

October 21, 2011

Board of Governors - Approved Motions

The following Motions were approved by the Board of Governors in the Public Session of its October 21, 2011 meeting:

Item 4.a

Agenda Title: **Revised General Terms of Reference for the Board of Governors**

MOTION:

THAT the Board of Governors approve the revised General Terms of Reference for the Board of Governors, as set forth in Attachment 1 to the agenda documentation.

CARRIED

Agenda Documentation:

[Attachment 1:](#) Revised General Terms of Reference for the Board of Governors

Item 4.b

Agenda Title: **University of Alberta Board of Governors – revised Mandate and Roles Document**

MOTION:

THAT the Board of Governors approve the revised University of Alberta Board of Governors Mandate and Roles Document for submission to the Ministry of Advanced Education, as set forth in Attachment 1.

CARRIED

Agenda Documentation:

[Attachment 1:](#) University of Alberta Board of Governors – revised Mandates and Roles

Item 6.1

Agenda Title: **Revised Terms of Reference for the Board Audit Committee**

MOTION:

THAT the Board of Governors, on the recommendation of the Board Audit Committee, approve the proposed Terms of Reference for the Board Audit Committee, as set forth in Attachment 1 to the agenda documentation.

CARRIED

Agenda Documentation:

[Attachment 1:](#) Revised Terms of Reference for the Board Audit Committee

Item 7.1

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

MOTION:

THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee, approve the proposed Terms of Reference for the Board Finance and Property Committee, as set forth in Attachment 1 to the agenda documentation.

CARRIED

Agenda Documentation:

[Attachment 1:](#) Revised Terms of Reference for the Board Finance and Property Committee

Item 7.2

Agenda Title: **Capitalization of Unrestricted Funds to Permanent Restricted Endowments Net Assets**

MOTION:

THAT the Board of Governors, on the recommendation of the Board Finance and Property Committee, approve the transfer of \$210,746.61 of unrestricted net assets to permanent restricted endowment net assets.

CARRIED

Item 8.1

Agenda Title: **Revised Terms of Reference for the Board Human Resources and Compensation Committee**

MOTION:

THAT the Board of Governors, on the recommendation of the Board Human Resources and Compensation Committee, approve the proposed Terms of Reference for the Board Human Resources and Compensation Committee, as set forth in Attachment 1 to the agenda documentation.

CARRIED

Agenda Documentation:

[Attachment 1:](#) Revised Terms of Reference for the Board Human Resources and Compensation Committee

Item 9.1

Agenda Title: **Revised Terms of Reference for the Board Investment Committee**

MOTION:

THAT the Board of Governors, on the recommendation of the Board Investment Committee, approve the proposed Terms of Reference for the Board Investment Committee, as set forth in Attachment 1 to the agenda documentation.

CARRIED

Agenda Documentation:

[Attachment 1:](#) Revised Terms of Reference for the Board Investment Committee

Item 9.2

Agenda Title: **University Investment Funds Policy**

MOTION:

That the Board of Governors, on the recommendation of the Investment Committee, approve the revised University Funds Investment Policy, as set forth in Attachment 1 to the agenda documentation.

CARRIED

Agenda Documentation:

[Attachment 1:](#) University Funds Investment Policy

Item 10.1

Agenda Title: **Revised Terms of Reference for the Board Learning and Discovery Committee**

MOTION:

THAT the Board of Governors, on the recommendation of the Board Learning and Discovery Committee, approve the proposed Terms of Reference for the Board Learning and Discovery Committee, as set forth in Attachment 1 to the agenda documentation.

CARRIED

Agenda Documentation:

[Attachment 1:](#) Revised Terms of Reference for the Board Learning and Discovery Committee

Item 11.1

Agenda Title: **Revised Terms of Reference for the Board Safety, Health and Environment Committee**

MOTION:

THAT the Board of Governors, on the recommendation of the Board Safety, Health and Environment Committee, approve the proposed Terms of Reference for the Board Safety, Health and Environment Committee, as set forth in Attachment 1 to the agenda documentation.

CARRIED

Agenda Documentation:

[Attachment 1:](#) Revised Terms of Reference for the Board Safety, Health and Environment Committee

Item 12.1

Agenda Title: **Revised Terms of Reference for the Board University Relations Committee**

MOTION:

THAT the Board of Governors, on the recommendation of the Board University Relations Committee, approve the proposed Terms of Reference for the Board University Relations Committee, as set forth in Attachment 1 to the agenda documentation.

CARRIED

Agenda Documentation:

[Attachment 1:](#) Revised Terms of Reference for the Board University Relations Committee

Item 12.2

Agenda Title: ***University of Alberta 2010-11 Annual Report to the Government of Alberta***

MOTION:

THAT the Board of Governors, on the recommendation of the Board University Relations Committee, approve the *University of Alberta 2010-2011 Annual Report for submission to the Government of Alberta* and empower the Associate Vice-President (Audit & Analysis) to make any editorial changes to the *Report*, as needed, as long as the changes do not have the force of policy.

CARRIED

Item 12.3

Agenda Title: **Prospect Management Policy**

MOTION:

THAT the Board of Governors, on the recommendation of the Board University Relations Committee, approve the Prospect Management Policy, as set forth in Attachment 1 to the agenda documentation.

CARRIED

Agenda Documentation:

[Attachment 1: UAPPOL PMP Policy](#)

**UNIVERSITY OF ALBERTA
STANDING AND OTHER COMMITTEES
OF THE BOARD OF GOVERNORS
GENERAL TERMS OF REFERENCE**

1. (a) There are seven Standing Committees (each of which is a "Committee") established by the Board of Governors (the "Board") of the University of Alberta (the "University") pursuant to s.16 of the *Post-Secondary Learning Act*.
 - (i) Audit;
 - (ii) Finance and Property;
 - (iii) Human Resources and Compensation;
 - (iv) Investment;
 - (v) Learning and Discovery;
 - (vi) Safety, Health and Environment; and
 - (vii) University Relations.
- (b) The Board has delegated to each Committee responsibility and authority to make decisions on behalf of the Board in the Committees 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.

For greater certainty the delegation of authority to the Committees is intended to permit the Board to pursue major policy and strategic issues. In particular the delegation of authority to the Committees is intended to be sufficiently broad so that as a result the issues which remain with the Board or which would be referred by a Committee to the Board would generally be in the nature of the following:

- (i) high level strategic, budgetary and stewardship policy issues or matters of significant risk to the University;
 - (ii) any matter involving an alteration in the mandate, terms of reference, membership, or structure of a Committee;
 - (iii) those things which a Committee considers to be of major strategic significance to or long-term impact on the University;
 - (iv) those matters on which, in the opinion of a Committee chair, there has been a strong division of opinion within the Committee;
 - (v) issues involving benchmarking and performance; and
 - (vi) issues in which there is a lack of clarity as to which Committee is responsible.
2. The Board may create other committees (each of which is a "Committee") and establish the terms of reference of such committees.
 3. A member of a Committee shall be appointed by the Board for a term commencing on a date selected by the Board and expiring on the earliest of:
 - (i) the effective date of the resignation of that member from the Board;

- (ii) the effective date of the resignation of that member from that Committee;
- (iii) a date selected by the Board;
- (iv) the expiry date of the term of the appointment of a non-Board member to the Committee; and
- (v) the effective date of a general appointment of all members to that committee (normally the Board meeting in June).

A member of a Committee is eligible to be reappointed to that Committee.

4. There shall be members of each Committee who are Board members; non-Board members may be drawn from the University Senate and elsewhere within the University or from the community as the Board considers may be appropriate or as may be provided in the Committee's terms of reference. Where the terms of reference of a Committee provide for a number of members in excess of those specifically required to be represented on the Committee, additional members may, subject to the foregoing, be appointed from any constituency.
5. The Chair of the Board, the Chancellor, and the President of the University are ex-officio voting members of each Committee. .
6. The Chair of a Committee is responsible for calling meetings and setting or approving the agenda for each meeting of that Committee. Subject to these Terms of Reference and the terms of reference of the Committee, the Chair of a Committee may establish rules of procedure to be followed at each meeting of that Committee.
7. The Vice-Chair, serves as the Acting Chair in the absence of the Board Chair, or when the position of Chair is vacant.
8. Each Committee will appoint a person to act as the secretary of that Committee. That person need not be a member of that Board or of the Committee and may be an employee of the University.
9. A quorum for the transaction of business at any meeting of a Committee is a number equal to a majority of the voting members of the Committee present in person or by telephone or other communication means/media which permit all persons participating in the meeting to communicate with each other. For purposes of determining the quorum for meetings of a Committee, the ex-officio members shall not be included in the calculation of the number of voting members. In order for a meeting to be validly constituted for the transaction of business, either the Chair or the Vice-Chair shall be present. Business will be conducted by resolutions. Resolutions shall be decided by a majority of members voting on the question. In the case of a tied vote the person acting as Chair of the Committee shall be entitled to a second or casting vote.
10. A written resolution signed by all Committee members entitled to vote on that resolution at a meeting of the Committee (other than the ex-officio members) is as

valid as one passed at a Committee meeting and shall be effective from the date specified therefore in the resolution.

11. Each Committee has the power to refer or delegate specific matters under its authority to another Board Committee to a Sub-Committee or to a Vice-President unless the Board expressly restricts referral or delegation or that other Board Committee, Sub-Committee or Vice-President refuses to accept the referral or delegation.
12. Meetings or a portion thereof of a Committee or Sub-Committee may be held in the absence of the public only if the whole of the meeting or the portion from which the public is excluded concerns:
 - (a) the security of the property of the University;
 - (b) personal information of an individual, including an employee of the University;
 - (c) a proposed or pending acquisition or disposition of property by or for the University;
 - (d) labour relations or employee negotiations;
 - (e) a law enforcement matter, litigation or potential litigation, including matters before administrative tribunals affecting the University, or
 - (f) the consideration of a request for access for information under the Freedom of Information and Protection of Privacy Act if the Committee is itself designated as the head of the University for the purposes of the Freedom of Information and Protection of Privacy Act,

Except as specifically permitted by applicable law, no other matters may be considered in the absence of the public.

13. Through the Chair of the Committee, or such other members as the Committee or Chair may appoint, each Committee will regularly report to the Board on the business conducted and duties discharged by that Committee. In making such reports, the person making the report shall be prepared to provide such additional information and detail to the Board as may reasonably be required for the Board to be properly informed as to the activities and decisions of the Committee.

University of Alberta Board of Governors Mandate and Roles Document

Preamble

This Mandate and Roles Document for the Board of Governors of the University of Alberta has been developed collaboratively between the Minister of Advanced Education and Technology and the Board to reflect a common understanding of respective roles and responsibilities.

1. Mandate

Mandate

Continued under the *Post-secondary Learning Act* (PSLA), the Board manages and operates the post-secondary institution in accordance with its approved mandate [PSLA Section 60(1)(a)].

