees;
- f) approve 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; ~~and~~
- ~~g)~~ approve the acquisition or ~~disposal-disposition~~ of real property ~~as determined by the Board-approved Real Property Compliance Policy.~~
- ~~g)h)~~ approve including lands transferred to University of Alberta Properties Trust Inc.;
- ~~i)~~ approve the appointment and renewal of terms of office of directors of the University of Alberta Properties Trust Inc.;
- ~~h)j)~~ approve policies for the control and regulation of pedestrian and vehicle traffic on University lands.

5. REPORTING TO THE BOARD

As provided in the Board's General Terms of Reference the Committee shall regularly report to the Board with respect to its activities and decisions.

Decision History:

DATE	DECISION-MAKER	DECISION
2006-11-20	Board Finance and Property Committee	Recommended to Board of Governors
2006-12-8	Board of Governors	Approved
2008-06-10	Board Finance and Property Committee	Recommended to Board of Governors
2008-06-20	Board of Governors	Approved
2008-10-03	Editorial Revisions Made as a Result of CEAR Policy Approved by BFPC/Board	
2009-09-16	Board Finance and Property Committee	Recommended to Board of Governors
2009-10-02	Board of Governors	Approved

2011-02-01	Board Finance and Property Committee	Recommended to Board of Governors
2011-02-11	Board of Governors	Approved
2011-09-20	Board Finance and Property Committee	Recommended to Board of Governors
2011-10-21	Board of Governors	Approved
2012-07-12	Editorial Revisions Made as a Result of Changes in Title	
2013-10-01	Board Finance and Property Committee	Recommended to Board of Governors
2013-10-18	Board of Governors	Approved
2014-09-23	Board Finance and Property Committee	Recommended to the Board of Governors
2014-10-24	Board of Governors	Approved
2015-09-29	Board Finance and Property Committee	Recommended to the Board of Governors
2015-10-16	Board of Governors	Approved
2016-03-01	Board Finance and Property Committee	Recommended to the Board of Governors
2016-03-18	Board of Governors	Approved
2016-09-27	Board Finance and Property Committee	Recommended to the Board of Governors
2016-10-21	Board of Governors	Approved
<u>2017-09-26</u>	<u>Board Finance and Property Committee</u>	
<u>2017-10-20</u>	<u>Board of Governors</u>	

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BOARD FINANCE AND PROPERTY COMMITTEE Terms of Reference

1. AUTHORITY

- a) The Board Finance and Property Committee (the “Committee”) is created by and responsible to the Board of Governors (the “Board”) of the University of Alberta (the “University”).
- b) The Vice-President (Finance and Administration) and the Vice-President (Facilities and Operations) shall provide management support to the Committee.
- c) The Committee shall function in accordance with the Board’s General Committee Terms of Reference.

2. COMPOSITION OF THE COMMITTEE

- a) Voting Members appointed by the Board (ordinarily a maximum of 11 voting members):
 - (1) Two Board members from the membership categories identified by the *Alberta Post-Secondary Learning Act (the Act)* as *general public, alumni* and *Senate*
 - (2) A Board member from the membership category identified by the Act as *academic staff of the University*
 - (3) A Board member from the membership category identified by the Act as *non-academic staff of the University*
 - (4) Two Board members from the membership category identified by the Act as *students nominated by the council of the students association* or as *graduate student nominated by the council of the association*
 - (5) One other member of the Board of Governors
 - (6) A member of the general public with specific expertise in a field of interest to the Committee
 - (7) The Board Chair, by virtue of office
 - (8) The President and Vice-Chancellor, by virtue of office
 - (9) The Chancellor, by virtue of office
- b) Non-Voting Officials appointed by the President
 - (1) Provost and Vice-President (Academic)
 - (2) Vice-President (Facilities and Operations)
 - (3) Vice-President (Finance and Administration)
 - (4) Vice-President (University Relations)
 - (5) University Secretary
 - (6) Committee Secretary
 - (7) Other officers, as determined by the President
- c) One of the members from the Board’s constituencies of general public, or the Senate or the Alumni Association who is a member of the Committee shall also serve as a member of the Audit Committee.
- d) The Board of Governors shall appoint the Committee Chair from the Committee membership category 2(a)(1), upon the recommendation of the Board Chair.
- e) The Committee shall designate the Vice-Chair from the Committee membership upon the recommendation of the Board Chair and the Committee Chair. The Vice-Chair undertakes and discharges all duties of the Chair in the absence of the Chair.

