

Wednesday, February 21, 2018

12:30 p.m. to 2:15 p.m.

North Campus, ERC 3023

Toll-Free: 1-877-385-4099 Participant Passcode: 1028954#

Members: Nigel Allen (Chair), Fardan Ali, Doug Allingham, Robert Bailey, Jeremy Bradbury, Stephanie Chow, Dietmar Reiner, Mary Simpson

Staff: Becky Dinwoodie, Craig Elliott, Cheryl Foy, Doug Holdway, Brad Maclsaac, Susan McGovern, Pamela Onsiong

Guests: Louis Charpentier

AGENDA

No.	Topic	Lead	Allocated Time	Suggested End Time
1	Call to Order	Chair		
2	Agenda (M)	Chair		
3	Conflict of Interest Declaration	Chair		
4	Approval of Minutes from November 22, 2017* (M)	Chair		
5	Chair's Remarks	Chair		12:35 p.m.
6	Policy & Risk			
6.1	Policy (U):		20	12:55 p.m.
	(a) Policy Reviews (U)	C. Foy		
	(b) Contract Management & Signing Authority* (D)	L. Charpentier		
6.2	Risk Management* (U)	C. Foy		
7	SIRC Building Construction Project* (U)	C. Elliott	5	1:00 p.m.
8	Finance			
8.1	Third Quarter Financial Reports* (U)	P. Onsiong	10	1:10 p.m.
8.2	Budget* (U)(P)	C. Elliott	15	1:25 p.m.
8.3	Endowment Disbursement Report* (M)(P)	C. Elliott	10	1:35 p.m.
8.4	Tuition & Ancillary Fees:	B. Maclsaac	15	1:50 p.m.
	(a) 2018-2019 PhD Engineering Tuition Fees* (M)			
	(b) 2019-2020 Tuition Fees* (D)			
	(c) 2019-2020 Ancillary Fees* (D)			
8.5	TELE Program Update & Laptop Procurement* (M)	B. Maclsaac	10	2:00 p.m.
8.6	UOIT Credit Rating Update (U)	C. Elliott	5	2:05 p.m.

9	Investment Committee Oversight			
9.1	Investment Committee Quarterly Report (U)	S. Chow	5	2:10 p.m.
10	Other Business	Chair		
11	Termination (M)	Chair		2:15 p.m.

Becky Dinwoodie, Secretary



**BOARD OF GOVERNORS
AUDIT & FINANCE COMMITTEE**

**MINUTES OF THE MEETING OF NOVEMBER 22, 2017
PUBLIC SESSION
12:30 p.m. – 1:45 p.m., ERC 3023**

Attendees: Nigel Allen (Chair), Fardan Ali, Doug Allingham, Jeremy Bradbury, Stephanie Chow, Dietmar Reiner, Mary Simpson (*via teleconference*)

Staff: Robert Bailey, Becky Dinwoodie, Craig Elliott, Cheryl Foy, Pamela Onsiong

Regrets: Tim McTiernan

Guests: Mike Eklund (UOIT FA), Christine McLaughlin (UOIT FA)

1. Call to Order

The Chair called the meeting to order at 12:32 p.m.

2. Agenda

Upon a motion duly made by D. Allingham and seconded by D. Reiner, the Agenda was approved as presented.

3. Conflict of Interest Declaration

There were no conflict of interest declarations.

4. Approval of Minutes of Meetings of October 12, 2017

Upon a motion duly made by D. Reiner and seconded by S. Chow, the Minutes were approved as presented.

5. Chair's Remarks

The Chair welcomed the committee members to the meeting. He noted that it would have been President McTiernan's last Audit & Finance Committee meeting; however, President McTiernan was

unable to attend due to a scheduling conflict. The Chair commented on the Colleges Faculty strike, which ended earlier in the week.

6. SIRC Building Construction Project

C. Elliott provided the committee with an update. The moves into the third and fourth floors were underway. A graphic sign will be installed in the spring. The SIRC construction project remains under budget and no contingency has been used. The university has received requests from Durham College to use SIRC's third floor space for classes and events due to the effects of the college strike.

D. Allingham congratulated C. Elliott and his team for delivering the project on time and under budget.

7. Finance

7.1 Second Quarter Financial Reports

P. Onsiong reviewed the second quarter financial reports with the committee. The final installment of the Ministry of Finance loan was paid on October 13, 2017. There was an increase in revenue from tuition fees due to increased enrolment.

There was a discussion regarding the savings from open faculty positions and how it is allocated to the university's surplus as opposed to Faculty carry-overs. P. Onsiong responded to questions from the committee members. She clarified that the "average comparator" group is comprised of seven other small sector universities. The committee also discussed how the Ministry uses the institution's financial metrics, particularly the net operating revenues ratio.

P. Onsiong reviewed the 2017-2018 operating forecast summary. She noted an increase of 322 FTE, resulting in an increase of \$1.8M in tuition revenue. The senior leadership team approved and allocated \$3.5M out of the additional surplus, which has been included in the updated forecast.

SIRC was never included as part of the operating budget. They anticipate incurring \$15M of SIRC costs, partially funded by SIF funding and the remainder by the university's funds. The university has a healthy cash flow. They will consider re-investing the surplus cash into short-term GICs as there are no upcoming capital projects.

There was an engaged discussion regarding the updated forecast and the forecasted surplus.

The Chair thanked C. Elliott and P. Onsiong for the thorough notes included in the report.

7.2 Budget Assumptions, Targets & Outcomes

C. Elliott delivered a presentation providing a budget update. He discussed the increase in forecasted surplus. R. Bailey provided an overview of the type of additional in-year spending for 2017-18 (\$0.9M in base budget and \$2.6M for one-time only expenditures). He also discussed the process for deciding the allocation of the additional \$7.6M in surplus, which included a discussion at Academic Council.

C. Elliott reviewed the key points in the updated 10-year forecast. There is now an ongoing base surplus of \$2M, less whatever is committed as Base expense in 2018/19 budget. There was a discussion regarding the funding of the university's graduate programs.

R. Bailey presented the budget methodology and strategic planning cycle and C. Elliott presented the financial planning cycle.

A concern was expressed about surplus funds having already been allocated without discussing the university's strategic priorities with the committee. The process was clarified and the committee was advised that the senior leadership team discussed which priority items could be accomplished by in-year spending, and the items selected were either health and safety related (eg atrium reno, or already committed expenses by the BOG (eg) cyber insurance. There was also a discussion regarding Academic Council's feedback on the budget presentation. Academic Council acknowledged that there is a need for building space and also identified a need for additional faculty/teaching resources. There was clarification as to the incorporation of strategic planning into the surplus spending.

8. Investment Committee Oversight

8.1 Investment Committee Quarterly Report

S. Chow provided the committee with an update on the portfolio's second quarter returns.

9. Compliance & Policy

9.1 Risk Management

C. Foy confirmed that E. Wannamaker, the Director of Risk Management, is retiring at the end of December. A new Director of Risk Management, Jacquelyn Dupuis, has joined the team. J. Dupuis will be obtaining her Canadian Risk Management designation at the end of the year.

9.2 Compliance & Policy

C. Foy delivered a policy update presentation to the committee. She explained the function of the Policy Framework. There was a discussion regarding how policy gaps are identified.

10. Other Business

11. Termination

There being no other business, upon a motion duly made by D. Allingham and seconded by J. Bradbury, the public session of the meeting adjourned at 1:47 p.m.

Becky Dinwoodie, Secretary



L.R. CHARPENTIER ASSOCIATES

Memorandum to: Members of the Audit and Finance Committee

From: Louis Charpentier
L.R. Charpentier Associates

Date: February 13, 2018

Re: **Discussion Drafts of Proposed *Contract Management and Signing Authority Policy, Procedures and Signing Authority Register***

In preparation for your meeting on February 21st, I have attached consultation drafts of three documents for your review and consideration:

- (1) *Contract Management and Signing Authority Policy*,
- (2) *Contract Management and Signing Authority Procedures*, and
- (3) *Signing Authority Register*, which is an appendix to (2).

The draft documents incorporate elements of UOIT's current policies and procedures, as well as additions modelled on policies and procedures from other Canadian universities. With the three of them, I have attempted to address the major themes that emerged in my early consultations with the Chair and various members of the Board, members of the Senior Leadership Team, and the decanal group. The themes included concerns about clarifying authority and accountability expressed in the current policy and procedure framework, the separation of policy and procedure, and possible gaps in or misinterpretation of either policy or procedure. The proposed register, while embedding components of the current Registry, is significantly more detailed and, with the inclusion of appropriately stratified monetary thresholds, will become even more comprehensive.

The initial drafts were discussed at a meeting of the Senior Leadership Team on November 27th and subsequently revised with members' detailed input. The attached drafts incorporate SLT's advice, as well as that arising from a subsequent discussion with the Chair of the Board and the President prior to the holiday break in December. With their agreement and that of the Interim President and President-Designate, a series of consultations on the proposed policy and procedures began in January with the intent of bringing forward a request for the proposed policy's approval at the May meeting of the Board of Governors.

.../2

Focussing on currently-scheduled meetings of various bodies, the intended steps are:

- (1) Policy Advisory Committee (January 23 – Consultation)
- (2) Finance and Audit Committee (February 21 – Consultation)
- (3) Academic Council (February 27 – Consultation)
- (4) Research Board (February 27 – Consultation)
- (5) Administrative Council (March 13 – Consultation)
- (6) Academic Council (March 20 – Recommendation for approval)
- (7) Audit & Finance Committee (April 26 – Deliberation)
- (8) Board of Governors (May 9 – Approval)

While the latest date to request the Board’s approval would, ideally, be May 9th, we will explore options for streamlining the timing of (1) through (8) of the planned consultations.

For each of the consultation and deliberation sessions, we agreed that the three drafts should be presented together in order to provide complete context for the conversations. At the November SLT meeting, the Chief Financial Officer was charged with leading a small working group to develop the detailed contents of the proposed Signing Authority Register. It is expected that the draft register will be more fully developed for subsequent consultations.

The Contract Signing Authority Committee was formed in January 2018, composed of a cross-section of stakeholders including, in addition to the Chief Financial Officer, one Planning and Budget Officer, one Administrative Director, one Manager of Treasury and Financial Operations, one Executive Administrative Assistant, and one Legal Counsel.

The Committee will be reviewing and updating the signing authority registry to:

- a) Clarify authority and responsibility with regards to various types of contracts,
- b) Make the registry more user-friendly, and understandable for stakeholders,
- c) Provide more detail that captures a wider range of potential contract types, and
- d) Ensure signing authority levels are appropriate for the size and scale of activities at UOIT.

The Committee has been working on determining and defining the various categories of contracts to be included in the Registry. The team is being guided by the attached “Draft” registry, and by “best practices” from other institutions and the university sector.

Once the categories have been established the Committee will then look at the levels of authority to be assigned to each category, with the most appropriate user-friendly formats to display the information. The Committee is targeting February 27 to have a draft register for discussion at Academic Council and Research Board.

Our intent for the discussion on the 21st is to:

- obtain your general reactions to – and, ideally, general agreement with – the proposed re-working of the current contract policy and procedures framework; and
- hear your specific suggestions for improving these first drafts.

Following our conversation, the drafts will be revised to incorporate your suggestions and those of the Policy Advisory Committee. The latter refinements, currently being drafted, will largely be clarifying language about research grants and their administration. The revised documents, including more a more detailed draft register, will be discussed at the meetings of the Research Board and Academic Council on February 27th.

I look forward to your feedback and advice.

Attachments.

cc: Professor Robert Bailey, President and Vice-Chancellor (Interim)



Classification	LCG xxxx
Framework Category	Legal, Compliance and Governance
Approving Authority	Board of Governors
Policy Owner	General Counsel
Approval Date	2018
Review Date	2020
Supersedes	Contract Management Policy, Signing Authority Policy, Signing Authority Registry and Approval Procedures
Last Updated	

CONSULTATION DRAFT – FOR DISCUSSION ONLY

January 12, 2018

CONTRACT MANAGEMENT AND SIGNING AUTHORITY POLICY

PURPOSE

1. This Policy, in support of Contract Management at UOIT,
 - applies to all types of contracts,
 - defines the responsibilities of individuals who negotiate, approve, or sign contracts on behalf of the University, and
 - specifies who has the authority to sign a contract on behalf of the University.

This Policy is intended to ensure:

- that there is sound stewardship of the University's resources and assets through a University-wide framework of contract signing authority and delegation of that authority where appropriate,
- that risk management processes are in place to support effective and informed decision-making,
- that roles and responsibilities are clarified so that administrators and others can manage their respective areas of responsibility effectively, efficiently and transparently,
- that there is consistent accountability and reporting throughout the University, and
- that all contracts undergo authorized review and approval prior to execution.

Every individual signing a contract on behalf of the University must understand that, in doing so, the individual is binding the University, not a department, a Faculty or an administrative unit.

DEFINITIONS

2. For the purposes of this Policy the following definitions apply:

“Contract” means any document that establishes, or any other evidence of, an intention to establish a binding legal relationship between the University and one or more third parties.

Such documents or evidence include, but are not limited to, letters of intent, memoranda of agreement, memoranda of understanding, leases, licenses, donor agreements, deeds and grants.

“Contract Implementer” (“CI”) means the individual or department designated by the Signing Authority to be responsible for initiating and negotiating a Contract, receiving or providing a good, service, or other benefit, pursuant to the Contract, and/or meeting obligations under the Contract. A Contract may have multiple CIs.

“Contract Life Cycle” is the period of time commencing upon initiation of a Contract and ending the day after all University obligations have been fulfilled or have expired.

“Contract Management” means the set of activities required to properly manage contractual commitments to and from third parties and includes the management of pre-Contract diligence, negotiation, and implementation activities.

“Designated Signing Authority” (“DSA”) means the individual(s) with direct or delegated authority to sign a Contract in accordance with the UOIT Contract Management and Signing Authority Procedures.

“Financial Review” means an analysis of a draft Contract by the University’s Chief Financial Officer or delegate to ensure that, prior to signing a proposed Contract:

- The Contract Implementer understands the financial implications of a proposed Contract;
- The terms of the Contract are supported by the University’s budget, and are sustainable in the University’s long-term fiscal forecast.

“Legal Review” means a review of a draft Contract by the University’s General Counsel or delegate to ensure that, prior to signing a proposed Contract:

- The Contract Implementer is made aware of the legal obligations and associated risks a proposed Contract entails;
- The terms of the Contract will not subject the University to an unacceptable level of liability or risk; and
- The Contract does not contain legal commitments that are unacceptable to the University.

“Sponsor” means the provider of funds for research activities, including both external and internal sources.

SCOPE AND AUTHORITY

3. This Policy applies to all types of Contracts and extends to all members of the University community.
4. The General Counsel, or successor thereof, is the Policy Owner and is responsible for overseeing the implementation, administration and interpretation of this Policy.

POLICY

5. Under the *University of Ontario Institute of Technology Act, 2002*, the Board may delegate to the President, Vice-Presidents, or other employees of the University signing authority and responsibility for matters necessary for the University's day-to-day operations.
6. Contracts will be in writing and signed by the Designated Signing Authority or permitted delegate.
7. Each Contract will have at least one designated Contract Implementer assigned by the Designated Signing Authority. Where a Contract Implementer is not assigned, the Designated Signing Authority becomes the Contract Implementer for the purposes of this Policy.
8. All Contracts are to be entered into in the name of the Board of Governors of the University of Ontario Institute of Technology.
9. All persons who negotiate, approve or sign Contracts on behalf of the University must comply with procedures issued by the President relating to the negotiation and execution of University Contracts, and developed and approved consistent with the University's Policy Framework as approved from time to time.
10. No person is authorized to sign any document that creates an obligation or undertaking on behalf of the University unless
 - 10.1. such Contract has been reviewed and approved in accordance with this Policy and its related procedures, or other applicable Board by-law, resolution or policy; and
 - 10.2. the individual has signing authority in accordance with this Policy and its related procedures, or other applicable Board by-law, resolution or policy.
11. The President is authorized to execute any Contract on behalf of the University except in the following circumstances:
 - 11.1. Where the President's authority to deal with the subject matter of the Contract is limited by Board by-law, resolution or policy; or
 - 11.2. Where the authority to execute the Contract has been specifically delegated in another Board by-law, resolution or policy.
12. The President may delegate this signing authority to other University employees but shall remain accountable to the Board of Governors for all Contracts executed by such delegates. The nature and scope of such delegation from the President, including approval requirements, shall be set out in procedures issued by the President as described in section 9 above.
13. The President and Vice-Presidents may sub-delegate temporarily the signing authority given to them under any Board by-law, resolution or policy for the duration of any absences from the University, or permanently according to criteria set out in the procedures issued by the President. Holders of restricted funds (research, endowment spending and other trust funds) may temporarily delegate signing authority.
14. Publication of the operating budget (with the exclusion of the Series 'A' Debenture), as approved by the Board of Governors of the university, confers authority upon Vice-President, deans, chairs or directors of faculty/departments to make expenditures within the amounts and scope of the accounts allotted to them in the budget. The Chief Financial Officer is responsible

for establishing and overseeing the application of procedures for effective financial management and control to enable senior administrators and others with financial responsibility to execute their responsibilities appropriately. ***[Note to draft: Section 2 of the current Signing Authority Register and Approval Procedures would comprise such procedures.]***

15. It is the responsibility of the President to bring to the attention of the Board of Governors or appropriate Board committee any proposed Contract, regardless of value, which, in the President’s judgement, presents an unusually high level of risk to the University, that brings the activities of the University under scrutiny; or that involves precedent-setting or controversial issues or issues might reasonably be seen to have an effect on the University beyond its normal operations.
16. Contracts will be developed and managed in accordance with applicable University policies and procedures.

