

**FINANCE REVIEW COMMITTEE  
MEMBERSHIP AND TERMS OF REFERENCE**

**Endorsed by the Finance Review Committee – 18<sup>th</sup> February 2019**

**Section 1 – Purpose**

- 1) The purpose of this document is to describe the principle functions of the Finance Review Committee, and to outline the membership and terms of reference.

**Background**

- 2) The Finance Review Committee enables the University to maintain an auditable trail of decisions affecting the financial resources allocated to budget centres and changes to approved budgets. The Finance Review Committee operates outside of, but in addition to, the formal budget approval process.

**Scope**

- 3) This document applies to:
  - a. Members of the Finance Review Committee;
  - b. University staff responsible for preparing submissions to the Finance Review Committee.

**Section 2 – Membership**

- 4) The Finance Review Committee is chaired by the Chief Financial Officer. The remaining members comprise Director, Business Services; Executive Officer, Office of Deputy Vice Chancellor (Students); Executive Officer, Office of Deputy Vice Chancellor (Academics); Executive Officer, Office of Deputy Vice Chancellor (Research, Development and Industry); Management Accountant (Reporting); and Budget Accountant. The Budget Accountant will act as the Committee Secretary. Each meeting must have a quorum inclusive of half the listed committee members plus one to ensure fair and equitable decisions.

**Section 3 - Meetings**

- 5) The Finance Review Committee will typically convene once per month from February to December. Meeting dates are published on the Division of Finance website.

**Agendas and Minutes**

- 6) The Committee Secretary will circulate the agenda to members three days prior to the scheduled meeting. Minutes are reviewed and approved by the Chief Financial Officer, in the first instance and then forwarded to the Vice Chancellor for approval.

### **Conflicts of Interest**

- 7) A member of the Committee who becomes aware that they have a direct or indirect pecuniary interest in a matter being considered, or about to be considered by the Committee, will disclose the fact and nature of that interest, or the nature, character and extent of the conflict, to the Committee.
- 8) All disclosures will be recorded in the Agenda of the meeting of the Committee and the member must not, unless the Committee by a majority otherwise agrees –
  - a. Be present during any deliberation of the Committee in relation to that matter, or
  - b. Take part in any decision of the Committee in relation to that matter.

### **Confidentiality**

- 9) The content of all submissions to, and deliberations of, the Committee, are confidential to the Committee.

## **Section 4 - Terms of Reference**

### **Objectives**

- 10) The objectives of the Finance Review Committee are to:
  - a. Receive and consider submissions from University budget centres for the:
    - i. allocation of funds from contingency or other sources;
    - ii. exemptions from infrastructure levy;
    - iii. variations to budget allocation categories (such as reallocate salary/non-salary amounts);
    - iv. the use of carry forward or reserve funds; and
    - v. other budget issues.
  - b. Receive and note (add to meeting actions) notifications from Deputy Vice-Chancellors approving the allocation of carry forward/reserve funds within their portfolio in accordance with the policies and/or procedures for those funds.
  - c. Recommend action to the Vice-Chancellor.
  - d. Provide oversight, coordination and senior management direction regarding the flow of funds within the University, to achieve or enhance the broader strategic objectives of the University.
  - e. Develop and maintain policy and guidance to ensure that funding allocations processed by the Finance Review Committee are:
    - i. expended solely on the purpose for which they were granted;
    - ii. not exceeded; and
    - iii. Subject to appropriate time limits on availability.

### Claim Thresholds – Budget Supplementation

- 11) Budget units are expected to absorb and deal with claims where the amount is less than \$10,000, excepting infrastructure levy exemptions and WHS Ergonomic Adjustment Claims, where a \$1,000 threshold applies or where units can identify justifiable need due to hardship.

### Claim Thresholds – Leave Applications

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Leave Type	Time period	Reimbursement
LSL	Min replacement period of 4 weeks unless student facing	Lesser of 100% of cost of replacement or cost of LSL payment
Extended SL	Min replacement period of 4 weeks unless student facing	Case by case

- 13) In all cases, evidence must be provided on the costs of a replacement employee.  
14) Claims for prior year should only be made in special circumstances.  
15) Submissions must be received within 12 months from the date the leave commenced.