3. MANDATE OF THE COMMITTEE

Except as provided in paragraph 4 and in the Board's General Committee Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University. The Committee shall also consider any other matter delegated to the Committee by the Board.

Without limiting the generality of the foregoing, the Committee shall:

Financial

- a) review the quarterly financial statements with respect to operating and capital funds;
- b) review and recommend to the Board the Integrated Planning and Budgeting Policy which includes guiding principles for changes to approved budgets and for transfer or reallocation of monies included in approved budgets;
- c) review and recommend to the Board the annual and other budgets and major issues of policy related to budgets;
- d) review and recommend to the Board tuition and other like fees;
- e) approve authorized signing officers in respect of all banking and safekeeping;

Facilities and Property

- f) review, recommend to the Board or approve original Capital Expenditure Authorization Requests (CEARs) or individual Supplemental CEARs as determined by the Board-approved University of Alberta Capital Expenditure Authorization Request (CEAR) Policy;
- g) review and recommend to the Board the acquisition or disposition of real property as determined by the Board-approved Real Property Compliance Policy;
- h) review and recommend to the Board lands transferred to University of Alberta Properties Trust Inc.;
- i) review and recommend to the Board the appointment and renewal of terms of office of directors of the University of Alberta Properties Trust Inc.;
- j) receive for information functional namings as approved by the Vice-President (Facilities and Operations);

Information Technology

- k) review reports, strategies, and plans regarding physical infrastructure and resource optimization for University information technology systems;

Policies

- l) approve policies for intellectual property and technology transfer;
- m) approve policies for construction and supply contracts, policies governing the use of space and planning reports for individual capital projects;
- n) recommend to the Board capital expenditure policies for the committee and for the Board;
- o) review and recommend to the Board policies for the control and regulation of pedestrian and vehicle traffic on University lands;
- p) review and approve policies on financial risk management for risks which may jeopardize the achievements of the strategic vision of the University;
- q) 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;

Reports, Advice, Trends

- r) Review and provide recommendations to the Board Audit Committee on the University's enterprise-wide risks and risk measures related to the Committee mandate;

- s) monitor trends affecting the University and the implications of those trends on finances and property of the University;
- t) annually provide advice to the President, through the Chair of the Board Human Resources and Compensation Committee, with respect to the responsibilities and performance (in relation thereto) of those Vice Presidents whose responsibilities are within the mandate of the Committee;
- u) review annual and quarterly reports highlighting progress achieved in implementing the University's current budget and strategic business plan, including appropriate and relevant performance indicators;
- v) review planning reports for individual capital projects and receive a quarterly report on these;
- w) receive for review an annual report from University of Alberta Properties Trust Inc.;
- x) receive for review an annual report on donations and gifts and monitor performance against fundraising goals; and
- y) annually review the terms of reference for the Committee and recommend to the Board any required changes.

4. LIMITATIONS ON DELEGATION BY THE BOARD

The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee set out in paragraph 3, the Board shall:

- a) approve the guiding principles, budgets and changes to approved budgets and the transfer or reallocation of monies included in approved budgets;
- b) approve the annual and other budgets and major issues of policy related to budgets;
- c) approve capital expenditures as determined by the Board-approved University of Alberta Capital Expenditure Authorization Request (CEAR) Policy;
- d) approve capital expenditure policies;
- e) approve tuition and other like fees;
- f) approve 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; and
- g) approve the acquisition or disposition of real property as determined by the Board-approved Real Property Compliance Policy.
- h) approve lands transferred to University of Alberta Properties Trust Inc.;
- i) approve the appointment and renewal of terms of office of directors of the University of Alberta Properties Trust Inc.;
- j) approve policies for the control and regulation of pedestrian and vehicle traffic on University lands.

5. REPORTING TO THE BOARD

As provided in the Board's General Terms of Reference the Committee shall regularly report to the Board with respect to its activities and decisions.