MONITORING AND REVIEW

17. This Policy will be reviewed as necessary and at least every three years. The Policy Analyst and Compliance Officer, or successor thereof, is responsible to monitor and review this Policy.

RELEVANT LEGISLATION

18. University of Ontario Institution of Technology Act, 2002, S.O. 2002, Chapter 8, Schedule O, as amended from time to time.

RELATED POLICIES, PROCEDURES & DOCUMENTS *[Note to draft: List to be updated.]*

19. Contract Management Framework
 - Contract Authority Policy
 - Contract Authority and Approval Procedure
 - Legal Review of Contracts Policy (under development)
 - Policy on the Internal Use of Research Funds
 - Procurement Policy
 - Procurement Procedures
 - Expenses Policy and Procedures



Classification	LCG xxxx
Parent Policy	Contract Management and Signing Authority Policy
Framework Category	Legal, Compliance and Governance
Approving Authority	President
Policy Owner	General Counsel
Approval Date	2017
Review Date	2020
Supersedes	Signing Authority Registry and Approval Procedures
Last Updated	

CONSULTATION DRAFT – FOR DISCUSSION ONLY

January 12, 2018

Note to draft: This document does not use UOIT's standard policy instrument template. With further input and agreement on content from planned consultations, the text will be reformatted to be consistent with the normal template.

CONTRACT MANAGEMENT AND SIGNING AUTHORITY PROCEDURES

PURPOSE

1. The purpose of these Procedures, issued by the President pursuant to the *Contract Management and Signing Authority Policy*, is to define the processes by which contracts are managed, reviewed, approved and signed. Appendix A, attached hereto, comprises the Signing Authority Registry (SAR) which specifies the delegated signing authorities by category of contract. Individual positions identified in the SAR are authorized to enter into contracts on behalf of UOIT.

The Procedures apply to all acquisitions, contracts and agreements involving the use of university operating, capital, ancillary, research and all other funds held in trust or at its disposal. All acquisitions shall be compliant with provincial and federal laws, trade agreements and related university policies, procedures and guidelines.

DEFINITIONS

2. For the purposes of this Policy the following definitions apply:
“Contract” means any document that establishes, or any other evidence of, an intention to establish a binding legal relationship between the University and one or more third parties. Such documents or evidence include, but are not limited to, letters of intent, memoranda of agreement, memoranda of understanding, leases, licenses, donor agreements, deeds and grants.

“Contract Implementer” (“CI”) means the individual or department designated by the Signing Authority to be responsible for initiating and negotiating a Contract, receiving or providing a good, service, or other benefit, pursuant to the Contract, and/or meeting obligations under the Contract. A Contract may have multiple CIs.

“Contract Life Cycle” is the period of time commencing upon initiation of a Contract and ending the day after all University obligations have been fulfilled or have expired.

“Contract Management” means the set of activities required to properly manage contractual commitments to and from third parties and includes the management of pre-Contract diligence, negotiation, and implementation activities.

“Designated Signing Authority” (“DSA”) means the individual(s) with direct or delegated authority to sign a Contract in accordance with the UOIT Contract Management and Signing Authority Procedures.

“Financial Review” means an analysis of a draft Contract by the University’s Chief Financial Officer or delegate to ensure that, prior to signing a proposed Contract:

- The Contract Implementer understands the financial implications of a proposed Contract;
- The terms of the Contract are supported by the University’s budget, and are sustainable in the University’s long-term fiscal forecast.

“Legal Review” means a review of a draft Contract by the University’s General Counsel or delegate to ensure that, prior to signing a proposed Contract:

- The Contract Implementer is made aware of the legal obligations and associated risks a proposed Contract entails;
- The terms of the Contract will not subject the University to an unacceptable level of liability or risk; and
- The Contract does not contain legal commitments that are unacceptable to the University.

“Sponsor” means the provider of funds for research activities, including both external and internal sources.

NEGOTIATING CONTRACTS

2. The Designated Signing Authority has overall responsibility for Contract Management within his/her organizational area. Such responsibility includes:
 - 2.1. Establishing the goals, objectives and/or requirements giving rise to a potential Contract.
 - 2.2. Verifying that entering into a Contract is the best path to the fulfilment of the goals, objectives or requirements identified.
 - 2.3. Ensuring that the Designated Signing Authority has the requisite authority to enter into contract negotiations.
 - 2.4. Reviewing relevant University policies to determine if approvals or reviews are required from the Board of Governors, a Board committee, Academic Council or an officer of the University prior to initiating negotiations.

- 2.5.** Assigning a Contract Implementer and providing direction to the Contract Implementer throughout the Contract Life Cycle.
- 2.6.** Negotiating the terms and conditions of the Contract to ensure it is favourable to the University and meets the identified objectives. In so doing, the Designated Signing Authority is to be satisfied that:
- the proposed terms are sufficiently clear and accurately reflect the current state of negotiations, meet the University's program or operational requirements, and comply with all applicable legislation, regulatory requirements, Sponsor terms and conditions, and University policies;
 - the potential risk associated with the Contract has been assessed adequately in order to: identify clearly the risks that will need to be mitigated in the Contract or otherwise; and determine whether the potential benefits and/or liabilities are reasonable given the purpose of the Contract.
 - the University maintains the required insurance coverage and the other party has provided acceptable proof of coverage;
 - the University can fulfill its obligations within the terms of the Contract;
 - the other party(ies) is/are reasonably likely to meet its/their obligations; and
 - the Contract is in the best interests of the University.
- 2.7.** Identifying and completing any diligence required, including assessing the likely impact of the Contract on other units of the University and ensuring that appropriate and timely consultation takes place with any units that might be affected by the Contract.
- 2.8.** Ensuring that all necessary reviews of the Contract are carried out, including:
- A financial review;
 - An insurance review;
 - A legal review;
 - A liability and indemnity review; and
 - A personal information and privacy protection review.
- 2.9.** Ensuring that, regardless of the value of the Contract, Contracts:
- with unusually high risk, or
 - that bring the activities of the University under public scrutiny, or
 - that involve any controversial matter,
- must be brought to the attention of the President, in the case of Vice-Presidents, or the appropriate Vice-President's office by the Designated Signing Authority prior to the contract being signed. The President is responsible for seeking the advice and/or approval of the Board as needed.
- 2.10.** Managing the execution and administration of the Contract to ensure all obligations under the Contract are effectively met.

LEGAL REVIEW

3. The steps defined below are intended to support the Designated Signing Authority in identifying whether a legal review is required and ensuring that it has been obtained prior to the Contract being approved.

Required Legal Review: The Designated Signing Authority will obtain a legal review where the terms of a Contract present risk in one or more of the following ways:

- **Financial** where the total value (cash and in kind consideration) of the Contract is in excess of \$500,000.
- **Reputation** where a potential Contract:
 - Involves the transfer, storage or use of personal information;
 - Raises questions of significant legal or regulatory compliance.
- **Assumption of liability or indemnity by the University** where:
 - The University is agreeing to take on liability greater than \$500,000; and/or
 - Agrees to indemnify another party the costs of which may exceed \$500,000;
- **Contract length exceeds five years and/or requires automatic renewal;**
- **Risk to property and person** where the Contract contains significant risk factors and/or potential for injury to individuals or property.

Discretionary Legal Review: In the following circumstances, the Designated Signing Authority may determine whether or not a legal review is required, based on his or her assessment of the nature and extent of the risk presented:

- **Financial** where the total value (cash and in kind consideration) of the Contract is less than \$500,000.
- **Reputation** where a potential Contract may:
 - Not align with the goals and values of the University;
 - Bring the activities or decisions of the University under public scrutiny;
 - Have an impact on any of the University's strategic relationships;
 - Involve matters considered controversial;
- **Assumption of liability or indemnity by the University** where:
 - The University is agreeing to take on liability less than \$500,000; and/or
 - Agrees to indemnify another party the costs of which will not exceed \$500,000;
- **Intellectual Property (IP)** where the University is considering transferring, sharing or acquiring IP or obligations related to IP.

Exceptions to Legal Review: The Designated Signing Authority may presume that a legal review will not be required where:

- A Contract that has previously undergone Legal Review is being renewed, provided it is not being modified in any substantive way.
- A Contract is developed from a pre-approved, University template that has not been modified in any substantive way.
- The General Counsel, or delegate, waives the requirement for legal review.
- The Contract value (cash and in kind consideration) is nominal.

Where there is any specific concern regarding the provisions of a Contract, the Contract Authority may request a legal review, even if one is not required under these Procedures.

Requesting a Legal Review: Where the Contract Authority determines that a Legal Review is required in accordance with these Procedures, he or she will submit the draft Contract to the Office of the General Counsel through legal@uoit.ca.

Contract Authorities are encouraged to consult with the Office of the General Counsel as early as possible in the Contract Management process. Requests for Legal Review should normally be submitted at least 15 working days in advance.

When submitting a draft Contract for Legal Review, the Contract Authority should provide the following information:

- Outline of the objectives and/or requirements giving rise to the Contract;
- Summary of the perceived risks and/or concerns;
- Supporting documents, as applicable; and
- Timeframe in which input is required.

Upon reviewing the draft Contract, the General Counsel, or delegate, has the authority to determine if the assistance of outside legal counsel is required.

Outcome of a Legal Review: When the Legal Review is complete, the General Counsel, or delegate, will inform the Contract Authority of any issues that, in his or her opinion:

- Should be addressed or negotiated by the Contract Authority prior to the Contract being approved; or
- Present a substantial risk to the University that cannot be mitigated through revision or negotiation of the Contract and which will require additional approval.

FINANCIAL REVIEW

Note to draft: This section is to be developed with the Chief Financial Officer to provide guidance similar to that for a legal review. It would incorporate, as appropriate, excerpts from existing

procedural documents, as well as updated provisions consistent with the University's financial control and oversight environment.

4. The steps defined below are intended to support the Designated Signing Authority in identifying whether a financial review is required and ensuring that it has been obtained prior to the Contract being approved.

Required Legal Review: The Designated Signing Authority will obtain a financial review where the terms of a Contract have financial implications for the University, either in kind or cash.

APPROVING CONTRACTS

5. Individuals who are required to approve a contract prior to signature must satisfy themselves that the requirements set out above under "Negotiating Contracts" have been met. Approval of a contract indicates that the individual is satisfied that all necessary steps have been taken to ensure that the form and content of the contract are satisfactory, and that the individual recommends that the contract be signed on behalf of the University.

SIGNING CONTRACTS

6. The Signing Authority will approve the content of all Contracts prior to execution of the Contract on behalf of the University. All such individuals authorized to sign contracts on behalf of the University must satisfy themselves that the requirements set out above under "Negotiating Contracts" have been met and that all required reviews and approvals have been obtained.

RETENTION OF CONTRACTS

7. The original copy of the contract and signature page, along with supporting documentation indicating that appropriate reviews have been completed shall be maintained by the Signing Authority's office. The custodians of contracts must ensure that they are kept secure and retained for the stipulated retention period specified in the University's Records Classification and Retention Schedule.

ASSOCIATED POLICIES, PROCEDURES AND GUIDELINES [Note to draft: List to be updated.]

All procurement activities must adhere to standards and procedures as outlined in the associated procedures and guidelines, which include the following: [insert links]

- Purchasing Procedures
- Academic Staff Employment Policy
- Conflict of Interest in Research Policy
- Gift Acceptance Policy and Procedures
- Health and Safety Policy and Procedures

- Radiation Safety Manual
- Biosafety Manual
- Animal Care and Use Policies and Guidelines
- Investment Policy
- Procedures for the Determination of Contractor Status
- Risk Management Policy (under development)
- Signing Authority Registry and Approval Procedures
- Signing Authority Registry
- Supply Chain Code of Ethics
- Travel Expense Reimbursement Procedure
- Whistleblower Policy

External procedures and guidelines:

- Supply Chain Guidelines, Ontario Ministry of Finance

REVIEW

The procedures and associated rates and schedules will be reviewed from time to time, and may be adjusted as required by the university policies and broader regulatory requirements.



Classification	LCG xxxx
Framework Category	Legal, Compliance and Governance
Approving Authority	
Policy Owner	
Approval Date	
Review Date	
Supersedes	
Last Updated	

CONSULTATION DRAFT – FOR DISCUSSION ONLY

October 31, 2017

CONTRACT MANAGEMENT AND SIGNING AUTHORITY POLICY

Contract Management and Signing Authority Procedures

Appendix A – Signing Authority Register

NOTE: The contract types (major headings and sub-headings) are intended as examples only and are to be refined through consultation. In addition, for several contract types, there will likely be a number of ranges/thresholds.

Contract Type	Dollar Threshold	Approval Requirement	Signing Authority	Retaining Office	Applicable Policy
1. Academic Programs (Agreements relating to student education or training)					
Affiliation agreements					
Educational partnerships					
Student placements					

Agreements regarding co-op, internships, service learning					
Student Exchanges					
Inter-institutional collaborations					
Non-degree programs / courses					
2. Advancement					
Gift Agreements					
Estate Administration					
Affinity Contracts					
3. Advertising, Sponsorships, Commercial Activities					
4. Ancillary Services / Hospitality Services					
Contracts regarding					

normal operations					
5. Banking and Financial Transaction Matters					
Banking Agreements					
Banking Resolutions					
Banking Signing Authorities					
Capital Borrowing					
Guarantees					
Investments					
Lines of Credit					
6. Employment					
President					
Executive					

Collective Agreements					
Pensions					
Letters of appointment					
7. Construction and Maintenance Projects					
Contracts with architectural, engineering or design consultants					
Contracts for construction or maintenance projects					
8. Consultants and Other Service Providers					
External Auditors					
Investments					
Legal Services					

9. Continuing Education					
Contracts regarding normal operations					
10. Disposal or Sale of University Assets					
Contracts regarding sale or disposal of surplus assets					
Contracts regarding sale or disposal of other assets					
11. Lease of University Facilities					
Leases for long-term use and related operating agreements					
Leases for short-term use and related operating agreements					
Renewals of leases and operating agreements					

Conferences					
12. Legal Settlements					
Settlement agreements					
13. Licenses to use University Name and Marks					
Licensing contracts					
14. Procurement of Goods and Services					
Contracts regarding acquisition of goods and services (purchase, rental or lease), including service, licensing and maintenance agreements / warranties					
Insurance contracts					
Software licences					

15. Real Estate					
Acquisition of property					
Sale of property					
Lease of property – short-term					
Lease of property – long-term					
16. Research Related Grants, Contracts and Agreements					
Applications for research funding					
Sponsored research funding agreements for grants, contracts and service					
Intellectual Property					
Partnership / collaboration agreements					

17. Service Contracts					
Contract for provision of a professional, administrative, technical or educational service, program or product to an external entity.					
18. Sports and Recreation Services					
19. Use of University Facilities					
Short-term use of general University facilities.					
20. Utilities					
Contracts with suppliers – short-term					
Contracts with suppliers – long-term					

21. Other Contracts					
Miscellaneous contracts					
Contracts not covered elsewhere in the Register					



COMMITTEE REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Audit & Finance Committee

DATE: February 21, 2018

PRESENTED BY: Cheryl Foy, University Secretary & General Counsel

SUBJECT: Risk Management Update

COMMITTEE MANDATE:

- Section 5 of the university’s Risk Management Policy (“Policy”) provides that the responsibility to oversee the university’s risk management program resides with the Board of Governors.
- The Policy also states that the Audit & Finance Committee is delegated to carry out this oversight responsibility on the part of the Board and to report annually to the Board on the status of the risk management program.
- The responsibility for overseeing risk management at the university is also included in the committee’s Terms of Reference.
- In support of the committee’s mandate, we are providing a status update on the implementation of University Risk Management (“URM”).

BACKGROUND/CONTEXT & RATIONALE:

- In 2015-16, the Audit & Finance Committee received regular reports on the progress of URM.
- At its meeting of June 29, 2016, the Board accepted the first URM Report.
- The key areas of focus in 2016/2017 were:
 - finalizing risk registers by functional area and institutional committees/individuals with institutional responsibilities;
 - revamping the risk website; and

- regular meetings of the Risk Management Committee to discuss metrics and integration best practices.
- We have developed the attached Risk Management Work Plan in order to guide the continued progress and implementation of URM at the university.