University of Alberta Mandate – *approved by the Minister of Advanced Education and Technology, July 17, 2009*

Created by the *University Act*, 1906 of the Legislative Assembly of the Province of Alberta, the University of Alberta is a board-governed, publicly-funded university that operates as a Comprehensive, Academic and Research Institution under the authority of Alberta's *Post-Secondary Learning Act*. Its fundamental mandate is to offer a broad range of outstanding learning and research programs to prepare citizens and leaders who will make a difference. The University plays a leading role in Campus Alberta through collaboration with other Alberta institutions, responding to vital community relationships at every level and giving a national and international voice to Alberta innovation. Its activities enhance student opportunities and build Alberta's capacity for long-term, knowledge-driven sustainable development at the global forefront.

The University provides instructional excellence through both on-campus and distance delivery in a vibrant and supportive learning and research environment. Its residential, multi-campus setting includes many research and field facilities. The University community discovers, disseminates, and applies new knowledge through the following interrelated core activities.

In a dynamic and integrated learning and research environment, the University of Alberta offers graduate and undergraduate students the opportunity to earn internationally respected credentials, including bachelors, masters and doctoral degrees, and university certificates and diplomas. It also offers French-language programs leading to university degrees, certificates and diplomas as well as college certificates and diplomas. A number of its programs are unique within Alberta. Post-doctoral fellows come to the University to refine their teaching, mentoring and research skills.

The University of Alberta is a balanced academy, with strong arts and sciences programs featuring the Faculties of Agricultural Life and Environmental Sciences, Arts, Augustana, Extension, Native Studies, Physical Education and Recreation, Science and the Faculté Saint-Jean. These faculties are foundational to and interlinked with the University's network of strong professional faculties, including Business, Education, Engineering, Graduate Studies and Research, Law, Medicine and Dentistry, Nursing, Pharmacy and Pharmaceutical Studies, Public Health, and Rehabilitation Medicine. In addition, all of our faculties are involved in professional development and continuing education.

The University establishes and maintains an environment of inquiry-based learning anchored in strong academic programming and an array of co-curricular student life opportunities. Academic support, social/community enrichment, health and wellness, and career and life development are cornerstones of the University of Alberta student experience. The intellectual and creative diversity of the campus, including its international and multicultural population and exchange programs, makes for an engaging student experience. Fine arts displays, stage performances, museum collections, athletic and recreational opportunities combine with residence life to present multi-dimensional possibilities. Experiential learning opportunities based in the community augment on-campus activities with real-life applications.

Transfer and collaborative degree completion agreements with partner institutions broaden student opportunities and provide rural, northern and Aboriginal communities with access to University of Alberta credentials. Similar innovative arrangements centred at the University deliver information and knowledge resources to post-secondary and government communities through both inter-library and online access.

The University of Alberta's research and creative activity produces a dual impact through the preparation of highly qualified graduates and a continuous flow of innovation. The University attracts scholars of international reputation: undergraduate and graduate students, post-doctoral fellows, staff and faculty. Collectively, they foster, conduct and disseminate research and creative activity, both pure and applied, within and across all the major program areas at an internationally-recognized level of excellence.

University of Alberta faculties, centres and institutes combine resources and talents for collaborative advantage through research partnerships with other academic institutions, business, governments and public agencies. The University actively transfers new knowledge and creative works to Alberta, Canada and the world for community benefit, including commercial development of intellectual property when appropriate and feasible.

In every aspect of its mandate, the University of Alberta is a partner in social, cultural, and economic development, fostering and establishing the provincial, national and international connections and understandings that support leading global enterprise and citizenship for Albertans. University administrators, faculty, staff and students contribute regularly to public debate and to government and corporate examination of issues. Start-up companies and new technologies licensed to existing companies lead Alberta in new directions and employ graduates. The University continually moves out into its communities through its graduates, its creative and research advances, and its ongoing opportunities for experiential and life-long learning.

URL Link to Ministerial Approved Mandate:

<http://www.advancededandtech.alberta.ca/post-secondary/campusalberta/mandates.aspx>

Vision and Mission

Our Vision

To inspire the human spirit through outstanding achievements in learning, discovery, and citizenship in a creative community, building one of the world's great universities for the public good.

Our Mission

Within a vibrant and supportive learning environment, the University of Alberta discovers, disseminates, and applies new knowledge through teaching and learning, research and creative activity, community involvement, and partnerships. The University of Alberta gives a national and international voice to innovation in our province, taking a lead role in placing Canada at the global forefront.

We have anchored our vision on four cornerstones that provide the foundation for a great university and the uplifting of the whole people, that are: [Talented People](#); [Learning, Discovery, and Citizenship](#); [Connecting Communities](#); and [Transformative Organization and Support](#).

Link to University of Alberta Web Site: <http://www.ualberta.ca/>

Applicable Legislation and Regulations

The Board has responsibilities under, and is subject to, a number of statutes and regulations, which include but are not limited to the following:

- *Post-secondary Learning Act;*
- *Alberta Public Agencies Governance Act;*
- *Financial Administration Act;*
- *Government Accountability Act;*
- *Freedom of Information and Protection of Privacy Act; and*
- *Lobbyist Act.*

The *Post-secondary Learning Act* provides the primary legislation for public post-secondary institutions in the province of Alberta. Regulations enacted under the PSLA include:

- [Advanced Education and Technology Grants Regulation \(s. 13.2\)](#)
- [Programs of Study Regulation](#)
- [Campus Alberta Sector Regulation](#)
- [Land Use Regulation](#)
- [Model Provisions Regulation](#)
- [Pension Validation Regulation](#)
- [Public Post-Secondary Institutions' Tuition Fees Regulation](#)

2. Duties and Responsibilities

Lieutenant Governor in Council

The *Post-secondary Learning Act* outlines the duties and responsibilities of the Lieutenant Governor in Council specific to the Board. These include the continuation of the public post-secondary institution [PSLA Section 126] and its Board [PSLA Section 16 (1)].

In addition, the Lieutenant Governor in Council:

- Appoints public Board members [PSLA Section 16(3)(e)];
- May by order disestablish the public post-secondary institution and its Board [PSLA Section 102(1)];
- May order that the assets and liabilities of a dissolved Board be transferred to government or to another post-secondary institution [PSLA Section 102(2)];
- Approves debenture borrowing [PSLA Section 73(1)];
- Approves an incorporation, and the establishment, acquisition and dissolution of a subsidiary by the Board [PSLA Section 77 and the Financial Administration Act];
- Approves the Board's establishment of a registered pension plan as an alternative to a designated pension plan [PSLA Section 69(2)(b)]; and
- Approves the Board's disposition of certain land [PSLA Section 67(1.1)].

Auditor General

The Auditor General of Alberta is the auditor of the Board as outlined in Section 71 of the *Post-secondary Learning Act*.

Minister of Advanced Education and Technology

The *Post-secondary Learning Act* outlines a variety of duties and responsibilities for the Minister of Advanced Education and Technology (Minister) including the appointment of Board members from nominees of constituent groups [PSLA Section 16(3)(d)] and approval of the institution's mandate statement [PSLA Section 103(1)].

In addition, the Minister of Advanced Education and Technology:

- Monitors the institution's operation and performance through the Board's business plan, access plan, and annual report submissions [PSLA Sections 78(1), 78.1 and 79(1)];
- Approves the Board's establishment of supplementary pension plans [PSLA Section 69(2)(c)];
- Approves an incorporation, and the establishment, acquisition and dissolution of a subsidiary by the Board [PSLA Section 77 and the Financial Administration Act];
- Chairs the Campus Alberta Strategic Directions Committee [PSLA Section 107.1(2)]; and
- Informs the Board of government policies and direction impacting the work of the Board.

Under the *Alberta Public Agencies Governance Act* (APAGA), the Minister also conducts regular reviews (at least every seven years) of the Board's mandate and purpose [APAGA Section 19(1)].

Deputy Minister of Advanced Education and Technology

The Deputy Minister supports and acts under the general direction of the Minister, and is responsible for activities which have been delegated by the Minister.

Department of Advanced Education and Technology

The Department of Advanced Education and Technology (Department) supports the Minister and Board in meeting their legislated responsibilities. Examples of Department support for Board related functions include:

- The provision of orientation materials and training support for new Board members;
- Establishment of workflow procedures for the recruitment and appointment of Board members;
- Ensuring that the Board's Mandate and Roles Document is affirmed annually and renewed or revised every three years; and
- Coordinating the Board's mandate and purpose review, at a minimum, every seven years.

Board of Governors of the University of Alberta

The Board shall manage and operate the institution in accordance with its mandate [PSLA Section 60(1)(a)].

The Board has the authority through the *Post-secondary Learning Act* to establish admission requirements and publish rules with respect to enrolment and programs [PSLA Section 60(1)(c) and (d)], determine tuition fees to be paid by students in accordance with the regulations [PSLA Section 61], and delegate in writing powers, duties or functions set out in the PSLA, with the exception of bylaws [PSLA Section 62]. Other Board specific functions include, but are not limited to:

- The settlement of questions [PSLA Section 63];
- Student discipline [PSLA Section 64];
- The acquisition of land [PSLA Section 66(1)];
- The disposition of land with approval of the Lieutenant Governor in Council [PSLA Section 67(1.1)(a) and (b)];
- Debenture borrowing, subject to the approval of the Lieutenant Governor in Council [PLSA Section 72];
- Banking and investment [PLSA Section 75]; and
- The appointment of the president and vice-presidents [PSLA Sections 81(1) and 82(1)].

In terms of accountability and reporting:

- The Board must prepare a statement setting out the mandate for the institution and this must be submitted to the Minister for approval [PSLA Section 103(1)].

- The Board must also submit a business plan, access plan and annual report to the Minister on an annual basis [PLSA Sections 78(1), 78.1 and 79(1)].
- The Board may be required to collect information (such as enrolment data and Key Performance Indicators) and submit to the Minister any information and reports the Minister considers necessary [PLSA Section 118(1)].
- The Board is accountable for ensuring that the public funds appropriated for the support of institutions are used effectively and appropriately. The Board approves annual operating and capital budgets and regularly review expenditures, investments and borrowings.
- The Board is responsible for the appointment of a President as the Chief Executive Officer of the institution [PLSA Section 81(1)] and the remuneration to be paid to the President [PLSA Section 81(2)]. The Board is ultimately responsible for the quality and performance of its administrations, and therefore is required to evaluate the overall efficiency and effectiveness of the President and the Senior Administration.

The Board may establish committees as it deems necessary to carry out its duties and ensures that a written mandate of each committee is reviewed and approved annually.

Committees for the Board include:

- Audit Committee
- Finance and Property Committee
- Human Resources and Compensation Committee
- Investment Committee
- Learning and Discovery Committee
- Safety, Health and Environment Committee
- University Relations Sub Committee

Link to University of Alberta Board of Governors Standing Committees:

<http://www.uofaweb.ualberta.ca/governance/BoardCommittees.cfm>

The Board acts as an intermediary between the institution and the public that it is intended to serve. The Board is responsible for ensuring that the institution is responsive to changing educational and societal needs. The Board, in collaboration with Senior Administration of the University, are significant participants in Campus Alberta.