Decision History:

DATE	DECISION-MAKER	DECISION
2006-11-20	Board Finance and Property Committee	Recommended to Board of Governors
2006-12-8	Board of Governors	Approved
2008-06-10	Board Finance and Property Committee	Recommended to Board of Governors
2008-06-20	Board of Governors	Approved
2008-10-03	Editorial Revisions Made as a Result of CEAR Policy Approved by BFPC/Board	
2009-09-16	Board Finance and Property Committee	Recommended to Board of Governors
2009-10-02	Board of Governors	Approved
2011-02-01	Board Finance and Property Committee	Recommended to Board of Governors
2011-02-11	Board of Governors	Approved
2011-09-20	Board Finance and Property Committee	Recommended to Board of Governors
2011-10-21	Board of Governors	Approved

2012-07-12	Editorial Revisions Made as a Result of Changes in Title	
2013-10-01	Board Finance and Property Committee	Recommended to Board of Governors
2013-10-18	Board of Governors	Approved
2014-09-23	Board Finance and Property Committee	Recommended to the Board of Governors
2014-10-24	Board of Governors	Approved
2015-09-29	Board Finance and Property Committee	Recommended to the Board of Governors
2015-10-16	Board of Governors	Approved
2016-03-01	Board Finance and Property Committee	Recommended to the Board of Governors
2016-03-18	Board of Governors	Approved
2016-09-27	Board Finance and Property Committee	Recommended to the Board of Governors
2016-10-21	Board of Governors	Approved
2017-09-26	Board Finance and Property Committee	
2017-10-20	Board of Governors	

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OUTLINE OF ISSUE

Agenda Title: **Real Property Compliance Policy Updates**

Motion: THAT the Board Finance and Property Committee recommend that the Board of Governors approve the proposed revisions to the Real Property Compliance Policy, as set forth in Attachment 3, to take effect upon final approval.

Item

Action Requested	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Recommendation
Proposed by	Andrew Sharman, Vice-President (Facilities and Operations)
Presenter	Andrew Sharman, Vice-President (Facilities and Operations)

Details

Responsibility	Vice-President (Facilities and Operations)
The Purpose of the Proposal is (please be specific)	Upon advice from General Counsel, the Real Property Compliance Policy (2014) requires updating to better differentiate between methods of acquisition (purchase, exchange, donation, or lease) and disposition (sale, exchange, or lease) while also clarifying the appropriate process for each method.
The Impact of the Proposal is	The Real Property Compliance Policy ensures compliance with the Post-Secondary Learning Act when acquiring or disposing of real property while also enabling the institution to exercise appropriate review and control.
Replaces/Revises (e.g. policies, resolutions)	Replaces the Real Property Compliance Policy (2014)
Timeline/Implementation Date	October 2017
Estimated Cost and funding source	N/A
Next Steps (ie.: Communications Plan, Implementation plans)	Update the University of Alberta Policies and Procedures On-Line (UAPPOL).
Supplementary Notes and context	

Engagement and Routing (Include meeting dates)

Participation: (parties who have seen the proposal and in what capacity)	<u><i>Those who have been informed:</i></u> <ul style="list-style-type: none"> • Andrew Sharman, Vice President (Facilities and Operations)
	<u><i>Those who have been consulted:</i></u> <ul style="list-style-type: none"> • Brad Hamdon, General Counsel • Ben Esch, Legal Counsel • Pat Jansen, AVP, Planning and Project Delivery • Geoff Rode, Director, Operations • Giovana Bianchi, SAO, Finance and Administration • Tyrel Brochu, SAO, Advancement • Ann Hodgson, Manager, Governance Operations • Erin Plume, Assistant Board Secretary • Gordon Weighell, SAO, Facilities and Operations

	<p><u>Those who are actively participating:</u></p> <ul style="list-style-type: none"> • Craig Moore, Director, Real Estate Service • Mike Helm, Associate Director, Real Estate Services
Approval Route (Governance) (including meeting dates)	<p>Board Finance and Property Committee (recommendation) – September 26, 2017</p> <p>Board of Governors (approval) – October 20, 2017</p>
Final Approver	Board of Governors