RESOURCES REQUIRED:

- Time and resources of SLT, Administrative Council (senior administrative and academic teams), and Risk Management Committee, including time involved in the consultation process

IMPLICATIONS:

- n/a

ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:

- n/a

ALTERNATIVES CONSIDERED:

- n/a

CONSULTATION:

- the key consultation dates are set out in the attached Work Plan

COMPLIANCE WITH POLICY/LEGISLATION:

- The proposed process promotes compliance with the university's Risk Management Policy, as well as the committee's Terms of Reference.

NEXT STEPS:

- Draft metrics will be presented at the next Audit & Finance Committee meeting on April 26 for feedback

SUPPORTING REFERENCE MATERIALS:

- Risk Management Work Plan

Risk Management Work Plan (Phase 5)

Risk Register Update including Process for Risk Owners

Task	Proposed Action	Timeline	Status
1. Determine Annual Process for Risk Owners	Develop process flow for Risk Owners prior to campus wide distribution	February 16	Underway
2. Finalize individual Risk Registers	Review and finalize remaining departmental/faculty risk registers	February 28	Underway
3. Review risk management process with SLT	CF to discuss the risk management process with the SLT	TBD March	
4. Meet with Risk Owners	Meet with all Risk Owners to review the individual risk registers and provide training on the Risk Owner Process document	Completed by April 13	
5. Strategic Risks discussion with SLT	Strategic risk discussion with the SLT to determine the strategic risks for UOIT	TBD March	
6. Strategic Risks discussion with the Board	Strategic risk discussion with the Board to finalize the list of strategic risks for UOIT	May Board Retreat	
7. Metrics – meet with A&F to discuss	Confirm metrics with A&F	April 26	
8. Metrics - Risk Management office	Continue to monitor and record metrics for the office of Risk Management	Ongoing	

Task	Proposed Action	Timeline	Status
9. Progress meeting with Risk Management Committee	Update the Risk Management Committee on the progress with the development of the 2018 Risk Management Report and Metrics	TBD March	
10. Develop 2018 Annual Risk Management Report	Begin developing the draft 2018 Risk Management Report	Final Draft report to Board on June 27	
11. Meet with Risk Management Committee	Review 2018 Risk Plan with Risk Management Committee	Week of May 1	
12. SLT - Draft Risk Plan	Discuss draft 2018 Risk Management Report	June 1	
13. A&F – Draft Risk Plan	Present the draft 2018 Risk Management Report	June 18	
14. Board of Governors – Draft Risk Plan	Present 2018 Risk Management Report	June 27	
15. Website update	Review and update the Risk Management website adding FAQ's and new forms	Ongoing	
16. Business Continuity Policy	Develop a draft Business Continuity Policy for UOIT to assist in implementing a Business Continuity Plan	Underway	
17. Crisis Response Plan for a Cyber Loss	Work with IT to develop a crisis response plan in the event of a cyber loss	Underway	

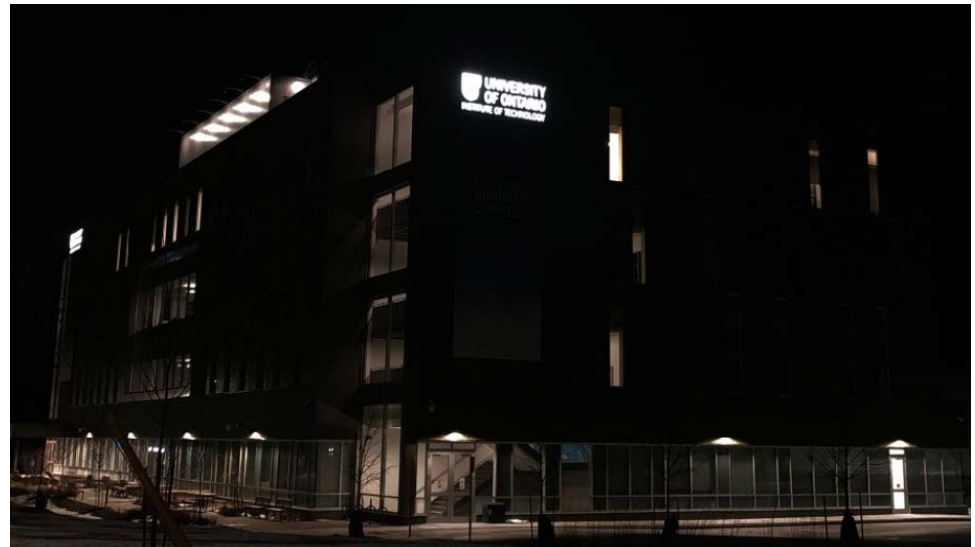
Software & Informatics Research Centre (SIRC)

Project Update For Audit & Finance – February 21, 2018



Progress Update (as of 2 February 2018) :

- Building Deficiencies clearing on going
- AV deficiencies clearing on going
- Improvement works
- Shop SIRC in operation
- Classrooms and Labs in use
- Majority of moves completed



Site Safety:

- Nothing to report - no incident on site this period

Change Orders:

- No change order requested and approved this month

Procurement Summary:

- GMP tenders completed, and finalizing costs.
- FFE budget has anticipated savings of \$875K

Financial Summary:

- No SIF funding received this period
- Total SIF funding received to date \$11.24M
- Forecast project cost at completion \$31.4M
- Project budget underspent of \$1.9M. Included in these savings are \$219K of improvements that we not in the original budget (eg) illuminated UOIT signage on South and East sides of building, and on Penthouse roof

Summary Financial Report as of 2 February 2018

CASH FLOW REPORT FOR ENDING MONTH OF JANUARY 2018

Sources of Funds													
Description	Actuals January 2018	Budget January 2018	Actual YTD	Budget YTD	Variance	Source of Funds Comments	Total Funding Budget	Total Actual YTD	Forecasted Funding Required	Funding at Completion	Variance		
							A	B	C	B+C = D	D-A		
UOIT	\$1,137,175	\$1,137,175	\$18,570,143	\$21,128,140	-\$2,557,997	Variance due to SIF grant received higher than planned and the unused contingency	\$20,298,110	\$18,570,143	-\$206,816	\$18,363,327	-\$1,934,783		
SIF	\$0	\$0	\$11,238,796	\$9,467,363	\$1,771,433	SIF grant received to date is \$1.7M higher than forecast	\$13,001,890	\$11,238,796	\$1,763,094	\$13,001,890	\$0		
Advancement	\$0	\$0	\$0	\$0	\$0	Advancement funds have not officially been committed to the project.	\$0	\$0	\$0	\$0	\$0		
Totals	\$1,137,175	\$1,137,175	\$29,808,939	\$30,595,503	-\$786,564	See variance explanation below	\$33,300,000	\$29,808,939	\$1,556,278	\$31,365,217	-\$1,934,783		
Uses of Funds - Trend Line													
Description	Actuals January 2018	Budget January 2018	Actual YTD	Budget YTD	Variance	YTD Variance Explanation	Milestone	Date	Total Budget	Total Actual YTD	Estimate to Complete	Estimate at Completion	Variance
									A	B	C	D = B+C	D-A
GMP Base Contract	\$0	\$0	\$20,218,346	\$20,218,346	\$0	phase 1 completed. Fully invoiced. Balance 2% warranty.	Substantial Completion	Completed	\$20,630,966	\$20,218,346	\$412,620	\$20,630,966	\$0
CO3 GMP Fl. 3&4	\$601,918	\$601,918	\$5,376,889	\$5,376,888	\$0	Phase 2 completed. Remaining HB added to Warranty HB	Substantial Completion	Completed	\$5,657,627	\$5,376,889	\$280,738	\$5,657,627	\$0
CO1 Fl. 3&4 Design	\$0	\$0	\$86,141	\$86,141	\$0	Work completed.	Complete	Completed	\$87,899	\$86,141	\$1,758	\$87,899	\$0
CO2 Transformer	\$0	\$0	\$107,826	\$107,826	\$0	Work completed.	Power-on	Completed	\$110,026	\$107,826	\$2,200	\$110,026	\$0
CO4 Donor Signage	\$0	\$0	\$8,749	\$8,749	\$0	Work completed	Complete	Completed	\$8,928	\$8,749	\$178	\$8,928	\$0
CO5 Door Operators	\$0	\$0	\$197,020	\$197,020	\$0	Work in progress	Substantial Completion	Completed	\$0	\$197,020	\$4,021	\$201,041	\$201,041
Design	\$0	\$0	\$310,230	\$310,230	\$0	Work completed.	Complete	Completed	\$310,230	\$310,230	\$0	\$310,230	\$0
FFE	\$503,355	\$503,355	\$1,931,308	\$1,956,407	-\$25,099	Actual invoice for the Fibre work from Library to Wiley	Substantial Completion	4/30/2018	\$3,619,350	\$1,931,308	\$812,364	\$2,743,672	-\$875,678
Consultants	\$15,512	\$15,512	\$389,920	\$405,719	-\$15,800	Ministry Signage invoice lower than budgetted.	NA	NA	\$300,749	\$389,920	\$42,398	\$432,318	\$131,569
Parking	\$16,360	\$16,360	\$1,003,302	\$1,028,071	-\$24,769	Certified work completed less than the contract award value.	Substantial Completion	Completed	\$1,018,975	\$1,003,302	\$0	\$1,003,302	-\$15,673
Contingency	\$0	\$0	\$0	\$707,908	-\$707,908	No contingency has been used to date. Contingency was forecasted for the months of July/August/September to allow for any unknown items that could have arisen during early construction.	NA	NA	\$1,271,666	\$0	\$0	\$0	-\$1,271,666
Management Fees	\$31	\$31	\$179,209	\$192,198	-\$12,989	Miscellaneous disbursement and salary variance	NA	NA	\$283,585	\$179,209	\$0	\$179,209	-\$104,376
Totals	\$1,137,175	\$1,137,175	\$29,808,939	\$30,595,503	-\$786,564				\$33,300,000	\$29,808,939	\$1,556,278	\$31,365,217	-\$1,934,783



Financial Update
Report to the Audit and Finance Committee
For 9 months ending December 31, 2017

February 21, 2018

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017
Table of Contents

	<u>Page</u>
I. Consolidated Financial Statements	1 - 6
II. Financial Metrics	7 - 9
III. 2017 – 18 Forecast Update	10 - 13
IV. Capital	14 - 15
V. Cash Flow	16 - 17
VI. Long-term Forecast	18 - 20

Consolidated Financial Statements of

**UNIVERSITY OF ONTARIO
INSTITUTE OF TECHNOLOGY**

For 9 months ending December 31, 2017

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Consolidated Statement of Financial Position
As at December 31, 2017

	<u>Dec 31, 2017</u>	<u>Dec 31, 2016</u>	<u>YOY Variance</u>	<u>Mar 31, 2017</u>
ASSETS				
CURRENT				
Cash and cash equivalents	\$ 23,417,949	\$ 38,033,962	\$ (14,616,013)	\$ 56,795,539
Short-Term Investments	17,339,483	1,148,400	16,191,083	-
Grant receivable	6,978,746	7,786,293	(807,546)	6,152,287
Other accounts receivable	40,175,111	40,061,197	113,914	7,624,344
Prepaid expenses and deposits	2,141,935	2,279,555	(137,620)	1,689,870
Inventories	849,687	986,190	(136,503)	172,514
	<u>90,902,912</u>	<u>90,295,596</u>	<u>607,316</u>	<u>72,434,554</u>
INVESTMENTS	25,572,923	28,699,828	(3,126,905)	29,632,811
CAPITAL ASSETS	401,931,306	393,125,711	8,805,595	399,939,626
TOTAL ASSETS	\$ 518,407,141	\$ 512,121,135	\$ 6,286,006	\$ 502,006,991
LIABILITIES				
CURRENT AND LONG-TERM LIABILITIES				
Accounts payable and accrued liabilities	21,095,659	25,120,982	(4,025,323)	34,633,948
Deferred revenue	49,711,909	48,253,162	1,458,747	20,878,720
	<u>70,807,568</u>	<u>73,374,144</u>	<u>(2,566,576)</u>	<u>55,512,668</u>
LONG TERM DEBT	691,825	6,455,049	(5,763,224)	6,390,043
OBLIGATIONS UNDER CAPITAL LEASE	38,297,915	38,787,541	(489,626)	38,672,762
DEBENTURE DEBT	170,000,002	175,501,181	(5,501,179)	175,501,181
DEFERRED CAPITAL CONTRIBUTIONS	162,834,933	162,988,328	(153,395)	164,581,824
	<u>442,632,243</u>	<u>457,106,244</u>	<u>(14,474,000)</u>	<u>440,658,478</u>
Net Assets				
NET ASSETS, excluding current year surplus	41,731,793	29,128,143	12,603,649	29,128,146
ENDOWMENTS	21,230,361	19,760,849	1,469,512	19,616,720
CURRENT YEAR SURPLUS	12,812,744	6,125,897	6,686,847	12,603,647
	<u>75,774,897</u>	<u>55,014,890</u>	<u>20,760,007</u>	<u>61,348,513</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 518,407,141	\$ 512,121,135	\$ 6,286,006	\$ 502,006,991

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Consolidated Statement of Operations
For the 9 months ending December 31, 2017

	<u>Dec 31, 2017</u>	<u>Dec 31, 2016</u>	<u>YOY Variance</u>
REVENUE			
Grants - operating & research	\$ 52,852,987	\$ 50,979,980	\$ 1,873,007
Grant - debenture	13,500,000	13,500,000	-
Donations - operating & research	1,428,749	754,515	674,234
Student tuition fees	53,850,249	52,012,993	1,837,257
Student ancillary fees	10,765,393	10,588,958	176,435
Revenue from purchased services	2,529,886	2,820,230	(290,344)
Other income	11,836,074	6,683,080	5,152,995
Amortization of deferred capital contributions	6,523,282	6,459,326	63,956
Interest revenue	530,178	238,941	291,237
Unrealized gain on investments	283,239	874,807	(591,568)
Gain on disposal of assets	250,022	709,055	(459,034)
	\$ 154,350,060	\$ 145,621,884	\$ 8,728,176
EXPENSES			
Salaries and benefits	74,971,893	71,847,463	3,124,430
Supplies and expenses	26,247,256	26,149,162	98,095
Purchased Services	9,481,649	11,181,641	(1,699,991)
Professional fees	2,975,423	524,982	2,450,441
Interest expense - Current Obligations	114,319	108,099	6,220
Interest expense - Long Term Debt	10,680,639	11,082,568	(401,929)
Amortization of capital assets	17,066,135	18,602,073	(1,535,938)
	\$ 141,537,316	\$ 139,495,988	\$ 2,041,329
Excess of revenue over expenses	\$ 12,812,744	\$ 6,125,897	\$ 6,686,847

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Consolidated Statement of Cash Flows
As at December 31, 2017

	<u>Dec 31, 2017</u>	<u>Dec 31, 2016</u>
NET INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenues over expenses	\$ 12,812,744	\$ 6,125,897
Items not affecting cash:		
Amortization of capital assets	17,066,135	18,602,073
Amortization of deferred capital contributions	(6,523,282)	(6,459,326)
Gain on disposal of assets	(250,022)	(709,055)
Unrealized gain on investments	(283,239)	(874,807)
	<u>22,822,336</u>	<u>16,684,781</u>
Working Capital		
Grant and other accounts receivable	(33,377,227)	(35,207,473)
Prepaid expenses and deposits	(452,065)	(577,877)
Inventories	(677,173)	(831,928)
Accounts payable and accrued liabilities	(13,538,290)	1,180,442
Deferred revenue	28,833,190	27,894,884
	<u>3,610,772</u>	<u>9,142,830</u>
INVESTING		
Purchase of capital assets	(18,807,794)	(13,507,504)
Investments	(12,996,358)	12,164,162
Endowment contributions	1,613,641	1,589,190
	<u>(30,190,509)</u>	<u>245,848</u>
FINANCING		
Repayment of long term debt	(11,199,396)	(10,522,896)
Repayment of obligations under capital leases	(374,847)	(302,785)
Deferred capital contributions	4,776,391	7,161,970
	<u>(6,797,853)</u>	<u>(3,663,710)</u>
NET CASH (OUTFLOW) / INFLOW	(33,377,590)	5,724,968
CASH BALANCE, BEGINNING OF YEAR	56,795,539	32,308,994
CASH BALANCE, END OF PERIOD	\$ 23,417,949	\$ 38,033,962

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

Cash and short-term investments increased \$1.6m over last year. Any surplus cash from under-spending in the last budget year has been consumed by a net \$16.2m in SIRC capital investment in the first 9 months of the current year.

Grant receivable balance of \$7.0m includes \$5.6m Collaborative Nursing (CN) grant funded on a slip-year basis (PY bal. \$2.2m to be received in CY, and CY bal. \$3.4m receivable in next FY) and \$1.4m of external research grants all of which are current.