Board Chair

With direction from the Board, the Chair represents the Board and its interests in dealing with the Minister, the Department, the President, stakeholders and the community. The Chair is responsible for providing leadership for the Board and for effectively facilitating the work of the Board.

Additional responsibilities of the Chair include:

- Planning and managing Board meetings;
- Providing the Minister with regular updates on the strategic direction of the University and informing the Minister regarding emergent issues;

- Ensuring that the Board, and its committees, have opportunities to meet independent of management;
- Ensuring that an adequate succession plan is in place for Board member and Senior Administration renewal, and
- Ensuring that members of the Board comply with the University of Alberta's Conflict Policy – *Conflict of Interest and Commitment and Institutional Conflict*.
Link to the University of Alberta's Conflict Policy – Conflict of Interest and Commitment and Institutional Conflict Policy.
http://www.conman.ualberta.ca/stellent/groups/public/@academic/documents/policy/pp_cmp_051034.hcsp
- Ensuring that members of the Board are aware of the University's Ethical Conduct and Safe Disclosure Policy.
Link to the University of Alberta's Ethical Conduct and Safe Disclosure Policy:
https://www.conman.ualberta.ca/stellent/groups/public/@humanresources/documents/policy/pp_cmp_062417.hcsp
- The Vice-Chair, serves as the Acting Chair in the absence of the Board Chair, or when the position of Chair is vacant.

Board Members

Board members must act in the best interests of the university [PSLA Section 16(5)].

The individual responsibilities of Board members include:

- Attending all general and special board meetings;
- Sitting on committees and attending committee meetings as required;
- Advocating for the University in securing resources in addition to government grants for the support of the institution;
- Keeping informed and abreast of relevant provincial, national and international issues, as well as developments within the institution;
- Acting in an ethical manner and complying with the board's bylaws and policies;
- Participating in assessing the board's performance and contribution to the institution and assessing ways in which the board could improve in fulfilling its responsibilities; and
- Participating in campus activities and providing input where appropriate.

President

The President has general supervision over and direction of the operation of the institution and has those powers, duties and function that are assigned by the Board [PSLA Section 81(3)].

- Fulfills all of the duties of President as set out in the Post-Secondary Learning Act.
- Exercises oversight over the operational and fiscal management of the University. Delegates the internal operation of the University to the Provost and Vice-President (Academic).
- Exercises, under delegated authority from the Board of Governors, the authority to act in extraordinary and/or emergency circumstances (eg, a flu epidemic, extreme

emergency or major disruption), and s/he may delegate to a member of the Executive team (either the Provost and Vice-President (Academic) or one of the Vice-Presidents) the responsibility for oversight of the University's affairs (including but not limited to the suspension or cancellation of classes) during such circumstances where such action is warranted.

- Creates and stages a vision that will build and advance the University of Alberta as an exceptional institution.
- Creates, through all his/her dealings, an atmosphere of academic excellence that will further the reputation of the University of Alberta as a leader in teaching, research and community service.
- Builds a senior executive team committed to fulfilling the vision, goals and priorities necessary to ensure the long-term sustainability of the University.
- Promotes, preserves and represents, through his/her personal reputation and stature, the achievements of the University in order to gain support for its many endeavours.
- Models, as the University's chief representative and spokesperson, the spirit, values and integrity of the institution as he/she champions, locally, provincially, nationally and internationally, the initiatives set out in the University Strategic Business Plan.
- Champions the University's fundraising initiatives and campaigns to ensure the long-term financial viability of the University. Works closely with the Vice-President (University Relations) to plan strategies for successfully accomplishing these initiatives.
- Ensures the overall effectiveness of the University through contact with and/ or participation in various orders of government and with councils and organizations involved in higher education at the provincial, national and international levels.
- Ensures the work of the various governing bodies (General Faculties Council (GFC), the Senate and the Board of Governors) is harmonized and focused on the achievement of the University vision. Maintains a strong relationship with the Chair of the Board of Governors and the Chancellor.
- Reports to the Board of Governors on the performance of the University against the measures laid out in the University Strategic Business Plan.

3. Recruitment and Appointment of Board Members

Membership

As outlined in the *Post-secondary Learning Act* [Section 16(3)], the Board of the University of Alberta consists of the Chair of the Board, the Chancellor of the university, the President of the university, and not more than 9 members representative of the general public, in addition to the Chair, appointed by the Lieutenant Governor in Council. In addition, the Board consists of the following members appointed by the Minister:

- Two alumni of the university nominated by the alumni association;
- One member of the senate nominated by the other members of the senate;
- Two members of the academic staff of the university;
- Two students nominated by the council of the students association;
- If the university has a graduate students association, one graduate student nominated by the council of the association; and

- One member of the non-academic staff nominated by the non-academic staff association.

Recruitment

The recruitment of public members is competency based and led by the Department in consultation with the Board. The Board and the Department will develop a competency matrix for the Board as a whole as well as competencies required for individual members.

The steps that are taken or intended to be taken in the recruitment process and any identified skills, knowledge, experience or attributes required of a member to be appointed will be made public either before or after the member is appointed [APAGA Section 13(2)].

A public posting of all vacancies is the responsibility of the Department's Human Resources (HR) area.

Recruitment is based on the competencies approved by the Minister.

Process

When a vacancy occurs:

- The Board identifies competencies that need to be replaced and provides that profile to the Department's HR area who facilitates the recruitment process.
- Applications are reviewed by HR and assessed on the basis of the applicable competencies and values identified through the development of a screening report.
- The Board Chair reviews the screening report and consults as appropriate and forwards a recommendation to the Minister.
- Based on the screening report and considering the Board recommendation, the Minister recommends the name of a candidate to Cabinet for appointment.
- Once Cabinet approves the Minister's recommendation, the Department will coordinate the appointment process by *Order in Council*.

Appointment

Prior to the appointment of a Board member, appropriate screening will include determining potential conflicts of interest.

Appointment is for a fixed term of up to 3 years, with the potential for reappointment [PSLA Sections 56(1) and 56(2)].

Remuneration

The Board prescribes the remuneration that members are paid for their duties as members of the Board [PSLA Section 55].

4. Interaction between Board and Department

The Board serves as the intermediary between the government and the institution. The Board may become involved in the development of provincial policies by:

- Providing advice on issues and trends;
- Reacting to proposals and statements put forward by the Minister;
- Recommending policy changes to the Minister; and
- Keeping the Minister informed about the development of the institution and plans for the future.

As described under Duties and Responsibilities, the Board provides the Department with regular reports on the institution's performance and future plans.

In addition, Board Chairs of post-secondary institutions serve on the Campus Alberta Strategic Directions Committee. The Campus Alberta Strategic Directions Committee is chaired by the Minister and provides advice to the Minister respecting issues related to Campus Alberta [PSLA Section 107.1].

5. Administration

Annual Affirmation

The Mandate and Roles Document must be affirmed annually by the Minister and the Board Chair, or on a change in either the Minister or Board Chair.

Three Year Renewal or Revision

The Mandate and Roles document shall be in effect for not more than three years. It must be renewed or revised by the expiry date [APAGA Section 4].

Transparency

Copies of the Mandate and Roles Document will be filed with the Minister of Advanced Education and Technology and the Agency Governance Secretariat. In support of the principle of transparency [APAGA Section 5] this document will also be made available on the Board's website and the Government of Alberta's website.

Board Chair
University of Alberta

Minister
Advanced Education and Technology

Date

Date



BOARD AUDIT COMMITTEE

Terms of Reference

1. AUTHORITY

- (a) The Board Audit 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) shall provide management support to the Committee.
- (c) University Governance shall provide administrative support to the Committee.
- (d) The Committee shall function in accordance with the Board's General Committee Terms of Reference.

2. COMPOSITION OF COMMITTEE

- (a) Voting Members appointed by the Board (Ordinarily a maximum of 11)
 - (1) At least 2 Board members from the membership categories identified by the Alberta *Post-Secondary Learning Act* (the Act) as general public, alumni and senate ; and
 - (2) At least 2, but no more than 6, members of the general public
 - (3) The Board Chair, by virtue of office
 - (4) The President and Vice-Chancellor, by virtue of office
 - (5) The Chancellor, by virtue of office

Non Voting Officials
Auditor General of Alberta

Non-Voting Officials appointed by the President

- (1) Provost and Vice-President (Academic)
- (2) Vice-President (Finance and Administration)
- (3) University Auditor
- (4) University Secretary
- (5) Committee Secretary
- (6) Other officers, as determined by the President

- (b) No member of the staff (academic or non-academic) nor any student of the University shall sit as a member of the Committee.
- (c) One member of the Committee shall also serve on the Board Finance and Property 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 appoints the Committee Vice-Chair from the Committee membership category Section 2a(1) of these Terms of Reference, 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.

- (f) A quorum of the Committee shall be 50% of the members listed in 2(a)(i) and (ii) of the Terms of Reference, one of whom must be a Board Member.
- (g) All members of the audit committee should be financially literate and at least one member should have accounting or related financial expertise. Financial literacy requirements that may be considered include:
 - (i) The ability to read, comprehend and analyze the financial statements and the notes to the financial statements.
 - (ii) The ability to understand accounting policies, estimates and judgments when these are explained by management and the external auditor.
 - (iii) An understanding of the business of the University and any unique features that may impact the accounting policies.
 - (iv) Knowledge and understanding of the strategies that the University has adopted, especially the risks inherent with new strategies.
 - (v) An ability to understand the University's risk environment.

3. MANDATE OF THE COMMITTEE

Except as provided in Section 4 hereof and in the Board's General Committee Terms of Reference, the Committee shall monitor, evaluate and make decisions on behalf of the Board with respect to all auditing, financial reporting and internal control functions relating to the University.