Alignment/Compliance

Alignment with Guiding Documents	<p><u>Institutional Strategic Plan - For the Public Good</u></p> <p>Sustain our people, our work, and the environment by attracting and stewarding the resources we need to deliver excellence to the benefit of all.</p> <p>21. OBJECTIVE: Encourage continuous improvement in administrative, governance, planning and stewardship systems, procedures, and policies that enable students, faculty, staff and the institution as a whole to achieve shared strategic goals.</p> <p>i. Strategy: Encourage transparency and improve communication across the university through clear consultation and decision-making processes, substantive and timely communication of information, and access to shared, reliable institutional data.</p>
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please quote legislation and include identifying section numbers)	<p><u>Post-secondary Learning Act (PSLA)</u></p> <p>Section 60(1) The Board of a public post-secondary institution shall</p> <p>(a) manage and operate the public post-secondary institution in accordance with its mandate.</p> <p>Acquisition of land</p> <p>Section 66 (1) A Board may acquire any interest in land for the purposes of the board in conducting the affairs of the public post-secondary institution.</p> <p>Disposition of land</p> <p>Section 67 (1.1) A board shall not, without the prior approval of the Lieutenant Governor in Council,</p> <p>(a) sell or exchange any interest in land, other than donated land, that is held by and being used for the purposes of the board, or</p> <p>(b) lease for a term that exceeds 5 years any land held by the board unless the lease is to a person that will use the land for the purpose of providing support services to the students, faculty or staff of the public post-secondary institution.</p> <p><u>BFPC Terms of Reference – Section 3:</u></p> <p>3. <u>MANDATE OF THE COMMITTEE</u></p> <p>Except as provided in paragraph 4 and the Board's General Committee</p>

Item No. 8

	<p>Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University. The Committee shall also consider any other matter delegated to the Committee by the Board.</p> <p>Without limiting the generality of the foregoing, the Committee shall:</p> <p>o) 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.</p> <p>4. <u>LIMITATIONS ON DELEGATION BY THE BOARD</u></p> <p>The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee set out in paragraph 3, the Board shall:</p> <p>f) approve 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.</p>
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Attachments:

1. Briefing Note (1 page)
2. Real Property Compliance Policy (2014) – Red Line (2 pages)
3. Real Property Compliance Policy (2017) (2 pages)
4. Real Property Acquisition Procedure – for information (3 pages)
5. Real Property Disposition Procedure – for information (3 pages)

Prepared by:

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Real Property Compliance Policy

Background

As part of the University of Alberta Policies and Procedures On-Line (UAPPOL), the Real Property Compliance Policy ensures that the U of A complies with the *Post-Secondary Learning Act* when acquiring or disposing of real property. Additionally, the policy enables the institution to exercise appropriate review and control.

Issue

Upon advice from General Counsel, the Real Property Compliance Policy (2014) requires updating to better differentiate between methods of acquisition (purchase, exchange, donation, or lease) and disposition (sale, exchange, or lease) while also clarifying the appropriate process for each method.

Recommendation

The updated Real Property Compliance Policy be approved.

Approval Date: November 4, 2005
Most Recent Editorial Date: September 26, 2014

Real Property Compliance Policy

Office of Accountability:	Vice-President (Facilities &and Operations)
Office of Administrative Responsibility:	Office of Real Estate Services the Associate Vice-President (Ancillary Services)
Approver:	Board of Governors
Scope:	Compliance with this University policy extends to the Office of the Vice-President (Facilities and Operations) and the Board of Governors.

Overview

The University of Alberta may, from time to time, acquire and dispose of ~~land~~real property. The *Post-Secondary Learning Act* of Alberta outlines the authority by which universities may acquire and dispose of ~~land and/or~~ real property.

Purpose

To ensure that the University of Alberta complies with the *Post-Secondary Learning Act* of Alberta with respect to the **acquisition** and **disposition** of ~~land and/or~~ real property, and to enable ~~Ancillary Services,~~ the Office of the Vice- President (Facilities and Operations), ~~the Board Finance and Property Committee~~ and the Board of Governors to exercise appropriate review and control over the acquisition and disposition of landreal property.

POLICY

The University of Alberta will comply with the legislation set forth in the *Post-Secondary Learning Act* of Alberta with respect to the acquisition and disposition of ~~land and/or~~ real property.

The approving and signing authority ~~limits~~ for ~~land and/or~~ real property acquisitions and dispositions are ~~based on the current approval limits set forth in the Capital Expenditure Authorization policy, as amended from time to time described in the Real Property Acquisition Procedure and the Real Property Disposition Procedure, respectively.~~

DEFINITIONS

Any definitions listed in the following table apply to this document only with no implied or intended institution-wide use. [▲ Top]	
Real Property	Refers to land, <u>and anything permanently placed on or under it,</u> which may include have above surface structures such as buildings and below surface items such as minerals.
Acquisition	The act of acquiring any interest in <u>landreal property, through purchase, exchange, donation, or lease.-</u>
Disposition	The act of <u>selling, exchanging,</u> or leasing <u>an interest in landreal property.</u>

RELATED LINKS

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[Capital Expenditure Authorization Request \(CEAR\) Policy](#) (UAPPOL)

[Real Property Proceeds Policy](#) (UAPPOL)