Grant receivable decreased \$0.8m as the prior year balance included \$1.5m of SIF grant receivable (received in Jan 2017) for SIRC construction, offset by \$0.4m increase in CN grant associated with YOY growth and \$0.3 increase in research grants.

Other accounts receivable includes student and trade receivables. Y/E balance of \$40.2m includes \$36.6m of student A/R (\$1.1m for spring 2017 and prior, \$0.5m for fall 2017 and \$35.0m for the future winter 2018 semester for which payment is due in Jan 2018), \$0.9m for sale of laptops received in Jan 2018, other current receivables comprising \$0.6m ACE, \$0.5m research and other balances, none exceeding \$0.5m.

Investment balance of \$25.6m relates to endowed funds held at PH&N. The decrease of \$3.1m includes a decrease of \$5.5m used to repay the MoF loan in the last 12 months (**see Other Long Term Debt note under Liabilities below**) offset by a net increase of \$2.4m in endowed funds (new in-year donations \$0.2m, net investment income \$1.5m, M2M unrealized gain \$1.1m, offset by bursary disbursements \$0.4m).

Capital assets increase of \$8.8m includes net additions of \$23.3m, offset by accumulated amortization of \$14.5m in the last 12 months. Additions comprise \$23.6m WIP (\$21.0m SIRC & \$2.6 rolling road), \$2.2m laptop purchases net of \$10.0m disposals, \$3.6m building, SIRC parking, lab renovations and FFE, \$3.2m major equipment, and \$1.0m computer equipment and servers, offset by disposal of Dulemba land \$0.3m.

Liabilities

Accounts payable and accrued liabilities decreased \$4.0m and includes \$3.5m decrease in accounts payable due to the earlier timing of payment of invoices (Durham Region Transit for UPASS, Durham College for shared services) and \$1.1m decrease due to earlier flow-through of student fees to the Student Union. These decreases are offset by other variances, none of which exceeds \$0.5m.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

Deferred Revenue relate to revenues deferred to subsequent periods as these have not yet been earned at the end of the reporting quarter or will be recognized as revenue in the period in which related expenses are incurred.

Balance of \$49.7m includes \$35.3m deferred tuition representing winter term fees not earned at the end of the quarter, and \$14.4m of revenues billed / received and not yet spent at the end of the quarter (\$5.2m of externally funded research revenues, \$4.0m of student ancillary fees, \$3.7m of expendable donations, and \$1.5m of miscellaneous deferred revenues).

Increase of \$1.5m in deferred revenues include \$2.8m increase in deferred tuition representing YOY enrolment growth, offset by \$1.9m decrease in student ancillary fees due to 3 faculties going “BYOD” as of the start of the new academic year, and other immaterial variances

Other long-term debt decrease of \$5.8m includes \$5.5m repayment of the MoF loan in the last 12 months (**see Investment note under Assets above**) and other repayments, none of which exceeds \$0.5m.

Decrease in obligations under capital lease represents the principal lease repayments for 61 Charles and 55 Bond in the last 12 months.

Decrease in long-term debenture debt of \$5.5m relates to the principal repayment and resulting drawdown of the debt in the last 12 months. This debt is fully payable in October 2034.

Deferred capital contributions increase includes \$8.7m of new grants and donations received for capital projects in the last 12 months (\$7.4m SIF grant for SIRC construction and \$1.3m for building and lab maintenance), offset by \$8.8m amortization into revenues of all capital grants received since inception of the University.

CONSOLIDATED STATEMENT OF OPERATIONS

Revenue

Total Revenue increased \$8.7m (5.6%) over the prior year. Significant variances include:

- 1) Grant Revenue increase of \$1.9m includes \$0.7m operating grant (COG), \$0.7m research grant, and \$0.5m of miscellaneous grants.
- 2) Student tuition fee increased \$1.8m, of which \$1.2m is due to the YOY average increase in tuition fees, coupled with growth of 124 FTE over the prior year, and \$0.6m attributable to tuition from the new English Learning Center.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

CONSOLIDATED STATEMENT OF OPERATIONS (continued)

- 3) Other income increase of \$5.2m includes the one-time receipt in July 2017 of \$4.9m of retail sales tax rebates on construction costs for the period January 2003 to December 2005 (**see Note (3) under Expenses below for associated consulting costs**).

Expenses

Total Expenses increased \$2.0m (1.4%) over the prior year. Significant variances include:

- 1) Salaries & Benefits increase of \$3.1m includes \$2.4m for faculty and staff salary increases effective July 1, 2017, \$0.9m net new hires, \$0.5m increase in graduate student awards as more students met the criteria for these awards in the current year, offset by \$0.7m reversal of accrued administrative leave not paid out in the current year.
- 2) Purchased Services decrease of \$1.7m includes \$0.6m decrease as a result of renegotiation of overhead costs for purchased services with Durham College, \$0.4m decrease in utilities consumption, \$0.4m decrease in bookstore expense due to declining sales from increased on-line competition and \$0.3m decrease for vacant positions in the shared IT and Facilities areas.
- 3) Professional fees increase of \$2.5m includes \$1.7m of consulting fees with respect to the one-time receipt in July 2017 of \$4.9m of retail sales tax rebates on construction costs (**see Note (4) under Revenue above**), \$0.5m of legal fees relating to the Student Association-related matters and other immaterial variances.
- 4) Amortization of capital assets decrease of \$1.5m is mainly attributable to the decrease in asset base due to fully depreciated assets in the current year, coupled with a higher number of laptops disposed and sold to students further to the “BYOD” program for the Faculties of Science, Health Science and Business & IT.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

II. FINANCIAL METRICS

The Ministry has adopted 5 financial metrics to assist with assessing university financial health and sustainability.

The table below shows UOIT’s forecast metrics for fiscal year 2017 – 18 and the actuals for the 2 fiscal years 2016 – 17 and 2015 - 16. Also included are the average comparator and average sector metrics for fiscal year 2016 - 2017. The average comparator includes the data for what is classified as “small” universities based on student FTE (“Full-time equivalents”). The small sector universities comprise of 7 universities: Algoma, Lakehead, Laurentian, Nipissing, OCADU, Trent and UOIT.

Financial Metrics	Forecast	Actual		Average comparator	Average sector
	2017 - 18	2016 - 17	2015 - 16	2016 - 17	2016 - 17
Net Income/Loss Ratio (1)	5.1%	6.2%	1.7%	0.9%	5.1%
Net Operating Revenues Ratio (2)	14.3%	18.1%	10.9%	6.7%	9.0%
Primary Reserve Ratio (days) (3)	38	40	27	24	106
Interest Burden Ratio (4)	8.4%	8.9%	9.4%	3.2%	2.2%
(b) IBR w MTCU funding	2.0%	2.0%	2.2%	n/a	n/a
Viability Ratio (5)	10.5%	10.0%	6.4%	11.2%	277.8%

Financial Metrics Analysis

1. **Net Income / Loss ratio** - tracks the trend in UOIT’s net earnings.

Based on the current projection of additional revenues in the current fiscal year, coupled with savings from planned capital reserves (see Section III “2017-18 Operating Forecast Summary” on Pages 10 - 13), it is forecast that UOIT will continue to show positive net earnings ratio in 2017 – 2018.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

II. FINANCIAL METRICS (continued)

2. Net Operating Revenues ratio – indicates the extent to which UOIT is generating positive cash flows in the long-run to be financially sustainable.

With the forecast additional revenues, UOIT continues to experience positive operating and working capital and, therefore, a stable net operating revenues ratio.

3. Primary Reserve ratio – indicates UOIT’s financial strength and flexibility by determining the number of days UOIT could function using its resources that are can be expended without restrictions.

Primary reserve ratio is stable as although internally-restricted capital reserves have been consumed to fund for the SIRC building in the current year, these will be replenished at the end of this fiscal year with actual operating surplus.

4. Interest Burden ratio (“IBR”) – indicates UOIT debt affordability and the cost of servicing debt

UOIT’s interest burden continues to improve as it pays back its long-term debt obligations without entering into any new debt. The cost of servicing UOIT’s debt is above the comparator and the sector due to its much higher debt obligations.

4b. Interest Burden with MTCU funding ratio – the “IBR” has been re-stated to reflect an annual “institution-specific” grant of \$13.5m from the Ministry to fund the University’s debenture debt. Therefore, interest expense on the debenture has been removed from the total interest expense, used in the calculation of “IBR”.

Including the impact of the Ministry funding, UOIT’s interest burden ratio is more in line with the average comparator and average sector ratios.

5. Viability ratio - determines UOIT’s financial health, as it indicates the funds on hand to settle its long-term obligations.

This ratio is stable due to operating planned surplus (resulting in improved expendable net assets), and reduced debt obligations.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

II. FINANCIAL METRICS (continued)

(1) Net Income/Loss Ratio

$$\frac{\text{Total Revenues less Total Expenses}}{\text{Total Revenues}}$$

Measures the percentage of UOIT’s revenues that contribute to its net assets. The objective is to track trends in UOIT’s net earnings

(4) Interest Burden Ratio

$$\frac{\text{Interest Expense}}{\text{Total Expenses - Depreciation}}$$

Indicates debt affordability as it examines the percentage of total expenses used to cover UOIT’s cost of servicing debt

(2) Net Operating Revenues Ratio

$$\frac{\text{Cash flow from Operating Activities}}{\text{Total Revenues}}$$

Indicates the extent to which UOIT is generating positive cash flow in the long-run to be financially sustainable.

(5) Viability Ratio

$$\frac{\text{Expendable Net Assets}}{\text{Long-Term Debt}}$$

Determines UOIT’s financial health as it indicates the funds on hand to settle its long-term obligations. Long-Term Debt is total external long-term debt, excluding the current portion of debt.

(3) Primary Reserve Ratio

$$\frac{\text{Expendable Net Assets}}{\text{Total Expenses}} \times 365 \text{ days}$$

Indicates UOIT’s financial strength and flexibility by determining the number of days UOIT can function using only its resources that can be expended without restrictions. Expendable net assets include: Unrestricted surplus (deficit), internally restricted net assets and endowments.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY

III. 2017 - 18 Operating Forecast Summary (in '000 s) For the year ending March 31, 2018

The table below shows the variance of the year-end forecast vs the total approved budget

April 1, 2017 - March 31, 2018					
Budget, excluding Carryforward	Carryforward/ Internal Restrictions	Total Annual Budget	Y/E Forecast	Fav. (Unfav.) Forecast to Budget \$ / %	
Revenue					
Grants	75,541	75,541	78,116	2,575	3%
Tuition	78,318	78,318	80,864	2,546	3%
Student Ancillary	12,081	12,081	13,614	1,533	13%
Other	17,074	17,074	22,523	5,449	32%
Total Revenue	\$ 183,014	\$ -	\$ 183,014	\$ 195,117	7%
Expenditures					
Academic	69,727	807	70,534	69,318	2%
Academic Support	33,375		33,375	34,814	(4)%
Administrative	31,723		31,723	28,376	11%
Sub-total	\$ 134,825	\$ 807	\$ 135,632	\$ 132,508	2%
Purchased Services	13,733		13,733	13,076	5%
Total Ancillary/Commercial	10,072		10,072	9,714	4%
Debenture Interest Expense	11,061		11,061	11,061	0%
Fundraising Expense	-	245	245	754	(208)%
Total Operating Expenses	\$ 169,690	\$ 1,052	\$ 170,743	\$ 167,113	2%
Operating Contribution	\$ 13,324	\$ (1,052)	\$ 12,271	\$ 28,003	128%

Expenses disclosed on the Balance Sheet

Capital Expenses	6,183	141	6,324	9,061	(2,737)	-43%
Principal Repayments - debenture/leases	5,948	0	5,948	5,948	0	0%

Net Operating Contribution

\$ 1,194	\$ (1,193)	\$ (0)	\$ 12,995	\$ 12,995	0%
-----------------	-------------------	---------------	------------------	------------------	-----------

SIRC Costs (not funded from Operating Budget)

Funded by: Capital Grant	-	-	-	4,980	(4,980)	0%
PY internally restricted reserves		-	-	9,445	(9,445)	0%
Total SIRC Costs	\$ -	\$ -	\$ -	\$ 14,425	\$ (14,425)	0%

Reconciliation to Y/E forecast GAAP FS:

	\$
Net forecast contribution from Operations	28,003
Items not budgeted:	
Externally funded research donations and revenues	9,500
Externally funded research expenses	(8,991)
Non-cash transactions:	
Amortization of capital assets	(23,102)
Amortization of deferred capital contributions	8,953
Unrealized gain on investments	350
Capital revenues accounted as Deferred Capital Contributions on the balance sheet	(521)
Excess revenues over expenses - as per Y/E forecast GAAP FS	\$ 14,192

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

III. 2017 – 18 Operating Forecast Summary

Based on the November 1 count enrolment data, the operating budget after capital expenses, principal lease repayments and restricted reserves, shows a net operating contribution of \$13.0m at the end of the fiscal year.

The operating budget does not include the impact of the construction of the new SIRC Building and this is disclosed separately.

The variances of the year-end forecast to the approved budget are explained below.

Enrolment

FTE's	2017 - 18 Approved Budget	Nov 1 Count	Variance to Approved Budget
Undergraduate			
Domestic	7,755	7,959	204
International	501	449	-52
Graduate			
Domestic	329	420	91
International	137	144	7
Total FTE's	8,722	8,972	250

Day 10 enrolment count shows a positive net variance of 250 FTE against an original budget of 8,722 FTE. Current eligible undergraduate and graduate enrolment projection is within the +/- 3% of UOIT's corridor midpoint

Domestic undergraduate and graduate increased 295 FTE with all faculties experiencing growth above budget, except for the Faculty of Health Science at 38 FTE under budget.

International undergraduate is unfavorable against budget by 52 FTE across all faculties, except Engineering whereas International graduate is slightly favorable to budget.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

III. 2017 – 18 Operating Forecast Summary (continued)

Revenues

Grants increase of \$2.6m includes COG increase of \$2.4m (\$0.8m for final 2016-17 enrolment confirmation being higher than what was included in the budget, a one-time grant receipt of \$0.7m to reflect the 2016-17 pre-corridor flow-through, an additional \$0.7m for SMA 2 graduate growth, and \$0.2m for Collaborative Nursing YOY growth), and \$0.2m relating to a new Mental Health grant.

Tuition fees for the year are favourable \$2.5m against an original budget of \$78.3m. This includes \$1.5m positive variance as the original 2017-18 budget model was understated for the calculation of the Faculty of Engineering tuition fees and the financial impact for “student drops”, \$0.8m due to higher than expected growth, and \$0.2m higher than expected revenue from the new English Learning Centre.

The \$1.5m misstatement in tuition fees is now included in the current year and long-term forecasts.

Student Ancillary fees are favourable \$1.5m, and is mainly attributable to the accounting recognition of prior year deferred revenues to fund for the purchase of athletic capital equipment (\$0.7m), and to account for the higher than expected loss on the sale of TELE laptops in the current year (\$0.8m).

Other Revenue, including purchased services, is favourable \$5.4m and includes \$4.9m of one-time receipt in settlement of historical claims for retail sales tax rebates on construction costs for the period January 2003 to December 2005 and other immaterial variances.

Expenses

Academic units are showing a positive variance of \$1.2m mostly relating to labour savings from open faculty positions. The most significant variances, none of which exceeds \$0.5m, are in the Faculty of Business & IT, Faculty of Health Sciences and the Faculty of Science.

Academic Support units are unfavorable \$1.4m to budget. This includes \$0.8m higher than expected loss on the sale of TELE laptops, \$0.4m additional expenses identified in-year for Library access copyrights and a new Diversity office, \$0.3m additional expenses that are fully covered by a higher than expected grant, \$0.3m increase in student awards and other immaterial increases / decreases.

Administrative units are showing a favourable variance to budget of \$3.3m and includes \$4.7m release of operational contingency reserves which will not be utilized in the current year and \$0.7m reversal of administrative leave accruals not paid in the current year. These increases are offset by \$1.7m of consultants’ fees with respect to the retail sales tax dispute (settled in June 2017 for \$4.9m), \$0.6m increase in additional legal fees for the Student Association related matters, and other immaterial variances.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

III. 2017 – 18 Operating Forecast Summary (continued)

Purchased Services is favourable \$0.7m and includes \$0.6m savings due to a decrease in overhead costs for shared services, as negotiated with Durham College.

Capital Expenses funded from Operations are unfavourable \$2.7m to budget and includes \$1.5m additional IT & Facilities capital projects identified in-year, including the atrium renovations, \$0.8m for athletic equipment and \$0.4m additional faculty capital purchases.

Conclusion

Our current forecast is showing a surplus, after capital expenses, of \$13.0m. This surplus includes \$4.7m earmarked in the 2017 – 18 budget for building & deferred maintenance and operational reserves, which will not be utilized at the end of the fiscal year.

