

Article VIII: Financial and Physical Resources Committee

1. The Financial and Physical Resources Committee supports the NSCAD Board of Governors in the fulfillment of its stewardship responsibilities in the following areas: oversight of NSCAD's financial planning and policy framework including multi-year financial plans and annual budgets; monitoring NSCAD's ongoing financial performance and needs; oversight of NSCAD's investments; and oversight of NSCAD's short and long-term plans for its physical facilities.

- (a) The Financial and Physical Resources Committee shall be constituted as follows:
 - (i) The Chair or Vice-Chair of the Board as decided by the Governance & Human Resources committee, who is an *ex officio* member of the Committee but does not vote and count in meeting requirements for a quorum;
 - (ii) the Treasurer of the Board;
 - (iii) one Governor who is elected to the Board by the Faculty;
 - (iv) one Governor who is appointed to the Board by the Council or governing body of the students;
 - (v) three (3) other Governors of the Board; and
 - (iv) the President who is an *ex officio* member of the Committee but does not vote and count in meeting requirements for a quorum.
 - (v) Two (2) members from the outside community will be appointed to the Investment Committee and will be non-voting.
- (b) A quorum for Committee meetings consists of four (4) voting members of the Committee.

2. Specific Responsibilities

The Financial and Physical Resources Committee has the following specific responsibilities:

- (a) Financial Planning and Policies
 - (i) Ensure that NSCAD develops multi-year financial plans that reflect NSCAD's strategic plans.
 - (ii) Annually review updated multi-year financial plans prepared by NSCAD's senior administration.
 - (iii) Review and recommend to the Board the adoption of an annual business plan and budget.
 - (iv) Understand the risks associated with NSCAD's finances and the main systems that are in place to manage and mitigate those risks.
 - (v) Ensure that NSCAD has appropriate contingency plans in place to deal with unforeseen circumstances affecting NSCAD's finances.
 - (vi) Annually review NSCAD's financial policies and reviews and recommend to the Board any management recommendations for changes to these policies.
- (b) Monitoring of Financial Performance

- (i) Receive and review quarterly financial results with variance analysis and monitor any corrective action to be undertaken by senior administration.
 - (ii) Highlight significant issues relating to NSCAD's ongoing financial performance to the Board.
- (c) Investment Oversight
- (i) Ensure that NSCAD's investment and endowment funds and policies are clearly explained and reviewed with the full Board on an annual basis.
 - (ii) Recommend investment and endowment policies (and any changes thereto) to the Board.
 - (iii) Consider how investment and endowment funds should be managed.
 - (iv) Recommend to the Board the appointment or termination of any external investment managers.
 - (v) Develop the criteria against which the performance of external investment managers will be evaluated on an annual basis.
 - (vi) Monitor the performance of NSCAD's investment and endowment funds;
 - (vii) Recommend to the Board the disbursement levels that are appropriate from endowed funds while maintaining the integrity of the funds capital; and
- (d) Physical Facilities
- (i) Ensure that NSCAD has a long-term facilities plan in place that supports its strategic direction;
 - (ii) Understand the risks associated with NSCAD's physical facilities and the main systems that are in place to manage or mitigate those risks;
 - (iii) Monitor the implementation of NSCAD's short to medium-term facilities plan;
 - (iv) Recommend to the Board the allocation of financial resources to support the implementation of NSCAD's short to medium-term facilities plan (as part of the annual budget approval process); and
 - (v) Ensure that NSCAD has a business continuity policy/plan in place to ensure continued operations in the event of damage to or loss of any or all of its physical assets.

3. Meetings and Organization

The Financial and Physical Resources Committee will:

- (a) Have a meeting calendar and annual work plan for the year.
- (b) Meet at least quarterly with pre-determined dates and agendas.
- (c) May, at the request of the Committee Chair, require the external auditor, Controller, Chief Financial Officer and other NSCAD executives to attend Committee meetings in an ex officio and non-voting capacity.

(d) Hold special meetings as required.

(e) Will hold *in-camera* sessions immediately before and/or after the Committee meetings; these sessions will be structured by the Committee Chair.

4. Minutes and Reporting Responsibilities

A member of the administrative staff will act as the recording secretary for meetings of the Financial & Physical Resources Committee. Minutes of the meeting will include highlights of major discussions and all recommendations, decisions and directives of the Committee.

A draft copy of the minutes of each meeting, approved by the Committee Chair, will be circulated to the Committee prior to the next Committee meeting (where practicable) for approval by the Committee.

The Chair of the Committee (or his/her designate) will present the Committee's written report at the next scheduled Board meeting in such form and manner as required by the Board.

5. Confidentiality

All deliberations of the Committee, and all records, materials, and information pertaining to FPRC obtained by a member of the Committee shall be considered confidential. Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access. At no time will any Committee member use or disclose or divulge any confidential personal information for personal gain or for the benefit of others.

6. Other

The Financial and Physical Resources Committee will:

- (a) Annually review and receive approval from the Board of its Terms of Reference to ensure they meet the needs of the Board.
- (b) Annually assess its performance in carrying out its duties.
- (c) Provide an orientation to new Committee members and ongoing training and development opportunities for its members.
- (d) May engage independent consultants as required to assist the Committee with its duties, subject to budgetary approval by the Board.

The Chief Financial Officer will be the member of NSCAD administration designated to support the work of this Committee.