Without limiting the generality of the foregoing the Committee shall:

Communication and Independence

- (a) provide an open avenue of communication between the University Auditor, external auditor (the Auditor General) and the Board;
- (b) review and approve the appointment, replacement, reassignment, or removal of the University Auditor;
- (c) confirm and assure the independence of the University Auditor and the external auditor (including its agent);

Risk Management

- (d) inquire of the senior administrative officers (Administration) of the University (including the University Auditor) and the external auditor about significant risks or exposures and assess the steps Administration has taken to minimize such risk to the University and more specifically;
 - i) Given that it is the responsibility of the Board, in consultation with management, to identify the principal risks facing the University, determine the University's tolerance for risk and approve risk management policies, the Committee shall focus on financial risk

and gain reasonable assurance that financial risk is being effectively managed or controlled by:

- a. reviewing with Administration the University's tolerance for financial risks;
 - b. reviewing with Administration its assessment of the significant financial risks facing the University;
 - c. reviewing with Administration the University's policies and any proposed changes thereto for managing those significant financial risks;
 - d. reviewing with Administration its plans, processes and programs to manage and control such risks;
 - e. considering whether the University has adequate processes and controls to prevent and detect fraud;
 - f. considering whether the University has adequate disaster recovery and business continuity plans and processes in place.
- ii) Ascertain that policies and procedures are in place to minimize risks to asset value and mitigate damage to or deterioration of asset value and review such policies and procedures periodically;
 - iii) Review the adequacy of insurance coverages maintained by the University;
 - iv) Review foreign currency, interest rate and commodity price risk mitigation strategies, including the use of derivative financial instruments, beyond those subject to the oversight by the University Board's Investment Committee;
 - v) Review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion;
 - vi) Review regularly with Administration, the external auditors and the University's legal counsel, any legal claim or other contingency that could have a material effect upon the financial position or operating results of the University and the manner in which these matters have been disclosed in the financial statements;
- (e)
 - (i) discuss with Administration their qualitative judgments about the appropriateness - not just the acceptability - of accounting principles and financial disclosure practices used or proposed to be adopted by the University and, particularly, the degree of aggressiveness or conservatism of its accounting principles and underlying estimates;
 - (ii) inquire as to the external auditor's views about whether the choices of Administration concerning accounting principles are conservative, moderate, or aggressive from the perspective of income, asset and liability recognition and whether those principles are common practices or are minority practices;
 - (f) approve, in consultation with the external auditor and the University Auditor their audit scope and plans;

- (g) review with the external auditor and the University Auditor the coordination of audit effort to assure completeness of coverage, reduction of redundant efforts and the effective use of audit resources;
- (h) consider and review with the external auditor and the University Auditor:
 - (i) the adequacy of the University's controls including computerized information system controls and security;
 - (ii) any related significant findings and recommendations of the external auditor and the University Auditor together with responses of Administration thereto;

External Audit Oversight

- (i) review with Administration and the external auditor at the completion of the annual examination:
 - (i) the University's annual financial statements and related footnotes;
 - (ii) the external auditor's audit findings report and his draft opinion on the financial statements;
 - (iii) any significant changes required in the external auditor's audit plan;
 - (iv) any serious difficulties or disputes with Administration encountered during the course of the audit; and
 - (v) other matters related to the conduct of the audit which are to be communicated to the Committee under generally accepted auditing standards;

University Auditor and Internal Audit Oversight

- (j) consider and review with Administration and the University Auditor:
 - (i) significant findings during the year and the responses of Administration thereto;
 - (ii) any difficulties encountered in the course of their audits, including any restrictions on the scope of their work or access to required information;
 - (iii) any changes required in the planned scope of their audit plan;
 - (iv) the internal audit department's budget, staffing plan and work schedule;
 - (v) the internal audit department's charter; and
 - (vi) the internal audit department's compliance with applicable professional standards;

Other Compliance and Reporting Oversight

- (k) review any published documents containing financial information derived from the financial statements and consider whether the information contained in these documents is consistent with the information contained in the financial statements;
- (l) review with Administration all interim financial reports before they are forwarded to the Board;

- (m) review legal and regulatory matters that may have a material impact on the financial statements, related University compliance policies and programs and reports received from regulators;
- (n) report Committee actions to the Board with such recommendations as the Committee may deem appropriate;
- (o) include in the University's annual report to the Province a letter that describes the Committee's composition and responsibilities and how they are discharged.

Other Responsibilities

- (p) the Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigation;
- (q) the Committee shall meet at least four times per year or more frequently as circumstances require. The Committee may ask members of Administration or others to attend the meeting and provide pertinent information as necessary;
- (r) the Committee shall meet with the University Auditor, external auditor and Administration in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee;
- (s) the Committee will perform such other functions as assigned by law, the *Post-Secondary Learning Act* or the Board;
- (t) the Committee shall review the performance of the University in the areas of responsibility of the Committee, against key strategic performance initiatives and performance measure reports and results in place from time to time and report thereon to the Board;
- (u) the Committee Chair shall annually provide input, to the President, through the Chair of the Board Human Resources and Compensation Committee with respect to the responsibilities and performance of those Vice-Presidents whose responsibilities are within the mandate of the Committee; and
- (v) the Committee shall annually review travel and hosting expenditures incurred by the Board Chair and the President and review policies in that regard;
- (w) the Committee shall annually review the terms of reference of the Committee and recommend to the Board any required changes.

Safe Disclosure

- (x) The Committee shall maintain procedures for –
 - i) the receipt, retention, and treatment of complaints received by the University regarding accounting, internal accounting controls, or auditing matters; and
 - ii) the confidential, anonymous submission by employees of the University of concerns regarding questionable accounting or auditing matters.

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 as set out in Section 3, the Committee shall bring to the Board for final approval or information:

- (a) the approval of the annual financial statements of the University and related auditor's reports;
- (b) the receipt for review and information of the quarterly financial statements; it being understood that the material provided to the Board shall include information and explanation of material variations in revenue, expenditures and capital budgets;
- (c) receipt of reports, information and recommendations and decisions with respect to issues that in the opinion of the Committee, may pose material risk to the University; and
- (d) the review and approval of decisions with respect to information from the Auditor General or the University Auditor on controls or related matters the Chair of the Committee or the Committee may consider prudent or necessary.

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.

Date	Decision-Maker	Decision
2011-02-28	Board Audit Committee	Approved - For Recommendation to BG
2011-03-18	Board of Governors	Approved
2011-09-19	Board Audit Committee	Approved – For Recommendation to the Board of Governors
2011-10-21	Board of Governors	Approved



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) 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*
 - (4) Two other members of the of the Board of Governors
 - (5) A member of the general public with specific expertise in a field of interest to the Committee
 - (6) The Board Chair, by virtue of office
 - (7) The President and Vice-Chancellor, by virtue of office
 - (8) The Chancellor, by virtue of office
- b) Non-Voting Officials appointed by the President
 - (1) Provost and Vice-President (Academic)
 - (2) Vice-President (External Relations)
 - (3) Vice-President (Facilities and Operations)
 - (4) Vice-President (Finance and Administration)
 - (5) Chief Development Officer
 - (6) University Secretary
 - (7) Committee Secretary
 - (8) 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) approve original Capital Expenditure Authorization Request (CEAR) or individual Supplemental CEARs up to a maximum of \$7 million and aggregate total CEAR and Supplemental CEARs up to a maximum of \$14 million. The Vice-President (Facilities and Operations) is authorized to approve original CEARs or individual Supplemental CEARs up to \$2 million and aggregate total CEAR and Supplemental CEARs up to \$4 million.
- g) review and recommend to the Board original Capital Expenditure Authorization Requests or individual Supplemental CEARs greater than \$7 million or aggregate total CEAR and Supplemental CEARs up to, but not exceeding \$14 million.
- h) approve the acquisition or disposal of real property, provided always that any such decision of the Committee shall be reported to the Board and shall only be effective or implemented a minimum of 24 hours following the conclusion of the Board meeting at which the decision of the Committee is reported, and provided the Board has not resolved otherwise

Approved Capital Expenditure Authorization is as follows:

Approval level	Original CEAR or individual Supplemental CEAR Approval Limit	Aggregate Total CEAR and Supplemental CEAR’s Limit (not to exceed)
Directors/Executive Directors F&O	Up to \$500,000	\$750,000
Associate Vice-President (Facilities & Operations)	Up to \$1,000,000	\$2,000,000
Vice-President (Facilities & Operations)	Up to \$2,000,000	\$4,000,000

BFPC	Up to \$7,000,000	\$14,000,000
BG	Over \$7,000,000	Over \$14,000,000

Policies

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

- o) Review and provide recommendations on the University's enterprise-wide risks and risk measures related to the Committee mandate.
- p) monitor trends affecting the University and the implications of those trends on finances and property of the University
- q) 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
- r) 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
- s) planning reports for individual capital projects and receive a quarterly report on these
- t) receive for review an annual report on donations and gifts and monitor performance against fundraising goals
- u) 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 of more than \$7 million or more or expenditures which, when combined with other expenditures for the same project, would equal more than \$7 million;
- 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;

- g) review all decisions of the Committee with respect to the acquisition or disposal of real property; after any such review the Board may resolve to overturn or vary any such decision.

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



BOARD HUMAN RESOURCES AND COMPENSATION COMMITTEE

Proposed Terms of Reference

1. AUTHORITY

- (a) The Board Human Resources and Compensation 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 Provost and Vice-President (Academic) shall provide management support to the Committee.
- (c) University Governance shall provide administrative support to the Committee
- (d) The Committee shall function in accordance with the Board's General Committee Terms of Reference.

2. COMPOSITION OF COMMITTEE

- (a) Voting Members appointed by the Board (ordinarily a maximum of 8 voting members):
 - (1) Four Board members from the membership categories identified by the Alberta Post-Secondary Learning Act (the Act) as general public, alumni and senate. There shall be no board members on this committee representing academic staff, non-academic staff or students
 - (2) The Board Chair, by virtue of office
 - (3) The President and Vice-Chancellor, by virtue of office
 - (4) The Chancellor, by virtue of office

Non-Voting Officials appointed by the President

- (1) Provost and Vice-President (Academic)
 - (2) Vice-President (Finance and Administration)
 - (3) University Secretary
 - (4) Committee Secretary
 - (5) Other officers, as determined by the President
- (b) The Board of Governors shall appoint the Committee Chair from the Committee membership category 2(a)(1), upon the recommendation of the Board Chair.
 - (c) 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, and the Board delegates to the Committee responsibility and authority for, all policies and procedures affecting staff working conditions at the University and matters for collective bargaining and related service contracts. 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:

- (a) consider and propose changes in collective agreements and confirm the mandate for negotiating committees with all bargaining units;
- (b) annually review and approve the performance and compensation of the Deans and the Chief Librarian on the advice and recommendation of the Provost;
- (c) annually provide advice to the President, through the Chair of the Committee, with respect to the responsibilities and performance (in relation thereto) of the Vice-Presidents and thereafter approve the compensation of the Vice-Presidents on the advice of the President;
- (d) annually solicit, review and evaluate the comments of the members of the Board with respect to the performance of the President and consider such other data, reports and information as the Committee considers useful and thereafter, approve the compensation of the President and through the Chair of the Committee, provide advice to the Chair of the Board on the performance of the President;
- (e) appoint Board members to Search and Review Committees for the President and Advisory and review committees for Vice-Presidents established under the Policies of the General Faculties Council from time to time;
- (f) regularly assess staff benefit plans, including trends;
- (g) review and approve material changes to personnel policies of the University that are outside the regular collective bargaining process and consider trends affecting such policies;
- (h) approve the appointment of Killam and Tory Chairs;
- (i) review and provide recommendations on the University's enterprise-wide risks and risk measures related to the Committee mandate
- (j) monitor executive and university trends for compensation and benefits for senior institutional administrators;
- (k) receive and review the Annual Report, and the report of the nominee of the Board to the Board of Trustees, of the Universities Academic Pension Plan;
- (l) recommend to the Board goals and objectives for the President;
- (m) review succession plans for senior administration;
- (n) annually report on an evaluation of the Board;
- (o) review the performance of the University in the areas of responsibility of the Committee, against key strategic performance initiatives and performance measure reports and results in place from time to time and report thereon to the Board;

- (p) annually review the terms of reference of the Committee and recommend to the Board any required changes.