### Allocations

- 16) Budget Centre Managers may claim for reimbursement of salary expenses for a replacement employee engaged when a staff member has extended leave for Long Service Leave. Claims for extended Sick Leave may also be considered in extenuating circumstances.
- 17) Long Service Leave:
- a. Payments for Long Service Leave taken are charged to the employee's cost centre as a normal salary, although on a separate account code. If the employee is to be replaced during a period of Long Service Leave absence, the Budget Centre Manager may apply to the Finance Review Committee for additional funding for the lesser of 100% of the cost of replacement, or the cost of the Long Service Leave payment.
  - b. Claims must be submitted after the replacement costs have been incurred, within the current year, and within one year of leave being taken.
  - c. Budget managers must identify the replacement employee.
  - d. To be eligible for reimbursement, the staff member on leave must be replaced.
  - e. Payments of Long Service leave on termination and payments in lieu of Long Service Leave are coded to central funds, therefore no reimbursement required.
- 18) Extended Sick Leave:
- a. Claims for reimbursement for replacing a staff member on extended sick leave will be considered by the Finance Review Committee on a case by case basis. To be considered, a claim must show:
    - i. That a replacement was required;
    - ii. That the budget unit is unable to fund the replacement; and
    - iii. There must be a minimum leave and replacement period of one month.

- 19) Early Retirement or Redundancy/Separation - These payments are made from the employee's budget centre, but if in excess of 2 weeks' pay for each year of service, may be partially supplemented from a central fund, as determined by the Finance Review Committee.
- a. Redundancy portions of final payouts are supplemented to a limit of 50% of the total expense.
  - b. The time limit on submission of claims is six months, once the last claimable expense has been paid.

### **Insurance**

- 20) Budget Centre Managers may apply for reimbursement of the out of pocket excess amount in relation to insurance events. The University excess amount is \$20,000. The Budget Unit is responsible for the first \$10,000 of the excess amount and Budget Managers may seek reimbursement for the remaining \$10,000.
- 21) In exceptional cases where the insurer does not cover the entire amount claimed for the event and the Budget Unit is out of pocket for an amount greater than the \$10,000 excess amount, a case may be put forward to FRC to supplement the additional amount.

### **Infrastructure Levy**

- 22) The infrastructure levy is applied automatically to particular fund codes (including A105 and E funds) for external fee-for-service and commercial activities. The Infrastructure Levy recognises that there are real indirect costs to the University in undertaking commercial activities, such as use of buildings, facilities, administration, services, libraries, insurance, etc. The Infrastructure Levy seeks to internalise the cost of the University assets that contribute indirectly to the generation of income and profit.
- 23) The Infrastructure Levy applies to the following activities:
- a. Consultancy work conducted on behalf of the University, including commercial contract research;
  - b. Provision of services or University facilities for commercial gain; and
  - c. Revenue derived from University commercial activities.
- 24) Several activities are generally exempt, including those activities that are instrumental to achieving the objectives of the higher education program, and core University functions directly benefiting students.
- 25) Variations or exemptions to the Infrastructure Levy will be considered by the Finance Review Committee on a case by case basis. Requests for exemption should only be submitted when the value of the levy is over \$1,000.

### **Carry Forward Funds**

- 26) Access to carry forward funds should be endorsed by the respective portfolio head and forwarded to FRC for minuting.

**Claims Procedure**

- 27) Claims to the Finance Review Committee are to be submitted on a proforma. The proforma for all Finance Review Committee claims is available on the Division of Finance website. Separate claim forms are provided for Long Service Leave and other funding supplementation.
- 28) Claims are to be received not less than five business days before the next scheduled Finance Review Committee meeting.

**Outcomes Procedure**

- 29) The committee secretary will communicate outcomes to budget centre managers in a timely manner, post meeting date. As a part of this communication, all approved submissions will be actioned.