Consistent with the prior years, and at year-end, Management will make a recommendation to the Committee to internally restrict actual surplus for future projects to improve and invest in the University's campus facilities, faculties and student aid.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

IV. CAPITAL

This section provides an overview of Board approved capital projects over \$1.0m.

A. Software and Informatics Research Centre (“SIRC”)

In March 2016, UOIT’s Board of Governors approved the award of the design and build of a new building (“SIRC”) to Ellis Don Corporation, and also approved the completion of the preliminary design phase.

On June 29, 2016, the Board approved the construction and fit-out of the new 4-floor “SIRC” building at a total cost not to exceed \$26.3m for the first phase (construction and fit-out of the first 2 floors), and not to exceed a further \$7.0m for the fit-out of the remaining 2 floors, the latter being subject to approval of UOIT’s application for “SIF” (Strategic Investment Fund) funding.

On September 14, 2016, UOIT signed an agreement with the Province, which was made effective as of May 9, 2016. This Ontario Transfer Payment Agreement confirmed a “SIF” funding of \$13,001,890 (\$11,801,890 Federal Funds and \$1,200,000 Ontario Funds). The Ministry formally announced this infrastructure funding for UOIT on October 13, 2016.

The original target date for completion of the 4 floors fully fitted-out is November 2017, with occupancy in January 2018.

Status update

The construction of the SIRC building is now completed and fully occupied.

Costs incurred on the SIRC project as at the end of January 2018 are \$31.1m against a total approved budget of \$33.5m. Contingency funds of \$1.2m for the project have not been utilized and Furniture and Fixtures are approximately \$0.7m under budget.

SIF funding received as at the end of January 2018 amount to \$11.8m against a total approved grant of \$13.0m.

All construction holdbacks have been released as at the end of the reporting quarter. Warranty holdbacks, amounting to \$0.5m, will be released in October 2018.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

IV. CAPITAL (continued)

Please see separate report for details of SIRC actual cash flow, budget and forecast to completion date.

B. Moving Ground Plane (“MGP”)

In June 2016, UOIT’s Board of Governors approved the completion of an agreement of purchase and sale with the Old Dominion University (“ODU”) for the acquisition of a moving ground plane (“MGP”) at a cost of no more than \$2.5m in accordance with the terms of a grant of \$2.5m funded by the Ministry of Economic Development and Growth (“MEDG”).

The Moving Ground Plane is a giant belt that acts as a road moving under a vehicle, simulating the aerodynamic forces against moving vehicles and measuring the physical characteristics in real-world conditions. It will give the university’s students the tools to train and conduct research in a high-tech environment, preparing them for the careers of the future. It will also help companies and researchers create new energy-efficient products and reduce carbon emissions in the automotive industry.

UOIT has submitted an application to FedDev for additional funding of approximately \$10.2m and is working with industry partners (e.g. Magna and Multimatic) to complete the funding requirements for the installation and integration of the MGP into the ACE facility.

It was anticipated that installation of the MGP at the ACE facility would be completed in late 2017 and become operational as of early 2018.

MGP Progress Update

- The University has paid ODU USD 2.0m in settlement for the equipment in September 2016, and has received CAD 2.25m (CAD 2.5m less 10% holdback) from the Ministry of Economic Development and Growth in November 2016.
- At the request of Multimatic, all components of the rolling road have been moved to a location at the Oshawa Airport.
- On February 12, 2018, the Minister of Economic Development announced that Ontario is investing a total of \$4.0m to enhance its one-of-a-kind ACE facility by adding a Moving Ground Plane. The University is contributing \$0.5m and Magna International is contributing \$1.0m. In addition, Multimatic is also providing engineering services from a team of highly talented automotive engineers to help develop the Moving Ground Plane.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

V. CASH FLOW

The University administration uses a cash management forecasting model to manage its operating cash balances and operating short-term investment portfolios.

University cash balances are cyclical in nature with higher operating balances in September – November and January - March due to tuition fee collection from the fall and winter semester registration, and lower balances in December and during the early summer months.

In September 2014, and as approved by the Board, the University invested \$16.0m surplus operating cash in short-term GIC's at BMO Nestbitt Burns, of which \$6.0m has a renewable maturity date of 30 days and \$10.0m has a maturity date of 1 year.

In April 2015, the University transferred \$1.1m from BNY to RBC Wealth Management and these were invested in annual GIC's.

In September 2016, in light of the uncertainty regarding the timing of receipt of the SIF funding, and to provide flexibility for the SIRC construction project, all GIC's that matured at that time, were re-invested in 30-day cashable GIC's.

- A revolving operating LOC of up to \$17.0m, bearing interest at prime plus 0.25% with a Canadian chartered bank.
- A revolving operating LOC up to \$5.0m, bearing interest at prime plus 0.25% with IBM.

Cash Flow Update

- UOIT has not utilized its available line of credit at the end of the reporting quarter.
- With the completion of SIRC, and a healthy operating cash balance, short-term investments amounting to \$17.6m, have been re-invested in annual GIC's at BMO Nesbitt Burns and RBC Wealth Management respectively.
- **Operating cash balance**, including short-term investments of \$17.8m, is projected at **\$42.0m** at the end of the fiscal year.
- **Externally and internally restricted cash balances** (including Research, Advancement, Campus Childcare, Regent Theatre, and ACE) is projected at **\$9.8** at the end of the fiscal year.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Cash Flow Forecast Summary for the year ended March 31, 2018

		Actual			Forecast			Total Forecast
		Apr - Jun 2017	Jul - Sep 2017	Oct - Dec 2017	Jan 2018	Feb 2018	Mar 2018	FY 2017-18
		\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s
Operating Beginning Cash Balance	A	28,936	12,479	26,085	12,212	31,517	28,266	28,936
Total Operating Inflows	B	37,730	68,909	36,346	34,478	9,879	10,524	197,866
Total Operating Outflows	C	(48,464)	(46,403)	(48,603)	(13,931)	(12,395)	(14,963)	(184,759)
Net Operating Cash Flows	D=B+C	(10,734)	22,506	(12,257)	20,547	(2,516)	(4,439)	13,107
Total Operating Cash Available	E=A+D	18,202	34,985	13,828	32,759	29,001	23,827	42,043
SIRC Building Outflows	F	(6,723)	(10,900)	(2,873)	(1,242)	(735)	(242)	(22,715)
SIRC Buidling Inflows	G	1,000	2,000	1,257	0	0	671	4,928
Net SIRC Building	H=F+G	(5,723)	(8,900)	(1,616)	(1,242)	(735)	429	(17,787)
Operating Ending Cash Balance after SIRC	I=E+H	12,479	26,085	12,212	31,517	28,266	24,256	24,256 N1
Total Internally and Externally Restricted Cash	J	10,365	10,209	10,557	10,395	10,045	9,816	9,816 N2
Total Consolidated Cash Position	K=I+J	22,844	36,294	22,769	41,912	38,311	34,072	34,072

Total Cash Forecast as at MAR 31, 2018

Total Operating Cash after SIRC	24,256	N1
Add: Short-term investments in GIC's	17,790	
Total Operating Cash and ST investments	<u>\$ 42,046</u>	
Total Restricted Cash	<u>\$ 9,816</u>	N2

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

VI. LONG-TERM FORECAST

In April 2017, and as part of the annual budget presentation to the Audit and Finance Committee, the Chief Financial Officer presented a long-term forecast for the budget years 2017 – 18 to 2026 – 2027 inclusive. This forecast was based on 2016 - 17 February 1 count enrolment numbers.

In the attached forecast:

The 2017 – 18 forecast reflects the financial impact of the November 1 enrolment data, including detailed expense forecast submission from the budget community.

For years 2018 - 19 onwards, the long-term forecast includes enrolment data from June 2017, based on projections from confirmed students coming to UOIT in fall 2017 – 18.

Assumptions on the forecast model

1. Grant funding as per the new funding formula implemented in 2017 – 18 year.
 - Funding held at 2016 – 17 level for the period of SMA 2 (2017-18 to 2019-20 inclusive), including a one-time receipt of \$0.7m for pre-corridor flow-through, and additional grant of \$0.7m for SMA 2 graduate growth.
 - Negotiation with MAESD in 2018-19 for growth funding above the corridor for future SMA's.
 - Currently, there is no indication from MAESD that there will be funding above growth; therefore, the model includes an “*uncertainty in growth funding*”.
2. Growth in undergraduate domestic (mostly engineering and business), offset by a slight decline in international undergraduate.
3. Tuition YOY average increase at the current approved rate of 3.0%, with a relatively higher increase for international students in the first 5 years.
4. Retention rate held at current rate of 80.3%
5. Salary increases as per the new JES and as per faculty collective agreements
6. New faculty hires to maintain current student to faculty ratio
7. New administrative hires at 2:1 for every new faculty hire
8. Faculty headcount annual attrition \$0.5m
9. TELE transformation to a full “BYOD” model by FY 2019 - 20
10. Operational reserves \$2.0m + planned capital and deferred maintenance reserves \$2.5m for a total of \$4.5m
11. 3% YOY increase in utilities
12. 2% YOY increase in purchased services cost from Durham College

The operating long-term forecast excludes the moving ground plane which is funded through external funding, and the SIRC building which is funded by the SIF grant and UOIT's prior year internally restricted reserves.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

VI. LONG-TERM FORECAST (continued)

Summary

The long-term forecast presented to the Committee in April 2017 showed a balanced budget over the 10-year period 2017 – 18 to 2026 – 27 inclusive.

The current model is forecasting a surplus of \$28.2m over the 10-year period.

The significant items contributing to this surplus comprise of,

- 1) \$15.0m increase in tuition fees - Adjustment to the budget model for Engineering courses and student drops. Impact in current year 2017- 18 is \$1.5m; therefore, impact over 10 years is \$15.0m.
- 2) \$46.1m – increase in tuition fees and student ancillary fees due to growth and increase in international tuition rates.
- 3) \$(32.7) m – new hires to maintain student/faculty ratio and administrative/faculty ratio due to growth, including impact of salary increases and employees' benefits.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
LONG-TERM FORECAST

10-year Forecast (in ' 000s)												
	SMA 2			SMA 3			SMA 4			SMA 5		
17/18 Original Budget	17/18 Fcst	18/19 Fcst	19/20 Fcst	20/21 Fcst	21/22 Fcst	22/23 Fcst	23/24 Fcst	24/25 Fcst	25/26 Fcst	26/27 Fcst	Total 10-year Forecast	
REVENUES												
Core Operating Grant, excluding CN grant <i>Uncertainty in Growth Funding</i>	\$ 50,437	\$ 50,419	\$ 50,693	\$ 50,617	\$ 52,682	\$ 52,652	\$ 52,619	\$ 52,847	\$ 52,820	\$ 52,810	\$ 53,337	\$ 521,496
	\$ -	\$ -	\$ -		\$ (2,066)	\$ (2,035)	\$ (2,002)	\$ (2,230)	\$ (2,203)	\$ (2,194)	\$ (2,721)	\$ (15,451)
CN grant	\$ 4,292	\$ 4,751	\$ 4,417	\$ 4,445	\$ 4,473	\$ 4,476	\$ 4,476	\$ 4,476	\$ 4,476	\$ 4,476	\$ 4,476	\$ 44,942
Debenture Grant	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 135,000
Other Grants	\$ 7,469	\$ 9,446	\$ 8,794	\$ 9,001	\$ 9,001	\$ 9,001	\$ 9,001	\$ 9,001	\$ 9,001	\$ 9,001	\$ 9,001	\$ 90,247
Student Tuition Fees	\$ 78,318	\$ 80,864	\$ 86,147	\$ 90,691	\$ 95,824	\$ 99,988	\$ 105,165	\$ 110,166	\$ 114,922	\$ 119,644	\$ 124,410	\$ 1,027,820
Student Ancillary Fees	\$ 12,081	\$ 12,324	\$ 11,335	\$ 9,613	\$ 9,366	\$ 9,368	\$ 9,424	\$ 9,639	\$ 9,685	\$ 9,741	\$ 9,785	\$ 100,279
Revenues from Ancillary Operations	\$ 3,957	\$ 3,652	\$ 3,957	\$ 3,957	\$ 4,021	\$ 4,086	\$ 4,153	\$ 4,221	\$ 4,291	\$ 4,362	\$ 4,434	\$ 41,134
Donations	\$ 1,075	\$ 1,448	\$ 1,075	\$ 1,075	\$ 1,075	\$ 1,075	\$ 1,075	\$ 1,075	\$ 1,075	\$ 1,075	\$ 1,075	\$ 11,123
Other Revenues	\$ 11,886	\$ 17,423	\$ 12,298	\$ 12,154	\$ 12,109	\$ 12,361	\$ 12,604	\$ 12,701	\$ 12,712	\$ 12,723	\$ 12,735	\$ 129,819
Total Revenues	\$ 183,015	\$ 193,827	\$ 192,216	\$ 195,052	\$ 199,985	\$ 204,471	\$ 210,015	\$ 215,395	\$ 220,278	\$ 225,138	\$ 230,032	\$ 2,086,409
EXPENDITURES												
FT Labour	\$ (86,628)	\$ (81,793)	\$ (94,518)	\$ (97,130)	\$ (101,829)	\$ (105,392)	\$ (109,572)	\$ (114,396)	\$ (117,688)	\$ (122,156)	\$ (126,622)	\$ (1,071,096)
PT Labour	\$ (16,311)	\$ (19,748)	\$ (15,811)	\$ (16,539)	\$ (17,351)	\$ (17,687)	\$ (18,062)	\$ (18,489)	\$ (18,904)	\$ (19,301)	\$ (19,696)	\$ (181,588)
Operating Expenses	\$ (73,933)	\$ (71,520)	\$ (72,276)	\$ (72,725)	\$ (73,563)	\$ (74,279)	\$ (75,643)	\$ (76,518)	\$ (77,535)	\$ (78,439)	\$ (79,375)	\$ (751,872)
Capital Expenses	\$ (6,143)	\$ (9,061)	\$ (5,404)	\$ (5,384)	\$ (5,008)	\$ (5,008)	\$ (5,008)	\$ (5,008)	\$ (5,008)	\$ (5,008)	\$ (5,008)	\$ (54,905)
Approved Expenditures	\$ (183,015)	\$ (182,122)	\$ (188,008)	\$ (191,778)	\$ (197,751)	\$ (202,366)	\$ (208,284)	\$ (214,412)	\$ (219,135)	\$ (224,903)	\$ (230,701)	\$ (2,059,460)
Budget Surplus/(Deficit)	\$ (0)	\$ 11,705	\$ 4,208	\$ 3,274	\$ 2,233	\$ 2,105	\$ 1,731	\$ 983	\$ 1,143	\$ 235	\$ (669)	\$ 26,948
Funded through PY reserves		\$ 1,290										\$ 1,290
Total Surplus/(Deficit)	\$ (0)	\$ 12,995	\$ 4,208	\$ 3,274	\$ 2,233	\$ 2,105	\$ 1,731	\$ 983	\$ 1,143	\$ 235	\$ (669)	\$ 28,238



Budget Update

Audit and Finance Committee

Presented By Craig Elliott, CFO

February 21, 2018



Agenda

- 1. Recap Budget Assumptions**
- 2. Current Status**
- 3. Budget Comparisons 2017/18 vs. 2018/19**
- 4. Next Steps**
- 5. Questions/Comments**

Recap of 2018-19 Assumptions



Significant Budget Assumptions

- Enrolment levels as forecasted
- Grant funding from the Province set at 2016/17 levels
- Tuition increase of 3% (weighted average)
- Compensation increases and other fixed cost estimates as forecast
- Maintain current university ratios (ie) student/faculty & support/faculty
- Contingency included in the budget:
 - \$2.5M for new building/capital renewal
 - \$1.0M general contingency for operations
 - \$1.0M UPF for strategic initiatives
- Focus on OTO vs Base budget ASKS

Current Status of 2018-19 Budget



- The initial draft budget had approx. \$4M budget surplus before ASKS, and we had \$7M in budget ASKS
- Faculty and unit budgets were presented to the Budget Advisory Committee (BAC), and feedback on budget priorities was provided to the Budget Working Group (BWG)
- Shared service budgets were presented at joint DC/UOIT budget meetings with the functional managers.
- The BWG has prioritized budget ASKS based on the universities strategic goals and objectives, and feedback from the BAC, in order to balance the budget. Given the uncertainty around our position in the Enrolment Corridor and the priorities of our new President, the BWG focused on OTO ASKS
- These recommendations were then discussed with the Senior Leadership Team (SLT)