The Committee shall review, evaluate and provide information and recommendations to the Board where the Board is making decisions in areas generally related to areas of responsibility of the Committee.

In making reports and recommendations with respect to appointments, extensions, reappointments and dismissals of Deans and Vice-Presidents, the Committee shall do so on the advice and recommendation of the President.

4. LIMITATION 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 as set out in paragraph 3, the Board shall make all decisions with respect to:

- (a) the appointment, extension, reappointments and dismissals of Deans, Vice-Presidents and the President;
- (b) the approval of goals and objectives for the President;
- (c) the approval of collective agreements and any substantial revisions thereof;
- (d) policy related to the remuneration of Deans, Vice-Presidents and the President and other senior members of the Administration of the University; and
- (e) the establishment of an annual report on an evaluation of the Board and decisions arising from that report.

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
2002-09-20	Board of Governors	Approved
2006-10-3	Board Human Resources and Compensation Committee	Revised
2007-06-22	Board of Governors	Approved
2008-05-21	Board Human Resources and Compensation Committee	Recommended to Board of Governors
2008-06-20	Board of Governors	Approved
2010-09-23	Board Human Resources and Compensation Committee	Suggested Revisions
2011-02-01	Board Human Resources and Compensation Committee	Recommended to Board of Governors
2011-02-11	Board of Governors	Approved
2011-10-21	Board of Governors	Approved



BOARD INVESTMENT COMMITTEE Terms of Reference

1. AUTHORITY

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

2. COMPOSITION OF COMMITTEE

- a) Voting Members appointed by the Board (ordinarily a maximum of 12 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* subject to 2 (c) below
 - (2) Three to seven members of the general public
 - (3) The Board Chair, by virtue of office
 - (4) The President and Vice-Chancellor, by virtue of office
 - (5) The Chancellor, by virtue of office
- b) Non-Voting Officials appointed by the President
 - (1) Vice-President (Finance and Administration)
 - (2) University Secretary
 - (3) Committee Secretary
 - (4) Other officers, as determined by the President
- c) No member of the staff (academic or non-academic) nor any student of the University shall sit as a member of the Committee.
- d) The Board of Governors shall appoint the Committee Chair from the Committee membership category 2(a)(1) or 2(a)(2), 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 and make decisions on behalf of the Board with respect to all investments, including both short-term and long-term investments ("Investments"). The Committee shall also consider such other matters delegated to the Committee by the Board.

Without limiting the generality of the foregoing the Committee shall:

- (a) assist the Board with all of its policy setting responsibilities related to Investments by analyzing policy matters and making recommendations thereon for the Board's approval;
- (b) review and recommend to the Board, the Endowment Objectives and the Endowment Spending Policy for the University.
- (c) Review and recommend to the Board, Investment Policies for the University.
- (d) annually review the terms of reference of the Committee and recommend to the Board any required changes.
- (e) annually provide advice to the President, through the Chair of the Investment Committee, with respect to the responsibilities and performance (in relation thereto) of those Vice-Presidents whose responsibilities are within the mandate of the Committee.
- (f) review and approve investment manager mandates.
- (g) g) establish and document the basic investment principles and beliefs held by the Committee.
- (h) review and approve the appointment and termination of investment managers and advisors.
- (i) review and approve the appointment and termination of the University's investment custodians.
- (j) monitor, on a regular basis, all matters that are the responsibility of the Committee.
- (k) monitor, at least quarterly, compliance with the Investment Policy.
- (l) monitor, at least quarterly, the performance of individual investment managers.
- (m) monitor, at least annually, the value added by specific elements of Investment Policy.
- (n) review, at least annually, the continued appropriateness of the Investment Policy.
- (o) monitor, at least annually, the cost effectiveness of the Investment Policy.
- (p) monitor, at least annually, staff's compliance with staff's terms of reference and the University's Conflict of Interest Policy.
- (q) monitor, as required, staff's compliance with guidelines and processes for the selection of investment managers.
- (r) monitor, at least quarterly, the implementation of policy by staff.

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 as set out in paragraph 3, the Committee shall bring to the Board for final approval or information:

- (a) the approval of Investment Policies for the University.
- (b) the approval of the Endowment objectives and spending policy of the University.
- (c) The establishment of broad investment risk tolerances within which the University should operate in the area of Investments. Such tolerance levels shall be defined in terms of broad allocation to debt and equity within the investment pool, the level of desired diversification and the broad quality levels of investments to be made.

In addition, the Board may, with or without recommendations from the Committee, establish investment policy matters with respect to matters of social responsibility.

5. REPORTING TO THE BOARD

As provided in the Board's General Terms of Reference the Committee shall annually, and if necessary more frequently, report to the Board with respect to its activities and decisions.

Date	Decision-Maker	Decision
2009-03-27	Board of Governors	Original Approved
2010-09-14	Board Investment Committee	Approved / Recommendation to the Board
2011-02-11	Board of Governors	Approved
2011-10-21	Board of Governors	Approved

University Funds Investment Policy

Office of Accountability:	Vice President (Finance & Administration)
Office of Administrative Responsibility:	Financial Services
Approver:	Board of Governors
Scope:	Compliance with University policy extends to all members of the University community.

Purpose

The purpose of this investment policy is to establish a distinct asset allocation for each of the University funds according to the individual fund's spending obligations, objectives, and liquidity requirements.

POLICY

1.0 DESCRIPTION OF UNIVERSITY FUNDS

1.1 Unitized Endowment Pool (UEP)

The UEP consists of the University's endowed trust funds or other funds of a permanent or long-term nature. In addition, external funds may be invested in the UEP including funds of affiliated organizations and funds where the University is a beneficiary.

1.2 Other Endowments

Other endowments consist of endowed trust funds, which cannot be pooled for investment purposes because of constraints or conditions attached to the funds.

1.3 Non-Endowed Investment Pool (NEIP)

The NEIP consists of expendable funds, which are pooled for investment purposes until the funds are required for expenditure. For cash flow management purposes the Short-Term Funds portion of the NEIP may include UEP funds.

1.4 Other Non-Endowed Funds

Other non-endowed funds consist of restricted non-endowed donations, which cannot be pooled for investment purposes because of constraints or conditions attached to the funds.

1.5 Equity Investments in Technology Transfer

The University has accepted equity positions as a form of compensation for licensing a University created technology to a company. Through this activity the University has developed a portfolio of equity investments in both publicly and privately held companies. To facilitate the ongoing development of such companies the University may invest in venture capital limited partnerships. Governance responsibilities for these investments fall outside the Terms of Reference for the Board Investment Committee.

2.0 UNITIZED ENDOWMENT POOL (UEP)

2.1 General Description and Governance

The UEP represents the pooling of invested assets accumulated by or donated to the University for endowment purposes. The Province of Alberta's *Post-Secondary Learning Act*, Statutes of Alberta, 2003, Chapter P-19.5, Sections 75 and 76, provides The Governors of the University of Alberta with broad

investment powers, the authority to pool funds and the authority to distribute income, subject to the terms of a trust on which it may be held.

The Board of Governors has delegated most investment governance responsibilities to the Board Investment Committee as documented in the Board Investment Committee's Terms of Reference. The Board of Governors has retained responsibility for the following matters (as outlined in this document):

- Approval of the investment policy for the University,
- Approval of the University's endowment objectives and spending policy, and
- Establishment of broad investment risk tolerances within which the University should operate.

The Investment Policy is subject to an annual review by the Board Investment Committee and any recommended changes require approval by the Board of Governors. Management's investment decisions are subject to the overall policy direction of the Board Investment Committee as reflected in this policy.

2.2 Nature of UEP Liabilities (Spending Policy)

The UEP provides funding to the faculties and departments of the University to be used for endowed purposes in accordance with the terms of each endowment or trust. The objective is an inflation indexed spending allocation for fiscal years commencing April 1, 2012, subject to certain conditions as outlined in the Unitized Endowment Pool Spending Policy. This policy may be amended from time to time by the Board of Governors to ensure that the real value of the endowments (i.e., net of inflation) is maintained.

3.0 MISSION OF THE UEP

The purpose of the UEP is to support current and future operations of the University in perpetuity.

The endowment has a two-fold mission:

- Foster an environment of academic excellence where superior teaching, learning and research can be pursued, and
- Enable the University to achieve and maintain an enhanced level of financial strength and independence in its operations over the long run.

4.0 INVESTMENT POLICIES AND GOALS OF THE UEP

4.1 Goals and Risk Tolerance

The goal of the UEP is to achieve a long-term rate of return that in real terms shall equal or exceed the rate of spending established in the UEP spending policy, and to do so with an acceptable level of risk.

The principle of intergenerational equity requires that the UEP be managed to provide the same level of support to future generations as current beneficiaries receive. This means that the value of the UEP should be preserved over time in real terms in order to maintain the future purchasing power of assets. In setting the spending and investment policies for the UEP, the focus should be not just to preserve but to grow the real value of assets over time, while maintaining a strong and stable level of support to the current operations of the University.

In order to achieve these goals, the UEP will have to maintain a heavy weighting in equity securities relative to fixed income securities. This is based on projected capital market assumptions which indicate that over long periods of time, equities can be expected to provide returns that exceed the inflation adjusted rate of spending. Fixed income securities are not expected to provide a sufficient return after adjusting for inflation to meet the dual goals of maintaining the real value of assets and generating strong and stable levels of support to the current operations of the University. Fixed income securities will continue to serve as a source of diversification.

It is recognized that the expected volatility of the UEP will be high relative to a fund that has a much heavier weight in fixed income securities. This means that the market value in any given period may decline due to market fluctuations. It is expected that this is a reasonable trade-off in order to ensure a long-term growth rate that is consistent with the mission and goals of the fund.

4.2 Asset Allocation

The long-term asset allocation will be determined by the following four factors:

- Projected long-term return expectations from individual asset classes
- Objective of a real rate of return that exceeds the rate of spending
- Historic and expected future volatility of returns for the various asset classes
- Historic and expected future correlation of returns between various asset classes

The extremely long-term time horizon of the UEP allows for the adoption of a long-term asset allocation policy with a high allocation to equity investments along the following parameters.

Long-Term Asset Mix			
	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Fixed Income	15%	20%	25%
Equities and Alternatives	75%	80%	85%
Total		<u>100%</u>	

All investments will be undertaken with a view toward maintaining or enhancing the real value of the assets while meeting the current spending allocation.

The Board Investment Committee shall establish investment mandates and then select investment managers to be responsible for the management of the portfolios in accordance with those mandates. Funds will normally be allocated to external managers, or, when determined to be advantageous, may be allocated to internal management.

Each investment manager shall adhere to this policy and must exercise the care, skill, diligence and judgment that a prudent investor would exercise in making investments. Investment managers are expected to be in compliance with all applicable laws and regulations as well as the Code of Ethics and Standards of Professional Conduct established by the CFA Institute.