[Donation Acceptance Policy](#) (UAPPOL)

PUBLISHED PROCEDURES OF THIS POLICY

[Real Property Acquisition Procedure](#)

[Real Property Disposition Procedure](#)

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U of A Policies and Procedures On-Line (UAPPOL)

Approval Date: Pending
Most Recent Editorial Date: October 2017

Real Property Compliance Policy

Office of Accountability:	Vice-President (Facilities and Operations)
Office of Administrative Responsibility:	Office of Real Estate Services
Approver:	Board of Governors
Scope:	Compliance with this University policy extends to the Office of the Vice-President (Facilities and Operations) and the Board of Governors.

Overview

The University of Alberta may, from time to time, acquire and dispose of **real property**. The *Post-Secondary Learning Act* of Alberta outlines the authority by which universities may acquire and dispose of real property.

Purpose

To ensure that the University of Alberta complies with the *Post-Secondary Learning Act* of Alberta with respect to the **acquisition** and **disposition** of real property, and to enable, the Office of the Vice-President (Facilities and Operations) and the Board of Governors to exercise appropriate review and control over the acquisition and disposition of real property.

POLICY

The University of Alberta will comply with the legislation set forth in the *Post-Secondary Learning Act* of Alberta with respect to the acquisition and disposition of real property.

The approving and signing authority for real property acquisitions and dispositions is described in the Real Property Acquisition Procedure and the Real Property Disposition Procedure, respectively.

DEFINITIONS

Any definitions listed in the following table apply to this document only with no implied or intended institution-wide use. [\[▲ Top\]](#)

Real Property	Refers to land, and anything permanently placed on or under it, which may include above surface structures such as buildings and below surface items such as minerals.
Acquisition	The act of acquiring an interest in real property, through purchase, exchange, donation, or lease.
Disposition	The act of selling, exchanging, or leasing an interest in real property.

RELATED LINKS

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PUBLISHED PROCEDURES OF THIS POLICY

[Real Property Acquisition Procedure](#)

[Real Property Disposition Procedure](#)

[Donation Acceptance Policy](#)

DRAFT

Original Approval Date: November 4, 2005

Most Recent Approval Date: September 12, 2017

Most Recent Editorial Date: June 29, 2012

Parent Policy: [Real Property Compliance Policy](#)

Real Property Acquisition Procedure

Office of Administrative Responsibility:	Office of Real Estate Services
Approver:	Vice-President (Facilities and Operations)
Scope:	Compliance with this University procedure extends to the Office of the Vice-President (Facilities and Operations), Office of the Vice-President (Advancement) and the Board of Governors.

Overview

The University of Alberta will, from time to time, acquire real property.

Approval and Signing Authority

Approval authority for the acquisition of any real property follows the approval limits of the Capital Expenditure Authorization Request (CEAR) Policy.

Signing authority for the acquisition of any real property follows the approval limits of Contract Review and Signing Authority Policy – Schedule A.

Purpose

To ensure that the University of Alberta complies with the *Post-Secondary Learning Act* of Alberta with respect to the acquisition of real property.

Procedure

Acquisition – Purchase or Exchange of Real Property

When real property is being purchased or exchanged by the University, the following shall apply:

- The purchase or exchange of all real property commences with a submission of request to the Director, Real Estate Services, who will in turn advise the Vice-President (Facilities and Operations).
- Real Estate Services will ensure the appropriate due diligence is completed, which may include an environmental assessment and/or an independent real estate appraisal.
- Approval from the Board of Governors is required.

Acquisition – Donation of Real Property

When real property acquisition is by donation to the University, the following shall apply:

- The initial University contact, in most cases, the Office of Advancement, will provide details of the proposed donation of real property to the Director, Real Estate Services, who will in turn advise the Vice-President, (Facilities and Operations).
- Real Estate Services will ensure the appropriate due diligence is completed, which may include an



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U of A Policies and Procedures On-Line (UAPPOL)

environmental assessment and/or an independent real estate appraisal.

- This procedure will follow the Donation Acceptance Policy and any associated procedures.
- Approval from the Board of Governors may be required.

Acquisition – Lease of Real Property

- Leasing of all real property commences with a submission of request to the Director, Real Estate Services, who may in turn advise the Vice-President (Facilities and Operations).