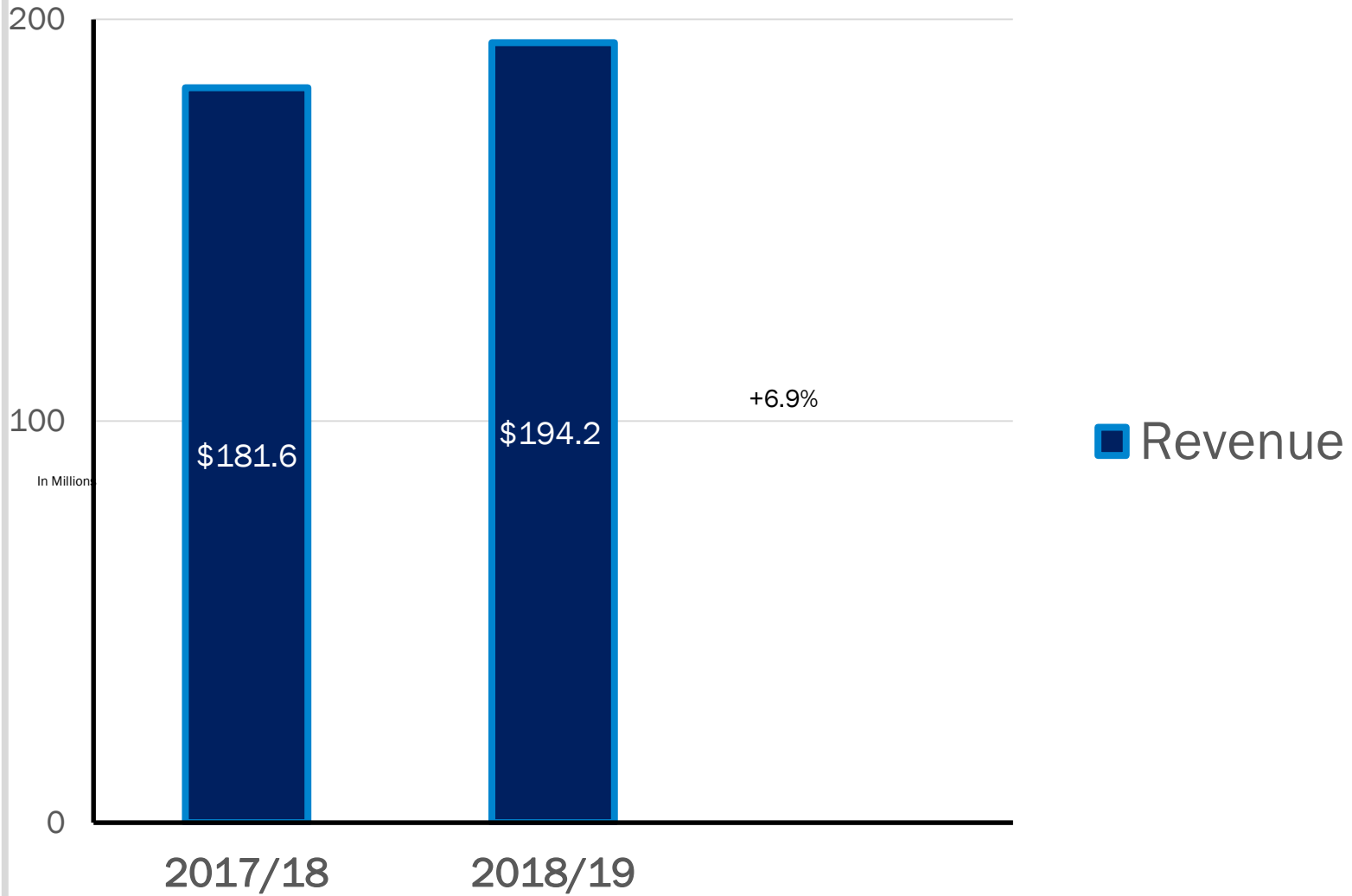
Balancing The Budget

(in millions of dollars)					
Budget Recommendations					
Description	Asks	Included in 10 Yr Fcst	Offset By Added Rev	Net Increase	Explanation
Contingency Reserve	\$ 3.5	\$ 3.5	\$ -	\$ -	Building Reserve \$2.5M, Budget Contingency \$1.0M
Base Asks	\$ 2.8	\$ 1.2	\$ -	\$ 1.6	\$1.5M in asks for instruction, with \$.5M in fcst (Smaller class sizes/improved student experience). New SIRC building operating costs of \$.5M, had \$.7M in fcst. Added scholarships \$.3M. Add \$.5M for Test Centre, Exec Comp, Sexual Violence 3rd Party Service.
OTO Asks	\$ 1.0	\$ -	\$ 1.0	\$ 0.0	ONCAT \$.3M, Capital campaign \$.4M, ELC \$.1M, Campus Safety \$.1M, and net tuition \$.1M all with corresponding added revenue
Capital Asks	\$ 3.1	\$ 3.1	\$ -	\$ 0.0	OCIS = \$1.6M and IT = \$0.5M included in fcst. Faculty Equipment \$1.0M covered by carryforward
Purchase Services	\$ 1.9	\$ 1.3	\$ 0.2	\$ 0.4	IT=\$1.4M: Network improvements/licence fee increases \$.4M, Banner Upgrades \$0.6M, Sr Network Admin/Sr Application Specialist \$.1M included in 10 yr fcst. Add PCI Compliance \$.4M. Ancillary \$.2M Parking/Bookstore covered by higher ancillary fees. Facilities \$.2M capital in fcst
Total	\$ 12.4	\$ 9.1	\$ 1.2	\$ 2.1	

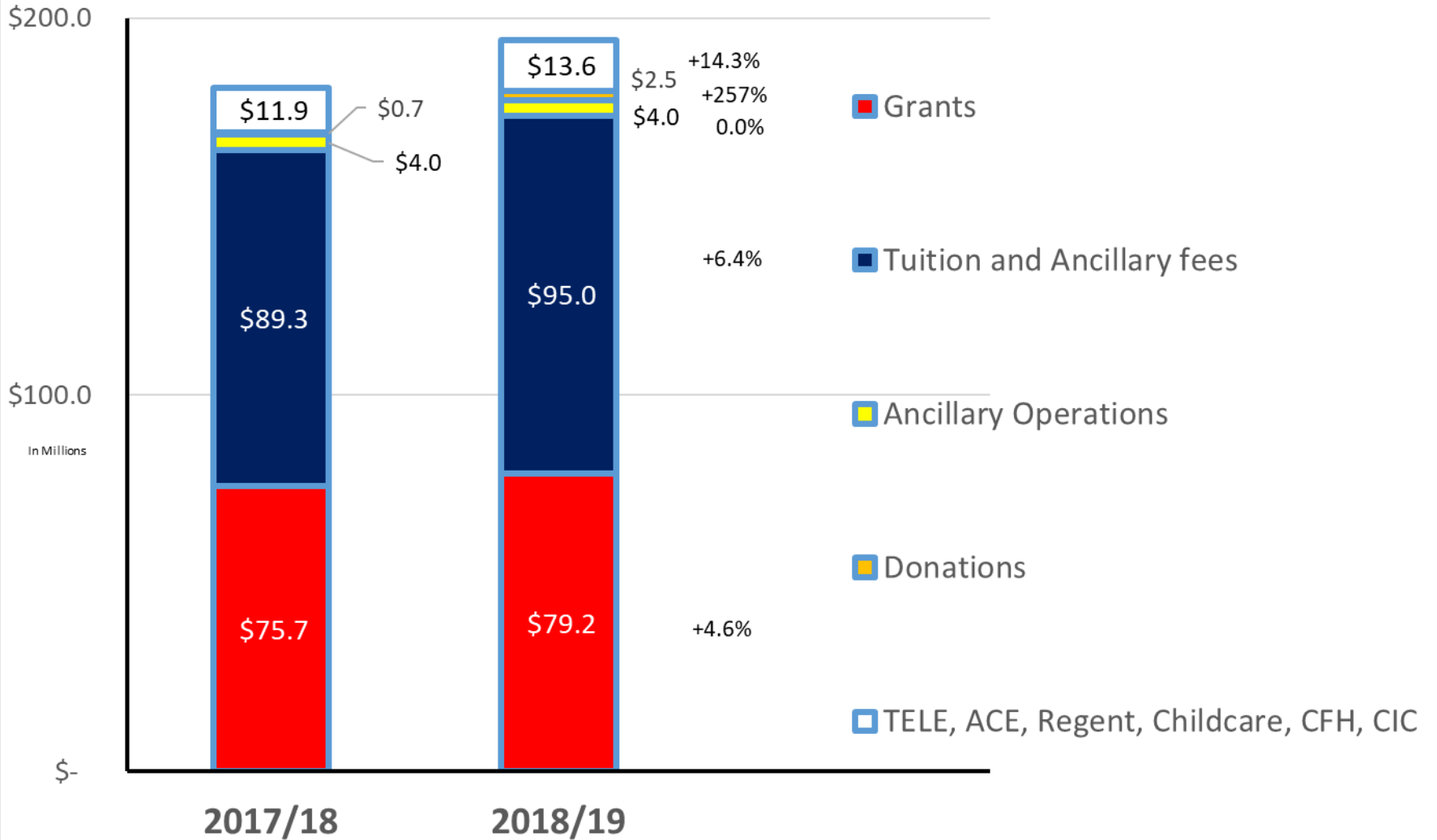
Budget Comparisons



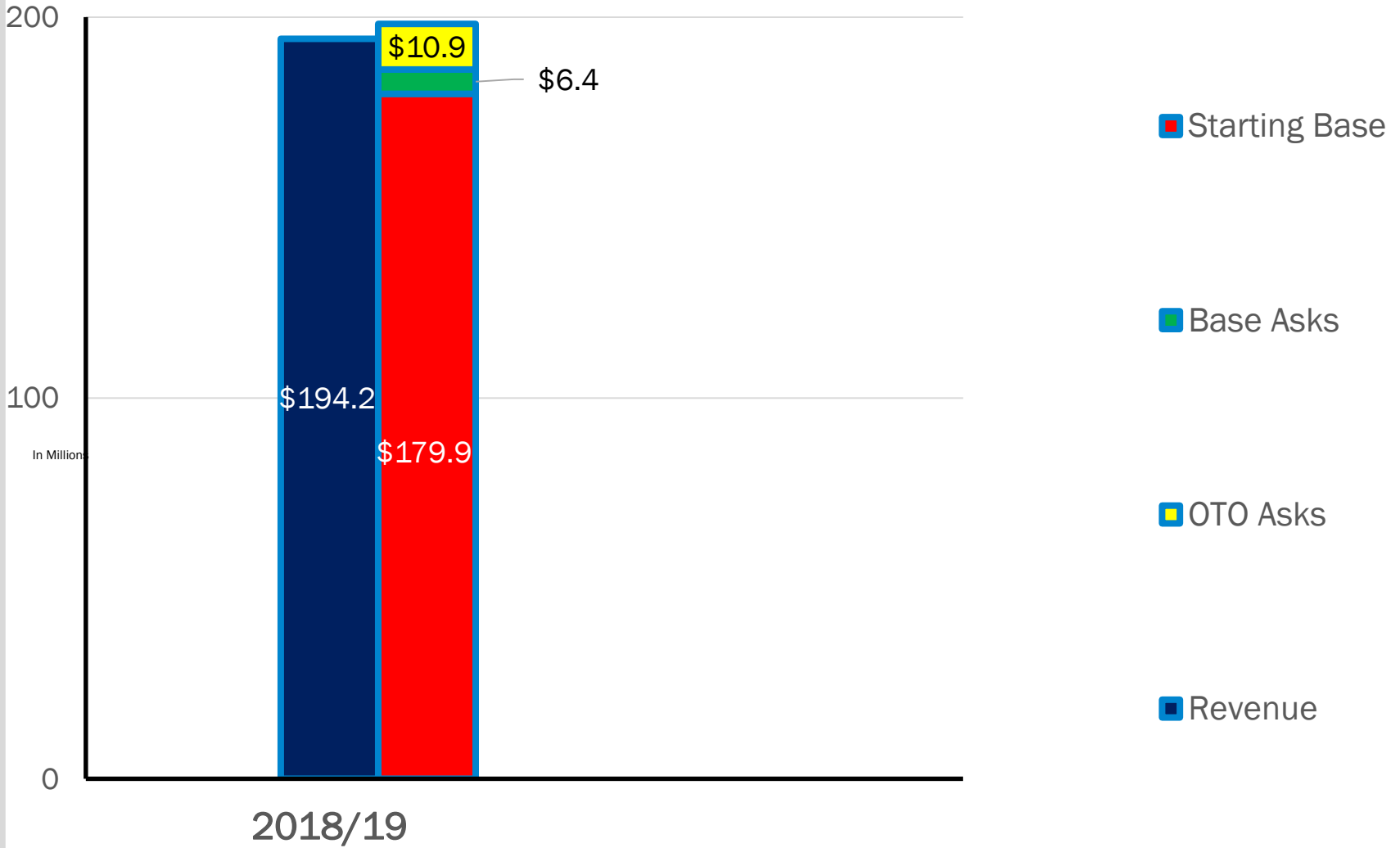
UOIT Total Revenue 2017-2018 v 2018-2019



UOIT Total Revenue Categories 2017-2018 v 2018-2019



UOIT Total Budget Revenues v Expenses 2018-2019



Next Steps



Budget Schedule

2018-19 Budget & 2017-18 Forecast Calendar		
21-Feb-2018	High level presentation of revenues and base expenditures to A&F	
22-Feb-2018	BWG reviews and approves 3rd draft budget for recommendation to SLT	
22-Feb-2018	UOIT confirms final shared Library and CN budget to DC	
5-Mar-2018	Final budget approved by SLT	
Mar 6 - Mar 30/2018	Preparation of budget presentation files for A&F/Board	
20-Mar-2018	Feedback from Academic Council on SLT-approved budget prior to A&F	
12-Apr-2018	Budget package sent to SLT for review	
19-Apr-2018	Final budget package to Governance for distribution to A&F Committee	
26-Apr-2018	Presentation of proposed budget to A&F	
9-May-2018	Presentation of proposed budget to Board for approval	
5-Jun-2018	Presentation of Board approved budget to Academic Council Executive	
19-Jun-2018	Presentation of Board approved budget to Academic Council and actual results for YE March 2018	

Question or Comments

Disbursement Committee Report

2018-19 Disbursement Recommendation



Cumulative Investment Income Summary

Cumulative Net Endowed Earnings at Mar 31, 2017	\$ 4,052,469
Earnings Apr-Dec, 2017	\$ 1,490,491
Estimated Interest/Dividends Earned Jan-Mar, 2018	<u>\$ 30,000</u>
Cumulative Est Net Endowed Earnings at Mar 31, 2018	\$5,572,960
Less: Est 2017-18 Disbursements	(\$ 485,560)
Cumulative Capital Preservation	<u>(\$2,407,562)</u>
Cumulative Est Net Earnings Available For Disbursement	<u>\$2,679,838</u>

Cumulative Investment Summary

Endowment Balance at Dec 31, 2016	\$15,452,252
2017-18 Donations to Dec 31, 2017	\$ 349,369
Cumulative Earnings Less Distributions	\$ 5,311,249
Unrealized gains	<u>\$ 4,300,249</u>
Market Value of Endowment at Dec 31, 2017	\$25,413,119
Est Income Jan-Mar, 2018	\$ 30,000
Est Disbursement in 2017-18	<u>(\$ 253,850)</u>
Forecast Investment Balance at Mar 31, 2018	<u>\$25,189,269</u>

Gift Agreement Requirements

- Endowed Awards can be specific dollar amounts, or could be expressed as a minimum and maximum amount. At our current investment level, we need to disburse between 3-4% of the principal value to cover our gift requirements.
- For 2018-19 our disbursement requirements, based on 4%, would be \$598,000.

Recommendation

- The Disbursement Committee met on Feb 5, 2018. Our investments have performed well over the last few years, which has increased cumulative earnings after capital preservations to \$2, 679K. The committee proposes that we disburse some of these surplus earnings in the upcoming year.
- The recommendation is to increase disbursements to an average of 5% or up to \$750,000 for 2018-19, and that this amount be disbursement from Endowment Funds for distribution as student awards.

Motion

- That the Audit & Finance committee recommends the disbursement of up to \$750,000 from Endowment Funds for distribution as student awards in 2018-19.

Questions/Comments



COMMITTEE REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Audit & Finance Committee

DATE: February 21, 2018

PRESENTED BY: Brad MacIsaac

SUBJECT: 2018 – 2019 PhD Engineering Tuition Fees

COMMITTEE/BOARD MANDATE:

The committee is responsible for overseeing the financial affairs of the university including guiding the tuition fees set. Leadership is looking for approval on the proposed reduction in approved 2018-2019 PhD tuition fees for engineering students.

BACKGROUND/CONTEXT & RATIONALE:

Due to changes with the Ontario Student Assistant Program (OSAP), we began setting tuition fees two years ahead of implementation. However, various changes can occur within the sector during this time that alter our original recommendations.

One such change recently occurred with the announcement and media uptake in the PhD tuition rates at the University of Toronto (UofT). UofT has recently announced that in a student’s fifth year of study international PhD students will pay domestic fees. While UOIT is currently not seeking to move in this direction, we are looking to help mitigate barriers in our ability to attract top research talent. We believe the proposed tuition decreases helps us move towards that goal.