4.3 Portfolio Diversification

The objectives of diversification are to reduce:

- total return variability
- exposure to any single component of the capital markets
- the risk of returns not tracking or exceeding inflation.

Diversification will also increase the long-term risk-adjusted return potential of the UEP.

To achieve diversification the UEP will invest in the following asset classes subject to indicated limits based on total market value.

Fixed Income			
	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Money Market Securities	-5%	0%	5%
Bonds & Debentures	10%	20%	30%
Overall	15%	20%	25%

Equities and Alternatives			
	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Canadian Equities	15%	20%	25%
Foreign Equities	35%	40%	45%
Alternative Assets	15%	20%	25%
Overall	75%	80%	85%

Alternative Assets			
	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Absolute Return Strategies	5%	8%	15%
Private Equity	0%	6%	10%
Real Estate	0%	6%	10%
Overall	15%	20%	25%

4.4 Categories and Subcategories of Investments Restrictions and Quality Levels

Investments that are permitted shall be classified within the following general categories and restrictions and quality levels apply within the context of overall fund objectives and the asset allocation policy described above.

4.4.1 Money Market Securities

For cash flow management purposes a portion of the UEP is invested in the Short-Term Funds portion of the NEIP and managed according to section 6.1.1 and 6.2.1 of this policy as applicable.

4.4.2 Bonds and Debentures

Bonds and debentures include Canadian and foreign issuer bonds, debentures and real return bonds, together with short and long dated publicly traded debt securities, schedule I and II chartered bank sponsored mortgage backed securities (MBS) and convertible debt. Direct mortgages will be limited to existing holdings.

Corporate bonds, debentures, real return bonds, and other debt securities purchased for the fund in actively managed mandates shall have a minimum rating of "BBB" or better for any individual issuer as measured by a recognized debt rating service. The maximum "BBB" exposure will be 10% of fixed income in each actively managed portfolio.

Where passive investments are made in major fixed income indices, eligibility of an index will be determined by its suitability as an investment vehicle regardless of the rating of individual bonds and debentures within the index.

	Maximum Bond Portfolio Asset Value For Each Issuer by Credit Rating				Aggregate Maximum
	AAA	AA	A	BBB	
Canadian Issuer					
Government of Canada ¹	100%	N/A	N/A	N/A	100%
Provincial ¹	20%	15%	10%	5%	60%
Municipal and Corporate	3%	3%	3%	3%	40%
Foreign Issuer					20%
Sovereigns ¹ /					
Supranational	10%	7%	5%	3%	N/A
Corporate / Maple	3%	3%	3%	3%	N/A

¹: Its guaranteed corporations or agencies

4.4.3 Equity Investments

Equity investments include exchange traded securities, including common shares of Canadian, foreign and emerging markets equity, income trusts, real estate investment trusts (REITs), American Depository Receipts, Global Depository Receipts, warrants, preferred shares, convertible debt and initial public offerings.

A maximum 10% of the market value of the Canadian or Foreign Equity asset class may be invested in any single issuer.

Alternative assets include real estate equity and debt, infrastructure equity and debt, timberland and agricultural equity and debt, commodities, mezzanine debt, venture capital and private equity, and absolute return strategies judged appropriate by the Board Investment Committee.

Investment managers may use exchange traded funds (ETFs), pooled unit trusts, mutual fund vehicles or limited partnerships that include any of the above categories as long as these securities are compliant with their mandate.

For risk management and diversification purposes, the presently preferred method of access to alternative asset class will be through well-established fund of funds managers. Direct co-investments made by a fund manager will be limited to 20% of committed capital.

A maximum of 5% of the market value of the total UEP at the time of investment or commitment may be placed with any single alternative asset manager, fund of funds or limited partnership.

4.5 Use of Derivatives

Derivatives may be used for hedging and risk management including the hedging of foreign currency exposure. Derivative products will not be used to leverage the fund and will be fully collateralized by cash or cash equivalents.

4.6 Rate of Return Goals

In order of priority, it is expected that the UEP will over any 4-year rolling period:

Firstly, achieve an annualized rate of return, before fees, of at least 5.25% above the Canadian Consumer Price Index (all items).

Secondly, achieve an annualized rate of return, in excess of the following composite benchmark of standard market indices. The current benchmark will be modified towards the target benchmark as the asset allocation contemplated by this policy is implemented.

Current Benchmark	
DEX Universe Bond	30%
S&P/TSX Composite	20%
MSCI World (ex Canada 50% hedged)	50%
Absolute Return (HFRX Global Hedge Fund Index)	0%
Private Equity (Cambridge Associates Private Equity Index)	0%
Real Estate (IPD Canada Annual Property Index)	0%
	100%

Target Benchmark	
DEX Universe Bond	20%
S&P/TSX Composite	20%
MSCI World (ex Canada 50% hedged)	40%
Absolute Return (HFRX Global Hedge Fund Index)	8%
Private Equity (Cambridge Associates Private Equity Index)	6%
Real Estate (IPD Canada Annual Property Index)	6%
	100%

Thirdly, achieve an above median return in comparison to other endowment funds with similar asset allocation and return objectives.

5.0 OTHER ENDOWMENTS

The assets of the Other Endowments shall be invested with the same goals, restrictions and quality levels as described above, subject to any stipulation required by contractual agreement, or by condition of the estate, or administrative arrangement.

6.0 NON-ENDOWED INVESTMENT POOL (NEIP)

6.1 Investment Policy and Risk Tolerance (Internally Managed Investments)

The purpose of the NEIP is to pool for investment purposes capital that is predominately short-term in nature. Trend-line growth of the capital base has created a substantial core balance that will likely be sustained on an on-going basis. Therefore, a maturity profile that is greater than what would be expected for funds with a short-term investment horizon is appropriate for a significant portion of the fund.

6.1.1 Short-Term Funds

Analysis indicates that maintaining a minimum of 33% of the peak NEIP balance, each year as at September 30th, in money market securities, is sufficient to meet the University's cash flow requirements. The primary objective for money market securities is liquidity and preservation of capital.

Money market securities include: cash on hand both domestic and foreign; Government of Canada treasury bills, notes, debentures and any obligations unconditionally guaranteed by the Government of Canada; provincial treasury bills, notes, debentures and any obligations unconditionally guaranteed by the provincial governments of Canada; Banker's Acceptances, Bearer Deposit Notes and other obligations issued by a Schedule I or II chartered bank carrying a short term debt rating of R-1(mid) or better as measured by two recognized debt rating services; and term deposits issued by an Alberta credit union that are 100% guaranteed by the Credit Union Deposit Guarantee Corporation. Money market securities must be maintained in assets maturing within one year.

There are no limitations on the amount that can be invested in money market securities issued by the Government of Canada or its guaranteed Crown corporations or agencies. The limitations on investments in money market securities issued by any single provincial government or its guaranteed agencies are as follows: a maximum 40% rated R-1(high), 30% rated R-1(mid), and 20% rated R-1(low) of the daily NEIP short-term market value. A minimum of 70% of the daily NEIP short-term market value that is managed internally will be invested in governmental issuers. A maximum of 5% may be invested in Alberta credit unions, subject to the Alberta provincial

government limit above. A maximum of 5% of the daily NEIP short-term market value can be invested in any single non-governmental issuer.

6.1.2 Mid-Term Funds

Analysis indicates that a maximum of 33% of the peak NEIP balance, each year as at September 30th, can be allocated to bonds, debentures and internal loans maturing within five years. This allocation is monitored against the projected overall cash flow requirements of the University.

Internal loans to University faculties, departments and staff are considered to be part of the mid-term funds section of the NEIP. The Internal Loan Policy approved by the Board of Governors on October 24, 2003 governs internal loans.

Bonds and debentures must be denominated in Canadian dollars and are limited to; Government of Canada bonds, debentures and any obligations unconditionally guaranteed by the Government of Canada; provincial bonds, debentures and any obligations unconditionally guaranteed by a province of Canada; bonds and debentures issued by municipalities of Canada; obligations, bonds and debentures issued by a Schedule I or II chartered bank. Bonds and debentures shall have a rating of at least "A" as measured by two recognized debt rating agencies.

There are no limitations on the mid-term funds that can be invested in bonds and debentures issued by the Government of Canada or its guaranteed Crown corporations or agencies. Investment in bonds and debentures issued by any single provincial government or its guaranteed agencies is limited as follows: a maximum of 20% of the daily NEIP mid-term market value can be invested in rated "AAA", 15% in rated "AA" and, 10% in rated "A". A minimum of 70% of the daily NEIP mid-term market value that is managed internally will be invested in governmental issuers. A maximum of 3% of the daily NEIP mid-term market value can be invested in obligations, bonds and debentures issued by any single municipality or Schedule I or II chartered bank.

6.1.3 Long-Term Core Funds

Analysis indicates that a maximum of 33% of the peak NEIP balance, each year as at September 30th, can be considered long-term core funds. Long-term core funds are not expected to require an urgent, unplanned or significant liquidation in a period of less than five years. Long-term core funds are invested in the UEP to provide a higher rate of return. This allocation is monitored against the projected overall cash flow requirements of the University.

For risk management purposes a reserve fund with a target value of 10% of the long-term core funds has been established. This reserve is funded through appropriations of half the earnings in excess of the spending allocation in any given year, and is invested in accordance with the Short-Term Funds portion of the NEIP.

6.2 Investment Policy and Risk Tolerance (Externally Managed Investments)

6.2.1 Short-Term Funds

Externally managed money market securities include instruments and obligations that are issued by or guaranteed by the following entities; obligations of banks including banker's acceptances and floating rate notes, corporate debt, corporate commercial paper, schedule I or II chartered bank sponsored asset backed commercial paper, sovereign governments, supranational agencies, US state governments, Canadian provincial governments and other money market securities. All investments shall be denominated as to principal and interest in a currency that is consistent with the mandate and in the case of securities lending the currency of the cash collateral. A maximum of 20% of money market securities may be maintained in assets maturing beyond one year. The primary objective for investments in these securities is liquidity and preservation of capital.

Externally managed money market securities in actively managed mandates shall have a rating of at least R-1 (low), with a limit of not more than 30% in this rating. Where passive investments are made in major fixed income indices, eligibility of an index will be determined by its suitability as an investment vehicle regardless of the rating of individual securities within the index.

There are no limitations on the amount that can be invested in money market securities issued by governments or their guaranteed corporations or agencies. A maximum of 8% of can be invested in any single non-governmental issuer. Schedule I or II chartered bank asset backed commercial paper exposure will be limited to a maximum of 3% for any single trust/conduit.

6.2.2 Mid-Term Funds

Bonds and debentures are limited to publicly traded debt securities denominated in Canadian dollars.

A maximum of 20% of bonds and debentures may be maintained in assets maturing beyond five years. Bonds and debentures in actively managed mandates shall have a rating of at least “BBB” as measured by a recognized debt rating agency. The maximum “BBB” exposure will be 10% of fixed income in each actively managed portfolio. Where passive investments are made in major fixed income indices, eligibility of an index will be determined by its suitability as an investment vehicle regardless of the rating of individual bonds and debentures within the index.

