

**VIRGINIA COMMONWEALTH UNIVERSITY
BOARD OF VISITORS**

FINANCE, BUDGET, AND INVESTMENT COMMITTEE CHARTER

I. PURPOSE

The primary purpose of the Finance, Budget, and Investment Committee (“Committee”) is to assist the Board of Visitors in fulfilling its objectives and fiduciary responsibilities related to applicable policy/ies and oversight of:

- University finances and investments
- University policies on debt management
- University facilities planning, design, construction and renovation.
- University purchase and divesture of land, including any easements.

The Committee is responsible for reviewing financial statements, budgets, debt, investments, cash management, six-year financial operating and capital plans, and make corresponding recommendations to the Board of Visitors all for the purpose of maintaining a sound fiscal standing. In addition and contributing to fiscal standing, the Committee is responsible for reviewing the University’s tuition and fee charges for each year. The Committee directly oversees the investment of the cash management pool and reviews the financial activities of any foundation or organization established to benefit the University, including foundations, partnerships, or other affiliated entities.

The Committee also approves selection of engineers and architects for University construction capital projects exceeding \$2 million, approves the renovation or replacement of outdated facilities and equipment, and approves project plans for construction projects exceeding \$2 million, approves the acquisition of all property, and the sale and demolition of property.

University management is responsible for day to day operation of the University within the established authorities, under the governance of the Committee.

II. COMPOSITION AND INDEPENDENCE

The Committee will be comprised of three or more Visitors. In addition to complying with the Commonwealth of Virginia’s Conflict of Interest laws and any University policies, each member must be free from any financial, family or other material personal relationship that, in the opinion of the Board or the Committee members, would impair their independence from management and the University. Committee members should also refrain from activities that a reasonable person would view as unethical or contrary to the institutional mission.

III. **RESPONSIBILITIES**

In performing its oversight responsibilities, the Committee shall:

A. **General:**

1. Adopt a formal written charter that specifies the Committee's scope of responsibility. The charter should be reviewed annually and updated as necessary.
2. Maintain minutes of open session meetings.
3. Report Committee actions to the Board of Visitors with such recommendations as the Committee may deem appropriate.
4. Consistent with state law, the Committee may meet in closed session (with or without members of senior management present) with the external auditors and/or the Vice President for Finance and Administration to discuss matters that the Committee or any of these groups believe should be discussed privately.
5. Become well acquainted with all of the information and pertinent facts under the purview of the Committee.
6. Implement best practices across the institution for financial management.
7. Ensure that the institution is operating efficiently, effectively and appropriately with regard to the use of public and other funds to support its stated mission.

B. **Financial Policy and Investments:**

1. Review recommendations of the Administration concerning new or revised financial policy and make appropriate recommendations to the Board of Visitors.
2. Review financial assumptions upon which budgets are based.
3. Review and recommend approval of the six-year financial plan and operating budget.
4. Review and recommend approval of the six-year capital outlay plan and capital outlay budget, and all amendments to the plan.
5. Review periodically and compare financial operating results with appropriate budgets and benchmarks.
6. Approve major design changes to the VCU Optional Retirement Plan.
7. Review annual financial statements and supporting schedules and report to the Board the results of that review.
8. Serve, with the advice of the Investment Advisory Subcommittee, as an investment committee and oversee University investment policies and activities including direct management of the University's cash investment pool and monitoring of the policies and activities of the University-related private foundations.
9. Review annually the BOV Fund.
10. Review quarterly the University Efficiencies.
11. Review quarterly the F&A Dashboard.

C. **Facilities Planning and Debt Management:**

1. Review and recommend approval of the master site plan.
2. Review and recommend approval of plans for new construction and major renovation projects in accordance with Board-approved procedures.
3. Review and recommend approval of the six year capital outlay program and amendments thereto.
4. Review and recommend to the Board all debt issuance and review debt management policies.
5. Review and recommend approval of property acquisition or disposition of real estate and other interests therein.
6. Consider such other matters relating to the maintenance and security of the University's buildings and grounds and the care and preservation of the University's furnishings and equipment as may warrant its consideration.

D. **Emergency Preparedness:**

1. Review and recommend approval of plans pertaining to emergency preparedness and campus security.

E. **Administration:**

1. Review and approve the Committee charter annually and any significant updates to the charter.
2. Review and approve the annual Committee work plan and any significant changes to the plan.
3. Review the qualifications of the Committee members, staff and the level of staffing by the institution as needed.
4. Review annually the Deficit Disclosure.
5. Annual Investment Conflict of Interest Disclosure Statement.
6. Review annually all Investment Policy Statements – specifically asset allocations.
7. Review reports of the Financial Integrity and Stewardship Committee as needed.
8. Review annually Agency Risk Management and Internal Control Standards (ARMICS)

F. **Tuition and Fees:**

1. Review and recommend tuition and fee charges if needed to provide guidance to the Board.

IV. **MEETINGS**

The Committee will meet at least four times annually. Additional meetings may occur more frequently as circumstances warrant. The Committee Chair should communicate with the Vice President of Finance and Administration prior to each Committee meeting to finalize the meeting agenda and review the matters to be discussed.