A taskforce is being set-up to review funding for graduate students. While we did not wish to jump ahead of the recommendations from this group, we heard at the Academic Council consultation that lower tuition would be more favorable to offsetting scholarships. Therefore, we are seeking to move in this direction effective 2018.

RESOURCES REQUIRED:

N/A

IMPLICATIONS:

The proposed reductions in tuition will result in ~ \$130K overall reduction (30K domestic, 100K international) in the 2018-2019 budget. As we have not finalized the 2018-19 budget we are able to alter the priorities to offset this change.

ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:

In order to be adaptable to the current graduate student environment this reduction will increase our ability to attract PhD candidates to move forward our research pursuits.

ALTERNATIVES CONSIDERED:

Keeping the tuition as originally set has been considered but does not align with the desire to remain competitive in the PhD market.

CONSULTATION:

UOIT has performed a detailed analysis of PhD tuition rates within the system. It was found that while the majority of institutions have a differential rate for Master’s level Arts and Science programs versus Master’s level Engineering programs, only the minority had differential doctoral rates between these programs.

As such, UOIT would like to decrease its approved PhD rate for engineering programs by 14.5% for domestic fees and 15.1% for international fees. This will allow UOIT to charge one doctoral rate for all programs offered at our institution.

COMPLIANCE WITH POLICY/LEGISLATION:

The reduction will remain compliant for the tuition-reporting framework.

NEXT STEPS:

Update tuition within UOITs student information system and website.

MOTION FOR CONSIDERATION:

That the Audit & Finance Committee hereby recommends to the Board of Governors for approval the amended 2018-19 PhD Engineering tuition fees to match all other UOIT PhD rates, as presented below:

PhD (Engineering)	Approved 2018-19	Proposed 2018-19	Decrease from Approved
Domestic	\$9,844.38	\$8,421.46	-14.5%
International	\$21,709.26	\$18,421.78	-15.1%

SUPPORTING REFERENCE MATERIALS: PhD tuition fees by Ontario Institution

PhD tuition fees by Ontario Institution

2017-18 Graduate Domestic Tuition by Degree (differentiated PhD Eng rates highlighted)

	PHD	PhD Eng
Bro	\$ 9,008	-
Car	\$ 8,256	\$ 8,997
Gue	\$ 7,769	-
Lak	\$ 8,722	-
Lau	\$ 9,081	\$ 9,081
McM	\$ 7,008	\$ 7,008
Nip	\$ 8,680	-
OCA		
UOIT	\$ 8,338	\$ 9,651
Ott	\$ 7,074	\$ 7,846
Que	\$ 6,414	\$ 6,414
Rye	\$ 8,458	\$ 8,458
Tor	\$ 10,440	\$ 10,440
Tre	\$ 8,728	-
Wat	\$ 7,452	\$ 7,452
Wes	\$ 6,991	\$ 6,991
WLU	\$ 8,657	-
Win	\$ 7,898	-
Yor		
Mean	\$ 8,175	\$ 8,234
Median	\$ 8,338	\$ 8,152
Min	\$ 6,414	\$ 6,414
Max	\$ 10,440	\$ 10,440

York has been removed as an outlier at \$4,785, which is directly tied to their student funding policy.

2017-18 Graduate International Tuition by Degree

	PHD	PhD Eng
Bro	\$ 23,504	-
Car	\$ 19,590	\$ 21,342
Gue	\$ 18,733	-
Lak	\$ 21,115	-
Lau	\$ 20,298	\$ 20,298
McM	\$ 17,096	\$ 17,096
Nip	\$ 18,350	-
OCA	n/a	n/a
UOIT	\$ 18,061	\$ 21,284
Ott	\$ 16,334	\$ 16,969
Que	\$ 12,927	\$ 12,927
Rye	\$ 19,453	\$ 19,453
Tor	\$ 32,340	\$ 32,340
Tre	\$ 18,569	-
Wat	\$ 19,716	\$ 19,716
Wes	\$ 17,694	\$ 17,694
WLU	\$ 19,465	-
Win	\$ 21,000	-
Yor	\$ 18,000	\$ 18,000
Mean	\$ 19,569	\$ 19,738
Median	\$ 19,093	\$ 19,453
Min	\$ 12,927	\$ 12,927
Max	\$ 32,340	\$ 32,340



COMMITTEE REPORT

SESSION:	ACTION REQUESTED:
Public <input checked="" type="checkbox"/> Non-Public <input type="checkbox"/>	Decision <input type="checkbox"/> Discussion/Direction <input checked="" type="checkbox"/> Information <input type="checkbox"/>
TO:	Audit & Finance Committee
DATE:	February 21, 2018
PRESENTED BY:	Brad Maclsaac
SUBJECT:	2019 – 2020 Tuition Fees Discussion

COMMITTEE/BOARD MANDATE:

The committee is responsible for overseeing the financial affairs of the university including guiding the tuition fees set.

While we would normally be coming forward for approval on proposed 2019-20 tuition fees the ministry has yet to release its compliance guidelines. Therefore, we are bringing forward this item for discussion on direction in anticipation of a decision at the next A&F meeting.

BACKGROUND/CONTEXT & RATIONALE:

The tuition fee framework, reinstated by the provincial government in December 2016, regulates all publically funded programs and allows for tuition fee differentiation based on program and year level. The framework outlines that tuition fees may increase within specified limits over current fee while ensuring the overall increase does not exceed 3%, excluding enrolment factor.

Program Type	Maximum Allowable Annual Rate of Tuition Fee Increase
Arts & Science and Other UG Programs	3.0%
Professional and Graduate Programs	5.0%
Institutional Average Tuition Increase Cap	3.0%

Due to the changes with the Ontario Student Assistance Program (OSAP), we set tuition two years ahead of implementation to support net tuition offers to prospective students.

Raising tuition is the main way the university increases its revenue in order to deliver on its mission. As Bowen’s law states, “Universities will raise all the money they can, and spend all the money they raise.” The Ontario system is currently in a corridor funding system with the government that will provide the same amount of governmental grant funding for the duration of the SMA2 period (2017-2020). In order to help offset the increase in expenses that will be seen during this time, increasing tuition has become a necessity for the sustainability of the institution.

Even with the increases in mind, UOIT still remains below median on all domestic and international tuition rates when we look at direct comparisons within the system.

RESOURCES REQUIRED:

N/A

IMPLICATIONS:

The increases proposed in this document have been made after careful analysis of the provincial and national competitors. To decrease these amounts would translate into a decrease in the forecasted revenues used in the budget planning exercise. To increase the amounts could result in the loss of enrolments.

ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:

The fees recommended will allow UOIT to continue to provide superior undergraduate and graduate programs.

ALTERNATIVES CONSIDERED:

Various increases were reviewed with respect to the system and revenue optimization. The fees presented below allow UOIT to remain at or below system median fees for all programs and levels. The following indicates a few of the key discussion points:

- **UNDERGRADUATE:** Raise all year one rates the maximum and reduce continuing student rates to ensure we meet 3% threshold. The past few years we have increase arts less as we were above system average. Now that we are at average we have ability to increase the max. The plus side to doing this is not increasing engineering rates as much as we have in past - although they are under system average. The downside is less overall tuition revenue as the percentage increase in Arts/Science is on a lower fee.
- **GRADUATE:** Raise tuition ~2%. The past few years UOIT tuition rates have not been going up as fast as permitted by the framework (~1% ARTS/SCI and 2% ENG) and our averages are under the system. However, we hear from faculty members when we raise these rates it affects their ability to attract students. The dean of Graduate and Postgraduate Studies is setting a taskforce to review graduate scholarships with a report for Graduate Studies Committee by April 2018. A key comment was the ability to know multiple years as faculty submit for long-term research grants with student supports.
- **INTERNATIONAL –** Raise all year one rates in line with domestic. While rates are not mandated recently we have been raising the rates the same percentage as domestic – noting it is the same percentage on a higher dollar value. Rates are currently set for two years out like domestic; but, there is a push to have more clarity across the province for those entering programs. One idea is to use a general term that rates will not increase more than 5% a year for the next 4 years (ie duration of normal UG program).

CONSULTATION:

Consultations occurred with Senior Academic Team and Academic Council.

COMPLIANCE WITH POLICY/LEGISLATION:

The current fees comply with the existing tuition fee framework. The current calculations are completed with the same process and assumptions as was set in 2018-2019.

NEXT STEPS:

Wait for official tuition compliance measures to be released prior to finalizing all tuition fees.
Update tuition within UOIT's student information system and website.

MOTION FOR CONSIDERATION:

N/A.

SUPPORTING REFERENCE MATERIALS:

- Appendix 1: Comparison of current tuition fees across the system
- Appendix 2: Recommendations for UOIT 2019-2020 tuition fees

Appendix 1: Comparison of 2017-2018 tuition fees across the system

Undergraduate Domestic Tuition by Program

	Arts and Science	Business & Commerce	Computer Science	Education (excl AQs)	Engineering / Applied Science	Nursing
Alg	\$ 6,327	\$ 6,327	\$ 6,327	-	-	-
Bro	\$ 6,569	\$ 8,813	\$ 8,813	\$ 6,569	-	\$ 6,569
Car	\$ 6,546	\$ 8,131	\$ 9,669	-	\$ 11,136	-
Gue	\$ 6,571	\$ 9,006	\$ 9,006	-	\$ 12,175	-
Lak	\$ 6,456	\$ 7,588	\$ 6,456	\$ 6,753	\$ 8,150	\$ 6,456
Lau	\$ 6,473	\$ 7,867	\$ 7,867	\$ 6,473	\$ 8,538	\$ 6,473
McM	\$ 6,519	\$ 9,900	\$ 8,463	-	\$ 13,171	\$ 6,519
Nip	\$ 6,236	\$ 7,849	\$ 7,849	\$ 7,142	-	\$ 6,236
OCA	\$ 6,530	-	-	-	-	-
UOIT	\$ 6,517	\$ 8,559	\$ 6,709	\$ 6,517	\$ 9,937	\$ 6,517
Ott	\$ 6,568	\$ 7,982	\$ 8,737	\$ 6,568	\$ 9,970	\$ 6,568
Que	\$ 6,569	\$ 17,418	\$ 6,768	\$ 6,476	\$ 12,742	\$ 6,569
Rye	\$ 6,592	\$ 8,892	\$ 9,061	-	\$ 10,782	\$ 6,713
Tor	\$ 6,590	\$ 16,830	\$ 12,090	-	\$ 15,010	\$ 8,840
Tre	\$ 6,600	\$ 6,600	\$ 6,600	\$ 6,600	-	\$ 6,600
Wat	\$ 6,612	\$ 16,542	\$ 13,620	-	\$ 14,784	-
Wes	\$ 6,528	\$ 26,750	\$ 6,528	\$ 7,844	\$ 13,011	\$ 6,528
WLU	\$ 6,536	\$ 9,151	\$ 6,792	\$ 8,685	-	-
Win	\$ 6,287	\$ 9,274	\$ 9,550	\$ 7,359	\$ 10,063	\$ 6,287
Yor	\$ 6,600	\$ 9,151	\$ 9,151	\$ 6,600	\$ 12,155	\$ 6,600
Mean	\$ 6,511	\$ 10,665	\$ 8,424	\$ 6,965	\$ 11,545	\$ 6,677
Median	\$ 6,541	\$ 8,892	\$ 8,463	\$ 6,600	\$ 11,646	\$ 6,548
Min	\$ 6,236	\$ 6,327	\$ 6,327	\$ 6,473	\$ 8,150	\$ 6,236
Max	\$ 6,612	\$ 26,750	\$ 13,620	\$ 8,685	\$ 15,010	\$ 8,840

Undergraduate International Tuition by Program

	Arts and Science	Business & Commerce	Computer Science	Education (excl AQs)	Engineering / Applied Science	Nursing
Alg	\$ 16,431	\$ 16,431	\$ 16,431	-	-	-
Bro	\$ 23,861	\$ 24,946	\$ 24,946	\$ 23,861	-	\$ 23,861
Car	\$ 24,040	\$ 25,758	\$ 29,215	-	\$ 30,002	-
Gue	\$ 20,840	\$ 23,645	\$ 22,060	-	\$ 27,014	-
Lak	\$ 21,525	\$ 24,150	\$ 21,525	\$ 21,525	\$ 24,150	\$ 21,525
Lau	\$ 22,241	\$ 22,241	\$ 22,241	\$ 22,241	\$ 27,445	\$ 22,241
McM	\$ 25,905	\$ 32,723	\$ 29,313	-	\$ 42,039	\$ 29,995
Nip	\$ 19,324	\$ 19,325	\$ 19,325	\$ 19,325	-	\$ 19,325
OCA	\$ 21,320	-	-	-	-	-
UOIT	\$ 19,550	\$ 21,065	\$ 20,125	\$ 19,550	\$ 24,769	\$ 19,550
Ott	\$ 27,343	\$ 33,557	\$ 31,516	\$ 26,832	\$ 39,854	\$ 32,470
Que	\$ 37,490	\$ 42,733	\$ 37,490	\$ 25,978	\$ 40,348	\$ 37,490
Rye	\$ 23,289	\$ 24,700	\$ 23,289	-	\$ 26,358	\$ 23,289
Tor	\$ 45,690	\$ 51,460	\$ 46,820	-	\$ 50,780	\$ 46,960
Tre	\$ 19,397	\$ 19,397	\$ 19,397	\$ 19,397	-	\$ 19,397
Wat	\$ 26,940	\$ 36,570	\$ 29,166	-	\$ 38,794	-
Wes	\$ 26,614	\$ 38,222	\$ 26,614	\$ 27,233	\$ 34,153	\$ 34,153
WLU	\$ 22,956	\$ 26,172	\$ 22,956	\$ 22,802	-	-
Win	\$ 22,500	\$ 24,500	\$ 23,200	\$ 26,250	\$ 26,250	\$ 26,250
Yor	\$ 23,664	\$ 25,725	\$ 25,011	\$ 23,664	\$ 23,664	\$ 23,664
Mean	\$ 24,546	\$ 28,069	\$ 25,823	\$ 23,221	\$ 32,544	\$ 27,155
Median	\$ 23,122	\$ 24,946	\$ 23,289	\$ 23,233	\$ 28,724	\$ 23,763
Min	\$ 16,431	\$ 16,431	\$ 16,431	\$ 19,325	\$ 23,664	\$ 19,325
Max	\$ 45,690	\$ 51,460	\$ 46,820	\$ 27,233	\$ 50,780	\$ 46,960

Graduate Domestic Tuition by Degree

	MA	MSc	MEd	MASc	MEng
Bro	\$ 9,008	\$ 9,008	\$ 11,011		-
Car	\$ 8,547	\$ 8,547	-	\$ 9,393	\$ 10,341
Gue	\$ 7,847	\$ 7,847	-		\$ 8,041
Lak	\$ 8,722	\$ 8,722	\$ 8,722		\$ 8,722
Lau	\$ 9,081	\$ 9,081	-	\$ 9,801	\$ 9,081
McM	\$ 7,008	\$ 7,008	-		-
Nip	\$ 9,176	\$ 9,176	\$ 9,156		-
OCA	\$ 10,839	-	-		-
UOIT	\$ 8,338	\$ 8,338	\$ 8,586	\$ 9,651	\$ 9,651
Ott	\$ 8,189	\$ 8,189	\$ 8,598	\$ 9,083	\$ 10,014
Que	\$ 6,414	\$ 6,414	\$ 6,414		\$ 8,655
Rye	\$ 10,044	\$ 9,059	-	\$ 9,059	\$ 10,044
Tor	\$ 10,440	\$ 10,440	\$ 16,140	\$ 10,440	\$ 21,255
Tre	\$ 8,728	\$ 8,728	\$ 9,389		-
Wat	\$ 7,452	\$ 7,452	-	\$ 7,452	\$ 8,784
Wes	\$ 6,991	\$ 6,991	\$ 11,511		\$ 11,511
WLU	\$ 8,657	\$ 8,657	-		-
Win	\$ 7,898	\$ 7,898	\$ 7,898	\$ 7,898	\$ 8,874
Yor	\$ 4,785	\$ 4,785	\$ 4,785	\$ 10,000	-
Mean	\$ 8,324	\$ 8,130	\$ 9,292	\$ 9,198	\$ 10,414
Median	\$ 8,547	\$ 8,443	\$ 8,722	\$ 9,393	\$ 9,366
Min	\$ 4,785	\$ 4,785	\$ 4,785	\$ 7,452	\$ 8,041
Max	\$ 10,839	\$ 10,440	\$ 16,140	\$ 10,440	\$ 21,255