There are no limitations on the amount that can be invested in bonds and debentures issued by governments or their guaranteed corporations or agencies. A maximum of 5% can be invested in bonds and debentures issued by any single municipality, non-governmental issuer, or Canadian-dollar denominated foreign-issuer.

6.2.3 Long-Term Core Funds

All long-term core funds are invested in the UEP and are managed in accordance with Sections 2 through 4 of this policy.

6.3 Performance Benchmarks

For each of these components of the NEIP the benchmark is:

Short-Term Funds	DEX 91 Day T-bill Index
Mid-Term Funds	DEX Short Term Bond Index
Long-Term Core Funds	UEP Composite Benchmark

6.4 Other Non-Endowed Funds

The assets of Restricted Non-Endowed Donations shall be invested with the same goals, restrictions and quality levels as described above and the University’s Interest Procedure for Restricted Special Purpose and Restricted Research Accounts will apply, subject to any stipulation required by contractual agreement, or by condition of the estate, or administrative arrangement.

7.0 GENERAL

7.1 Securities Lending and Commission Recapture

The securities may be loaned to investment dealers and banks as part of the custodian’s lending program when it is deemed that such lending may add incremental return to the fund at minimal risk and provided the loan is collateralized with highly liquid and marketable securities in accordance with industry standards and marked-to-market and adjusted on a daily basis.

External equity investment managers may be directed to participate in a commission recapture program in order to help mitigate internal investment research related expenses.

7.2 Exercise of Proxies and Voting Rights

Proxy or other voting rights will be exercised in the best interest of the University. The responsibility for voting is normally delegated to the investment manager, but the University reserves the right to direct the investment manager on the voting of proxies.

7.3 Valuation of Infrequently Traded Investments

The valuation of infrequently traded investments shall be determined by the trustee or custodian of the fund. In the case of direct investments in real estate, the valuation shall be based on independent opinions of qualified appraisers at a minimum of every three years.

7.4 Conflict of Interest Guidelines and Related Parties Transactions

The University's Conflict of Commitment and Conflict of Interest Policy will govern investment activities (General Faculties Council Policy # 35). Related Party transactions will be at fair market value.

7.5 Custody

To maintain a proper segregation of duties and adequate controls, all marketable securities held shall remain with a third-party custodian.

7.6 Policy Review

This policy shall be reviewed at least annually by the Board Investment Committee, who will either confirm or recommend changes to the Board of Governors. Upon recommendation from the Board Investment Committee, the Board of Governors can approve exceptions to this policy.

7.7 Donated Securities

Subject to market conditions, donated securities will generally be sold immediately upon receipt by the University. However, where it is advantageous to do so, and subject to the constraints of this policy, the University may hold these securities internally.

DEFINITIONS

These terms and definitions apply to this policy with no implied or intended institution-wide use.

Asset Allocation	The process of dividing investments into different asset classes, such as stocks, bonds, alternative assets, and cash in order to optimize the risk/return trade-off of a portfolio. This process is based on factors including investment time horizon, liquidity needs, risk tolerance, specific goals and situations, and legal and tax considerations.
Consumer Price Index (CPI)	A Statistics Canada index of retail prices for goods and services. Increases in the CPI are also referred to as increases in the cost of living and are directly correlated to increases in inflation.
Custodian	A financial institution, usually a bank or trust company, which holds an investment portfolio's securities and cash in safekeeping.
Derivatives	A financial instrument whose value is dependent on the performance of an underlying instrument or asset typically a commodity, bond or equity. They are also available on currencies, interest rates, and equity indices. Futures and options are examples of derivatives.
HFRX Global Hedge Fund Index	An index maintained by the Hedge Fund Research, Inc. (HFR) that utilizes an objective rules-based methodology to diversify across hedge fund managers that have low correlations to traditional asset classes. This index is rebalanced quarterly and is passively investable.
IPD Canada Annual Property Index	Investment Property Databank index to measure the total return of real estate investments across a wide spectrum of property categories in Canada.

MSCI World Index	The Morgan Stanley Capital International Index, which measures the total return (with dividends reinvested) of equity securities available in developed markets around the globe.
Proxy	A written authorization given by a shareholder to another individual, usually the company's management, in order to cast his/her vote at a shareholder meeting or at some other point in time.
Rate of Return	The percentage change in the value of an asset, including interest and dividends, over an evaluation period.
Real	Used in conjunction with asset values and rates of return and restates these nominal amounts for movements in the consumer price index.
Real Return Bond (RRB)	These bonds pay semi-annual interest based on a real interest rate. Unlike standard fixed-coupon marketable bonds, interest payments on RRBs are adjusted for changes in the consumer price index (CPI). Thus rates are adjusted higher for increases in the CPI and vice versa.
Risk	The possibility of loss and/or the uncertainty of future returns.
Risk Tolerance	An individual's ability to handle temporary and sustained declines in the value of their portfolio.
S&P/TSX Composite Index	The index that tracks the performance of approximately 300 stocks listed on the Toronto Stock Exchange.
DEX Universe Bond Index	An index produced by PC-Bond, the DEX Universe Bond Index is designed to be a broad measure of the Canadian investment-grade fixed income market. Returns are calculated daily, and are weighted by market capitalization. The Universe Index has been published since 1979.
Cambridge Associates Private Equity Index	An index produced by Cambridge Associates that tracks the total return for private equity.

RELATED LINKS

Should a link fail, please contact the policy's Office of Administrative Responsibility (see header).

[Unitized Endowment Pool \(UEP\) Spending Policy](#)

[Investment Committee Terms Of Reference](#)

[Statement of Investment Principles & Beliefs](#)

[Unitized Endowment Pool \(UEP\) Implementation Guidelines](#)

[Internal Loan Policy](#)

[Interest Procedure – Restricted Special Purpose and Restricted Research Accounts](#)

Approved:

Board of Governors, October 21, 2011

Board Investment Committee, September 26, 2011



BOARD LEARNING AND DISCOVERY COMMITTEE Terms of Reference

1. AUTHORITY

- (a) The Board Learning and Discovery Committee (the “Committee”) is created by and responsible to the Board of Governors (the “Board”) of the University of Alberta (the “University”).
- (b) The Provost and Vice-President (Academic) and the Vice-President (Research) shall provide management support to the Committee.
- (c) University Governance shall provide administrative support to the Committee.
- (d) 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 10 voting members)
 - i) A Board member from the membership category identified by the Post-Secondary Learning Act (*the Act*) as *academic staff of the University*;
 - ii) A Board member from the membership category identified by the Act as an *undergraduate student nominated by the council of the **undergraduate** student association*;
 - iii) A Board member from the membership category identified by the Act as a **graduate** student nominated by the council of the *graduate student association*;
 - iv) Four Board members from the membership categories identified by the Act as general public, alumni and senate;
 - v) The Board Chair, by virtue of office
 - vi) The President and Vice-Chancellor, by virtue of office
 - vii) The Chancellor, by virtue of office
- b) Non-Voting Officials appointed by the President
 - i) Provost and Vice- President (Academic)
 - ii) Vice-President (Research)
 - iv) University Secretary
 - v) Committee Secretary
 - vi) Other officers, as determined by the President
- c) The Board of Governors shall appoint the Committee Chair from the Committee membership category 2 a) iv), upon recommendation of the Board Chair,

- d) 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 hereof and in the Board's General Committee Terms of Reference, the Committee shall, in accordance with the Committee's responsibilities with powers granted under the *Post-Secondary Learning Act*, monitor, evaluate, advise and make decisions on behalf of the Board with respect to matters concerning the teaching and research affairs of the University, including proposals coming from the administration and from General Faculties Council (the "GFC"), and shall consider future educational expectations and challenges to be faced by the University. The Committee shall also include any other matter delegated to the Committee by the Board.

Without limiting the generality of the foregoing the Committee shall:

- a. review and approve initiatives related to the overall academic mission and related plans and policies of the University;
- b. review, provide feedback and approve teaching and research policies;
- c. review and approve recommendations of GFC for major changes in instructional and research programs and other academic matters;
- d. review and approve the establishment, modification and removal of enrolment quotas and annually review such quotas;
- e. review and approve the Code of Student Behaviour, the Code of Applicant Behaviour and the Practicum Intervention Policy;
- f. review and provide recommendations on the University's enterprise-wide risks and risk measures related to the Committee mandate;
- g. undertake studies and review academic matters that pertain to the quality of the educational experience at the University;
- h. monitor educational and research trends, community expectations and demands;
- i. monitor all matters related to intellectual property and technology transfer of research at the University.
- j. ensure that the academic teaching and research activities at the University are administered and undertaken in a manner consistent with the vision and mission of the University;
- k. consider future educational expectations and challenges to be faced by the University;
- l. review proposals and recommendations of GFC concerning the establishment, continuation and re-organization of faculties, schools, departments and make recommendations to the Board in respect thereof;
- m. review recommendations of GFC Academic Planning Committee concerning the Comprehensive Institutional Plan (CIP) and/or a similar document as required, and make recommendations to the Board in respect thereof;
- n. review and recommend to the Board any annual reports and any other major issues within the mandate of the committee;
- o. receive for information proposals approved by the GFC Academic Planning Committee respecting Shared Credential Programs;

- p. review the performance of the University, in the areas of responsibility of the Committee, against performance measure reports and results in place from time to time and report thereon to the Board; annually provide advice to the President, through the Chair of the Human Resources & 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; and
- q. annually review the terms of reference for the committee and recommend to the Board any required changes.

The Committee shall review, evaluate, and provide information and recommendations to the Board where the Board is making decisions in areas generally related to areas of responsibility of the Committee.

4. LIMITATIONS ON DELEGATION BY THE BOARD

This 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 as set out in paragraph 3, the Board shall make all decisions with respect to:

- a. the establishment, continuation, reorganization or abolition of faculties, schools and departments;
- b. program approvals involving the creation or abolition of a degree program (but not specializations of an existing degree).

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
2011-09-26	Board Learning and Discovery Committee	Recommended to the Board
2011-10-21	Board of Governors	Approved



BOARD SAFETY, HEALTH AND ENVIRONMENT COMMITTEE Terms of Reference

1. Authority

- a) The Board Safety, Health and Environment Committee (the "Committee") is created by and responsible to the Board of Governors (the "Board") of the University of Alberta (the "University")
- b) University Governance shall provide administrative support to the Committee.
- c) The Committee shall function in accordance with the Board's General Committee Terms of Reference.

