

## **Terms of Reference of the Finance Committee**

### **FINANCE COMMITTEE (FC)**

#### **TERMS OF REFERENCE**

1. Recommend for Council's approval of the University's Financial Strategy including use of reserves.
2. Review and recommend for Council's approval, the annual budget covering UGC and Non-UGC-funded activities. Monitor performance against budget via quarterly management accounts.
3. Review the consolidated, University and subsidiaries Financial Statements and report any findings to Council.
4. Recommend for Council's approval, the investment strategies and policies for Core Capital Pool (CCP) and Working Capital Pool (WCP) and any variation thereof.
5. Approve or recommend for Council's approval any injection of funds into CCP and any withdrawal of funds from CCP in excess of that required for working capital purposes.
6. Monitor the investment returns of CCP and WCP on a monthly/quarterly basis respectively and report quarterly to Council. Approve any changes in the payout rate for spending of endowment funds. Approve the appointment / termination of investment consultant and the appointment / termination of key investment managers taking into consideration of the Investment Consultant's advice.
7. Recommend for Council's approval, the establishment of HKUST Entrepreneurship Fund (E-Fund) and variation in framework of fund models. Review the performance of E-Fund.
8. Recommend for Council's approval, the establishment of HKUST Redbird Innovation Fund (RIF) and variations in RIF framework. Endorse the appointment of Redbird Innovation Fund Limited Board Members and review the performance of RIF.
9. In conjunction with other Council Committees, approve or recommend for Council's approval capital expenditure proposals based on financial thresholds approved by Council.
10. In conjunction with other Council Committees, recommend for Council's approval the establishment / dissolution of subsidiaries, associates, JVs, other entities or University Trusts.
11. Approve or recommend for Council's approval any borrowings based on financial thresholds approved by Council. Approve any repayment of borrowings outside normal terms.

12. Other responsibilities including:

- a. Approve cash management policies, the addition / deletion of banking partners and currency hedging
- b. Approve fixed assets disposal policy of the University
- c. Monitor the activities of the University's Main Tender Board