DEFINITIONS

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Real Property	Refers to land, and anything permanently placed on or under it, which may include above surface structures such as buildings and below surface items such as minerals.
Acquisition	The act of acquiring an interest in real property, through purchase, exchange, donation or lease.
Exchange	A transaction wherein parties trade real property for other goods, commodities, or real property.
Environmental Assessment	A systematic process of objectively obtaining and evaluating evidence regarding a verifiable assertion about an environmental matter; to ascertain the degree of actual or potential contamination.
Appraisal	Estimated value.
Donation	The making of a gift to a public institution.
Lease	A contract by which one party conveys an interest in real property to another party for a specified term and a specified rent.



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[Real Property Compliance Policy \(UAPPOL\)](#)

[Contract Review and Signing Authority Policy – Schedule A \(UAPPOL\)](#)

[Capital Expenditure Authorization Request \(CEAR\) Policy \(UAPPOL\)](#)

[Donation Acceptance Policy \(UAPPOL\)](#)

Original Approval Date: November 4, 2005

Most Recent Approval Date: September 12, 2017

Most Recent Editorial Date: June 29, 2012

Parent Policy: [Real Property Compliance Policy](#)

Real Property Disposition Procedure

Office of Administrative Responsibility:	Office of Real Estate Services
Approver:	Vice-President (Facilities and Operations)
Scope:	Compliance with this University procedure extends to the Office of the Vice-President (Facilities and Operations) and the Board of Governors.

Overview

The University of Alberta will, from time to time, dispose of real property.

Approval and Signing Authority

The disposition of any real property, by sale or exchange, requires approval from the Board of Governors. If the real property was not donated, approval from the Lieutenant Governor in Council is also required.

Approval authority for the disposition of any real property, by lease, follows the Capital Expenditure Authorization Request (CEAR) Policy.

Signing authority for the disposition of any real property follows the Contract Review and Signing Authority Policy – Schedule A.

Purpose

To ensure that the University of Alberta complies with the *Post-Secondary Learning Act* of Alberta with respect to disposition of real property..

PROCEDURE

Disposition – Sale or Exchange of Real Property

When real property is being sold or exchanged by the university, the following shall apply:

- The sale or exchange of all real property commences with a submission to the Director, Real Estate Services, who will in turn advise the Vice President (Facilities and Operations).
- Real Estate Services will ensure the appropriate due diligence is completed, which may include an environmental assessment and/or an independent real estate appraisal, and/or a review of donation trust conditions, if any.
- If approved for sale or exchange, the Director, Real Estate Services will make the recommendation to the Vice-President (Facilities and Operations) as to whether the disposition of real property should be by appraisal and sale, Request for Bid (highest bidder), Request for Proposal (RFP) process, or some other method.
- Approval from the Board of Governors is required.
- The sale or exchange of real property may require the prior approval of the Lieutenant Governor in Council.



U of A Policies and Procedures On-Line (UAPPOL)

Disposition – Lease of Real Property

When the University is disposing of an interest in real property by lease, the following shall apply:

- When a lease term, including the lease renewal term, of any real property is for longer than five (5) years, approval from the Board of Governors and the Lieutenant Governor in Council may be required.

DEFINITIONS

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Real Property	Refers to land, and anything permanently placed on or under it, which may include above surface structures such as buildings and below surface items such as minerals.
Disposition	The act of selling, exchanging or leasing an interest in real property.
Exchange	A transaction wherein parties trade real property for other goods, commodities, or real property.
Environmental Assessment	A systematic process of objectively obtaining and evaluating evidence regarding a verifiable assertion about an environmental matter; to ascertain the degree of actual or potential contamination.
Appraisal	Estimated value.
Request for Bid (RFB) Process	A competitive bid process that is undertaken typically for transactions where price is the key factor in the purchasing decision.
Request for Proposal (RFP) Process	A competitive bid process that is undertaken typically for higher dollar value and/or complex transactions where factors other than price will be used to make the final purchasing decision.
Lease	A contract by which one conveys an interest in real property to another party for a specified term and for a specified rent.



U of A Policies and Procedures On-Line (UAPPOL)

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[Competitive Bid Procedure \(UAPPOL\)](#)

[Supply of Goods and Services Policy \(UAPPOL\)](#)

[Capital Expenditure Authorization Request \(CEAR\) Policy \(UAPPOL\)](#)

[Donation Acceptance Policy \(UAPPOL\)](#)

[Contract Review and Signing Authority Policy – Schedule A \(UAPPOL\)](#)

[Real Property Compliance Policy \(UAPPOL\)](#)