2. Composition of 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 or designate from the membership category identified by the Act as *students nominated by the council of the students association*
 - (4) A Board member or designate from the membership category identified by the Act as *graduate student nominated by the council of the association*
 - (5) Board member or designate from the membership category identified by the Act as *member of the non-academic staff*
 - (6) Two members of the general public with specific expertise in the area of environmental health and safety.
 - (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) Vice-President (Finance and Administration)
 - (2) University Secretary
 - (3) Committee Secretary
 - (4) Other officers, as determined by the President
- c) The Board of Governors shall appoint the Committee Chair from the Committee membership category 2(a)(1), upon the recommendation of the Board Chair.
- d) 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 hereof 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 matters concerning environmental health and the protection of the health, safety and security of the University community and the general public at 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:

- a) approve University policies and procedures relating to environmental health, safety, and security issues and compliance therewith;
- b) monitor University compliance with all relevant environmental health, safety and security legislation, regulations and University policies and procedures;
- c) review and provide recommendations on the University's enterprise-wide risks and risk measures related to the Committee mandate.
- d) consider and make recommendations on matters pertaining to the University's interaction with government departments or agencies, such as other post-secondary institutions, dealing with environmental health, safety and security issues;
- e) receive and review those elements of the Risk Management Services portfolio plan relevant to the mandate of the Committee;
- f) receive for information, review and provide recommendations on management or other reports relating to environmental health, safety and security incidents, trends and outcomes at the University or relevant industries;
- g) receive for information, review and provide recommendations on annual reports from Campus Security Services, Environmental Health and Safety and the Office of Emergency Management; and
- h) review on an annual basis 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 as set out in paragraph 3, the Board shall make all decisions with respect to issues that pose or may reasonably be expected to pose significant risk to the health and safety of individuals and policies related thereto.

5. Reporting to the Board

As provided in the Board's General Terms of Reference the Committee shall regularly report to the Board on its activities and decisions including the University's compliance with respect to those statutory and regulatory responsibilities within the mandate of the Committee.

The Committee shall review, evaluate and provide information and recommendations to the Board where the Board is making decisions generally related to the Committee's areas of responsibility.

Decision History:

Date	Decision-Maker	Decision
2008-10-08	Board Safety, Health and Environment Committee	Recommendation to the Board
2008-11-07	Board of Governors	Approved
2011-02-15	Board Safety, Health and Environment Committee	Recommendation to the Board
2011-03-18	Board of Governors	Pending Approval
2011-09-27	Board Safety, Health and Environment Committee	Recommendation to the Board
2011-10-21	Board of Governors	Approved



BOARD UNIVERSITY RELATIONS COMMITTEE Terms of Reference

1. **Status, Authority and Compliance**

- a. The Board of Governors (*the Board*) of the University of Alberta (*the University*) creates the University Relations Committee (*the Committee*) as a standing Committee of the Board, reporting and accountable to the Board.
- b. The Committee's authority is set forth in Committee Terms of Reference and in formal delegations approved by the Board.
- c. The Committee complies with all legislation, regulation and policy to which the Board is subject as well as the *General Terms of Reference for Board Committees* approved by the Board.

2. **Mandate**

The Committee promotes the advancement of the University's Mission and Vision, aligns with the University Values, complies with the University Mandate and supports institution-wide plans, priorities and objectives by fulfilling its Committee Mandate in four Areas of Interest:

- a. **University Reputation** The Committee guides efforts to ensure that the University safeguards and enhances its reputation to advance its interests.
- b. **University Identity** The Committee guides efforts to ensure that the University enhances its identity and profile at the international, national, provincial, municipal and institutional levels to advance its interests.
- c. **University Strategic Communication** The Committee guides efforts to ensure that the University identifies and effectively interprets strategic communication themes and key messages to targeted audiences, to enhance relationships, influence outcomes and advance the University's interests.
- d. **University Philanthropy and Development** The Committee guides efforts to ensure that the University's philanthropic and development policies and plans, promote, attract and generate revenue to advance the University's interests.

3. **Scope of Duty**

Without limiting interpretation of the Committee Mandate to promote the University's Mission and Vision, align with the University's Values, comply with the University Mandate and support the institution-wide plans, priorities and objectives in four identified Areas of Interest, the Board authorizes the Committee to:

- a. **Recommend** Board approval of proposals within the Committee Mandate, which realize the approved institution-wide plans, priorities, objectives or related policy goals;
- b. **Recommend** Board approval of the Committee's proposed amendments to its Terms of Reference;
- c. **Approve** policy matters within the Committee Mandate which align with Board-approved parent policy;
- d. **Approve** the Committee's annual workplan;
- e. **Maintain oversight**, at the appropriate governance level, on institutional and strategic issues within the Committee Mandate;
- f. **Advise** the Board on broad institutional issues within the Committee Mandate;
- g. **Review** and provide recommendations on the University's enterprise-wide risks and risk measures related to the Committee mandate,
- h. **Evaluate** the Committee's performance regularly;
- i. **Educate** Committee members regularly to ensure that they continue to be well able and prepared to make informed and timely decisions within all Areas of Interest of the Committee Mandate;
- j. **Report** to the Board without delay all Committee decisions made with delegated authority of the Board;
- k. **Report** annually to the Board on institutional progress within the four Areas of Interest of the Committee Mandate; and
- l. **Report** to the Board the results of Committee performance assessment.

4. **Composition of the Committee**

- a. **Voting Members** appointed by the Board (Ordinarily a maximum 12 voting members)
 - (1) Three 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 *member of the non-academic staff*
- (4) A Board member from the membership category identified by the Act as *students nominated by the council of the students association*
- (5) The Board member from the membership category identified by the Act as *graduate student nominated by the council of the association*
- (6) Two members of the general public
- (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) Vice-President (University Relations)
- (2) Vice-President (Facilities and Operations)
- (3) Chief Advancement Officer
- (4) University Secretary
- (5) Committee Secretary
- (6) Other officers, as determined by the President

c. Non-Voting Advisors invited by the Committee Chair

From time to time, the Committee Chair may invite individuals who are not Board members to provide advice to the Committee.

5. Committee Rules

a. Membership

The Board appoints Committee members based upon competence, defined as knowledge, skill and experience which meet the needs and nature of the Committee.

b. Quorum

Committee quorum required to transact business is a simple majority of voting Committee members.

c. Voting Rule

A resolution is carried and endorsed by the Committee in the presence of a quorum only if the vote in favour of the resolution constitutes a simple majority of the number of voting members in attendance. The Board prohibits proxy voting.

d. Committee Leadership

The Board of Governors appoints the Committee Chair from the Committee membership category Section 4.a(1) of these terms of reference, upon the recommendation of the Board Chair. The Committee appoints the Committee Vice-Chair from the Committee membership category Section 4a(1) of these Terms of Reference, 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.

e. Attendance by Invited Guests

The Committee Chair or the President may authorize the attendance of non-Committee members to attend a Committee meeting to offer expertise to the Committee's consideration of an issue. The Committee Chair may grant to these individuals the privilege of speaking but never the right to vote.

f. Meeting Format

The Committee will normally meet in person to conduct its business but the Committee Chair may authorize meetings, member attendance and/or voting by means of electronic media.

Decision History:

Date	Decision-Maker	Decision
2010-09-27	Community and Government Relations Committee	Recommendation to the Board
2010-10-15	Board of Governors	Approval
2011-09-26	University Relations Committee	Recommendation to the Board
2011-10-21	Board of Governors	Approval

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This document is the parent policy for any associated procedures or appendices. Questions regarding this policy should be addressed to the Office of Administrative Responsibility.

Prospect Management Policy

Office of Accountability:	Office of Advancement
Office of Administrative Responsibility:	Office of Advancement Services
Approver:	Board of Governors (University Relations Committee)
Scope:	Compliance with University policy extends to all members of the University community.

Overview

The Board of Governors of the University of Alberta is accountable for the effective and efficient stewardship of University funds. The University operates under the authority of the *Post-Secondary Learning Act, Statutes of Alberta*. The University of Alberta is a registered charity.

Purpose

The purpose of the Prospect Management Policy is to guide the overall fund-raising efforts of the University of Alberta by promoting proactive and interactive strategic fund-raising. It is designed to help members of the Advancement community (professionals in fund-raising and alumni relations) perform at high levels of excellence while respecting, first and foremost, benefits to the University and donors' choices to support the area(s) of their greatest interest. It is neither a "prospect ownership system" nor a policy designed to restrict the activities of fund-raisers. Specifically it is designed to:

- Coordinate the management of relationships with current and potential donors to the University.
- Achieve strategic donor contacts and ensure coordinated cultivation and solicitation of current and prospective donors.
- Facilitate the sharing of accurate, timely information University-wide.
- Record, track the progress of, and report on prospective donor relationships to the University of Alberta. Preservation of institutional history and knowledge occurs through Contact Reports, tasks, a central file, and other records.
- Establish and support an active pipeline of potential donors (Prospect Pipeline).
- Foster interaction and communication among Advancement staff members and senior administrators.
- Meet University of Alberta strategic fund-raising goals.

POLICY

The University of Alberta will conduct its relationships with donors and prospective donors within the following:

1. CORE VALUES

The Prospect Management Policy at the University of Alberta has been developed with the following core values:

- Benefits to the University should be maximized in scope, size and relationship regardless of which sector of the University benefits.
- The wishes of the donor are paramount to the activity related to our work.
- Effective prospect management reflects an overarching goal to advance the overall objectives of the University's strategic plans, while encouraging collaboration, cooperation and participation of all individual units.
- The important roles played by many people over many years in the building of relationships that may result in gifts will be recorded, measured, acknowledged and respected.
- The Prospect Management Policy will be transparent, simple to understand, and respectful to those engaged in building relationships. This Policy will also provide formal structure to guide process; however, it will also ensure that a level of flexibility and responsiveness exists to address unforeseen opportunities.

2. CONFIDENTIALITY

Donor information is subject to public disclosure laws; therefore, discretion must be used when entering contact reports and other donor-related information into Advance, the University's relationship management database. The University of Alberta Prospect Management Policy is in compliance with the Government of Alberta's *Freedom of Information and Protection of Privacy Act (FOIP Act)*.

3. GUIDING PRINCIPLES

As authorized by the Board of Governors, the Chief Advancement Officer is responsible for the administration of the Prospect Management Policy. This responsibility is designated to the Senior Director, Office of Advancement Services. While the policy applies directly to staff who must implement it, the coordination process includes consultation with University officers, deans, directors, key faculty and fund-raising volunteer leadership to determine the most appropriate prospect assignments and solicitation strategies.

In determining the assignment of a donor/prospect to a manager, factors such as a prospect's giving history, demonstrated or stated areas of interest, degree relationship to the University, and institutional contacts are taken into account. The primary consideration in prospect assignment is the probability of maximizing a donor's engagement in support of one or more of the University's priorities. To achieve this, assignments may change with time. The materiality of the relationship between a current and/or prospective donor and their areas of interest within the University will be key to sustained and significant success.

DEFINITIONS

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

Prospect

A prospect is a donor or prospective donor to the University of Alberta. A prospect may be an individual, corporation or foundation.

FORMS

There are no forms for this Policy. [[▲Top](#)]

RELATED LINKS

Should a link fail, please contact uappol@ualberta.ca. [[▲Top](#)]

Do not delete RELATED LINKS heading or above message. A list of all Procedures and Appendices for this POLICY will be generated here automatically at publication.

Prospect Management Procedures

Prospect Management Policy: Information Document – Expectations of Prospect Management