Graduate International Tuition by Degree

	MA	MSc	MEd	MASc	MEng
Bro	\$ 23,504	\$ 23,504	\$ 24,042		-
Car	\$ 21,069	\$ 21,069	-	\$ 22,959	\$ 26,229
Gue	\$ 19,525	\$ 19,525	-		\$ 20,110
Lak	\$ 21,115	\$ 21,115	\$ 21,115		\$ 24,150
Lau	\$ 21,198	\$ 21,198	-	\$ 21,198	\$ 21,198
McM	\$ 17,096	\$ 17,096	-		-
Nip	\$ 18,350	\$ 18,350	\$ 18,350		-
OCA	\$ 27,275	-	-		-
UOIT	\$ 18,061	\$ 18,061	\$ 9,168	\$ 21,283	\$ 21,284
Ott	\$ 19,260	\$ 19,260	\$ 22,626	\$ 20,809	\$ 25,612
Que	\$ 12,927	\$ 12,927	\$ 12,927		\$ 19,492
Rye	\$ 20,303	\$ 20,303	-	\$ 21,996	\$ 21,966
Tor	\$ 32,340	\$ 32,340	\$ 48,885	\$ 32,340	\$ 76,170
Tre	\$ 18,569	\$ 18,569			-
Wat	\$ 19,914	\$ 19,914	-	\$ 19,914	\$ 26,106
Wes	\$ 17,694	\$ 17,694	\$ 28,730		\$ 28,730
WLU	\$ 19,465	\$ 19,465	-		-
Win	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 27,500
Yor	\$ 18,825	\$ 18,825	\$ 18,825	\$ 21,000	-
Mean	\$ 20,394	\$ 20,012	\$ 22,567	\$ 22,500	\$ 28,212
Median	\$ 19,525	\$ 19,495	\$ 21,057	\$ 21,198	\$ 24,881
Min	\$ 12,927	\$ 12,927	\$ 9,168	\$ 19,914	\$ 19,492
Max	\$ 32,340	\$ 32,340	\$ 48,885	\$ 32,340	\$ 76,170

Appendix 2: Recommendations for UOIT 2019-2020 tuition fees

Undergraduate Domestic

	2018-2019	2019-2020	Yr/Yr % Change
BA, BAsC, BEd, BHSc, BSc & Mgt , Diploma			
First Year	\$6,647.56	\$6,846.98	3.0%
Second Year	\$6,618.22	\$6,753.92	1.6%
Third Year	\$6,585.14	\$6,724.10	1.6%
Fourth Year	\$6,578.64	\$6,690.50	1.6%
Fifth Year	\$6,572.22	\$6,683.88	1.6%
BCom			
First Year	\$8,986.98	\$9,436.32	5.0%
Second Year	\$8,944.18	\$9,346.44	4.0%
Third Year	\$8,901.60	\$9,301.94	4.0%
Fourth Year	\$8,892.82	\$9,257.66	4.0%
BIT			
First Year	\$10,034.66	\$10,335.68	3.0%
Second Year	\$10,024.92	\$10,285.52	2.5%
Third Year	\$10,015.20	\$10,275.54	2.5%
Fourth Year	\$9,990.88	\$10,265.58	2.5%
BEng, BEng & Mgmt			
First Year	\$10,433.54	\$10,955.20	5.0%
Second Year	\$10,423.60	\$10,903.04	4.5%
Third Year	\$10,413.68	\$10,892.66	4.5%
Fourth Year	\$10,314.50	\$10,882.28	4.5%
Fifth Year	\$10,176.96	\$10,778.64	4.5%
BSc, Computer Science			
First Year	\$7,044.34	\$7,396.54	5.0%
Second Year	\$7,037.62	\$7,361.32	4.5%
Third Year	\$7,030.94	\$7,354.30	4.5%
Fourth Year	\$7,024.22	\$7,347.32	4.5%
BScN			
First Year	\$6,778.54	\$6,981.88	3.0%
Second Year	\$6,771.96	\$6,948.00	2.5%
Third Year	\$6,765.38	\$6,941.24	2.5%
Fourth Year	\$6,758.82	\$6,934.50	2.5%

Undergraduate International

	2018-2019	2019-2020	Yr/Yr % Change
BA, BAsC, BEd, BHSc, BSc & Mgt, Diploma			
First Year	\$19,940.96	\$20,539.18	3.0%
Second Year	\$19,853.00	\$20,260.00	1.6%
Third Year	\$19,753.72	\$20,170.64	1.6%
Fourth Year	\$19,734.26	\$20,069.76	1.6%
Fifth Year	\$19,734.52	\$20,050.00	1.6%
BCom			
First Year	\$22,118.62	\$23,224.54	5.0%
Second Year	\$22,013.30	\$23,003.36	4.0%
Third Year	\$21,929.44	\$22,893.82	4.0%
Fourth Year	\$21,907.82	\$22,806.60	4.0%
BIT			
First Year	\$23,091.20	\$23,783.92	3.0%
Second Year	\$23,068.80	\$23,668.48	2.5%
Third Year	\$23,046.40	\$23,645.52	2.5%
Fourth Year	\$22,990.46	\$23,622.56	2.5%
BEng, BEng & Mgmt			
First Year	\$26,007.42	\$27,307.78	5.0%
Second Year	\$25,982.66	\$27,177.74	4.5%
Third Year	\$25,957.92	\$27,151.86	4.5%
Fourth Year	\$25,710.68	\$27,126.02	4.5%
Fifth Year	\$25,367.88	\$26,867.66	4.5%
BSc, Computer Science			
First Year	\$21,131.22	\$22,187.78	5.0%
Second Year	\$21,111.10	\$22,082.12	4.5%
Third Year	\$21,091.00	\$22,061.08	4.5%
Fourth Year	\$21,070.88	\$22,040.08	4.5%
BScN			
First Year	\$20,333.88	\$20,943.88	3.0%
Second Year	\$20,314.14	\$20,842.22	2.5%
Third Year	\$20,294.42	\$20,821.98	2.5%
Fourth Year	\$20,274.70	\$20,801.78	2.5%

Graduate Domestic

Program Based

	2018-2019	2019-2020	Yr/Yr % Change
MA (Crim), MHSc, MSc, PhD			
All Years	\$8,421.46	\$8,505.66	1.0%
MASc			
All Years	\$9,844.38	\$9,844.38	0.0%
MEng			
All Years	\$9,844.38	\$10,336.58	5.0%
Graduate Diploma			
Diploma in Accounting	\$7,000.00	\$7,000.00	0.0%
Diploma in Nuclear Technology	\$6,562.92	\$6,891.06	5.0%
Diploma in Nuclear Design Engineering	\$6,562.92	\$6,891.06	5.0%
Diploma in Engineering Management	\$6,562.92	\$6,891.06	5.0%

Credit Based (per 3-credit course)

	2018-2019	2019-2020	Yr/Yr % Change
MBA			
All years	\$2,024.51	\$2,065.00	2.0%
MEd, MA in Education			
All years	\$1,751.63	\$1,786.66	2.0%
Graduate Diploma			
Education & Digital Technology	\$1,751.63	\$1,786.66	2.0%
Work Disability Prevention	\$1,751.63	\$1,786.66	2.0%
MITS			
First Year	\$1,397.25	\$1,425.19	2.0%
Upper Year	\$1,397.25	\$1,425.19	2.0%

Graduate International

Program Based

	2018-2019	2019-2020	Yr/Yr % Change
MA (Crim), MHSc, MSc, PhD			
All Years	\$18,421.78	\$18,790.20	2.0%
MASc			
All Years	\$21,709.26	\$21,709.26	0.0%
MEng			
All Years	\$21,709.26	\$22,794.72	5.0%
Graduate Diploma			
Diploma in Nuclear Technology	\$14,472.82	\$15,196.46	5.0%
Diploma in Nuclear Design Engineering	\$14,472.82	\$15,196.46	5.0%
Diploma in Engineering Management	\$14,472.82	\$15,196.46	5.0%

Credit Based (per 3-credit course)

	2018-2019	2019-2020	Yr/Yr % Change
MBA			
All years	\$3,462.29	\$3,531.53	2.0%
MEd, MA in Education			
All years	\$1,833.61	\$2,016.97	10.0%
Graduate Diploma			
Education & Digital Technology	\$1,833.61	\$2,016.97	10.0%
Work Disability Prevention	\$1,833.61	\$2,016.97	10.0%
MITS			
First Year	\$2,981.53	\$3,130.60	5.0%
Upper Year	\$2,981.53	\$3,130.60	5.0%

English for Academic Purposes (EAP) program

	2018	2019	Yr/Yr % Change
All Levels	\$ 2575	\$ 2652	3.0%



COMMITTEE REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Audit & Finance Committee

DATE: February 21, 2018

PRESENTED BY: Brad MacIsaac

SUBJECT: 2019-2020 Ancillary Fees

COMMITTEE/BOARD MANDATE:

The committee is responsible for overseeing the financial affairs of the university including guiding the student related fees set.

We are bringing forward this item for discussion on direction in anticipation of a decision at the next A&F meeting along with tuition fee changes.

BACKGROUND/CONTEXT & RATIONALE:

Provincial policy requires that a negotiated Compulsory Ancillary Fees protocol exists between the board of governors of each university and their student association. The committee consists of three student and three administrative representatives. Under the terms of the current UOIT protocol, signed in 2010, the Board of Governors is required to approve the ancillary fees in the spring of each year. Fees under the Bank of Canada, Consumer Price Index average of 12 months do not require committee approval. This year' CPI is 1.8%.

From 2012-2016 UOIT did not increase any of our internal unit fees as we have the highest ancillary fees in the province and we have been watching this rate carefully. The categories that increased were only those mandated by outside vendors (ie health plans, UPASS) or offered in conjunction with Durham College (ie Campus Recreation and Wellness). The main reasons for this rate include: due to size we have not reached the economies of scale of some other institutions, we have two capital projects (~\$350) funded through student referendum and our dedication to providing Technology Enhanced Learning Environment to our students rather than having them go out and buy the materials independently. Last year and this year, we are proposing an increase of ~1.3%

RESOURCES REQUIRED:

N/A

IMPLICATIONS:

Altering the fees will alter our ability to provide specific services.

ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:

The fees recommended will allow UOIT to continue to provide high quality undergraduate and graduate services and experiences to its students.

ALTERNATIVES CONSIDERED:

Each fee change was reviewed by the Ancillary fee Committee.

CONSULTATION:

A request for fees was sent out to all unit leads and UOIT Student Union in October. The committee met three times to evaluate and decide on changes.

COMPLIANCE WITH POLICY/LEGISLATION:

The increases are compliant with provincial policy and UOIT's ancillary fee protocol.

NEXT STEPS:

Update ancillary fees within UOIT's student information system and website.

MOTION FOR CONSIDERATION:

Motion at next meeting will be for approval of 2019-20 ancillary fees as presented:

	2018-19	2019-20	% Inc
Compulsory Ancillary Fees			
Fees Paid on Per CH basis Charged to FT & PT	Fee Per Yr	Fee Per Yr	
Student Life USSL	251.55	256.08	1.8%
Health and Wellness UHLW	61.72	62.83	1.8%
Campus Health Centre UHC	35.75	35.75	
Infrastructure & Service Enhancements UISE	173.49	175.57	1.2%
Campus Access & Safety UCAS	139.97	139.97	
Flat Fee Paid once per yr. Charged to FT & PT			
Technology-enriched Learning (FT) Gaming ULAF	853.87	879.49	3.0%
Technology-enriched Learning (FT) FEAS ULAF	729.79	766.28	5.0%
Technology-enriched Learning (FT) FESNS ULAF	729.79	755.33	3.5%
Technology-enriched Learning FSCI (FT) ULSF	180.13	180.13	0.0%
Technology-enriched Learning FHSc (FT) ULSF	156.30	157.86	1.0%
Technology-enriched Learning FBIT (FT) ULSF	146.67	151.07	3.0%
Technology-enriched Learning (FT) FSSH ULSF	126.88	130.69	3.0%
Technology-enriched Learning (FT) FEDU ULSF	189.20	194.88	3.0%
Flat Fees Paid half Fall and half Winter. FT only			
Athletics Complex Membership UACM	36.69	37.35	1.8%
Intramurals UITN	10.36	10.54	1.8%
Campus Recreation and Wellness UEXP	172.23	174.12	1.1%
Student Org. Fees USOF	169.36	172.41	1.8%
Varsity Fee UVAR	119.14	119.14	
Instructional Resource UTIR	112.96	114.99	1.8%

WUSC Student Sponsorship UWUF	2.70	2.70	
Summary of \$\$ Change (not including)	\$ 1,548	\$ 1,567	1.25%

* UPASS and Health Plan are under negotiations.

SUPPORTING REFERENCE MATERIALS:

Appendix A: 2017-18 Comparison (sorted by total tuition & ancillary)

UG Engineering	Tuition Fees	Total Ancillary	Tuition & Ancillary	Ancillary w/o Tele
Toronto	\$14,300	\$1,546	\$15,846	\$1,546
Waterloo	\$14,080	\$932	\$15,012	\$932
McMaster	\$12,544	\$1,379	\$13,922	\$1,379
Western	\$12,392	\$1,350	\$13,742	\$1,350
Guelph	\$11,820	\$1,706	\$13,527	\$1,706
Queen's	\$12,264	\$1,236	\$13,500	\$1,236
York	\$12,155	\$1,178	\$13,333	\$1,178
UOIT ²	\$9,464	\$2,461	\$11,924	\$1,753
Carleton	\$10,606	\$1,178	\$11,784	\$1,178
Ryerson	\$10,269	\$1,177	\$11,446	\$1,177
Windsor	\$9,584	\$1,103	\$10,686	\$1,103
Ottawa	\$9,495	\$1,175	\$10,670	\$1,175
Laurentian	\$8,132	\$1,011	\$9,143	\$1,011
Lakehead	\$7,762	\$1,090	\$8,852	\$1,090
Mean			\$12,385	\$1,272
Median			\$12,629	\$1,178



COMMITTEE/BOARD REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

Financial Impact Yes No

Included in Budget Yes No

TO: Audit & Finance Committee

DATE: February 21, 2018

PRESENTED BY: Brad Maclsaac

SUBJECT: Procurement of laptop/tablet computer equipment for 2018-19

COMMITTEE/BOARD MANDATE:

The purpose of this report is to seek Board approval to purchase the laptop computers required by the University’s Technology Enriched Learning Environment (TELE) program for the 2018-19 academic year, as well as the laptop and tablet computers and associated peripheral devices required for refresh of faculty and staff equipment.

BACKGROUND/CONTEXT & RATIONALE:

Annual purchase volume has fallen substantially in the past two years due to the program to transition TELE to “bring your own device” (BYOD). In the wake of a successful second phase of TELE BYOD, the only undergraduate students holding UOIT-owned laptops are those in the Faculty of Engineering and Applied Science (FEAS), Faculty of Engineering Systems and Nuclear Science (FESNS), and the Gaming program within the Faculty of Business and Information Technology (FBIT).

For fiscal year 2019, approximately 2000 computers will be acquired to accommodate refresh and growth. As was the case in fiscal year 2018, the equipment will be acquired via the Request For Quotation process amongst the three equipment vendors - Dell, Lenovo and HP - chosen by Ontario Education Collaborative Marketplace (OECM) selection mechanism, which is leveraged by most universities in Ontario.

RESOURCES REQUIRED:

Provision has been made within the IT Services 2019 budget for the acquisition of the required equipment. The university funds equipment for faculty and staff, while TELE ancillary fees fund equipment for the TELE program.

Authorization is sought for expenditure of \$2.4M, which is \$0.3M higher than last year.

Budget calculations reflect

- Expectation of unit price increases for each model;
- Allowance for increased memory in student computers to meet the demands of engineering and gaming software;
- Allowance for fluctuation in student enrollment.

IMPLICATIONS:

Absent approval to purchase personal computer equipment,

- Students and faculty in FEAS, FESNS and FBIT Gaming would experience disruption in the learning experience due to lack of equipment;
- Concerned about impact on engineering accreditation;
- Faculty and staff across the university would experience productivity impacts from gradual increase in equipment failure.

The key risk is increased unit price of PC equipment, particularly on the TELE models where last year's pricing was surprisingly favourable, most likely due to vendor product lifecycle considerations. The requested authorization reflects allowance for 12% year/year unit price increase for TELE models, and 2% unit price increase on Faculty/staff models. Should vendor pricing yield a more unfavourable result, the difference will be addressed through our budget contingency.

ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:

This purchase supports the university's focus on

- technology-enriched learning, by providing equipment that enables students to have curriculum-specific software tools at their fingertips, and
- an effective and productive workplace, by providing employees with enterprise-class personal computer technology on a four year refresh cycle.

ALTERNATIVES CONSIDERED:

1. Lengthening the refresh cycle for faculty/staff computers: IT Services recommends maintaining the current four year refresh cycle, as it balances equipment life and maintainability with the increasing resource demands of software. It should be noted that IT Services has gradually increased the refresh cycle from a 2 years for faculty/3 years for staff since 2012.
2. Migrating all faculties to TELE BYOD: As noted below, this option is being examined for the 2019-20 academic year.

CONSULTATION:

Planning has begun for a third phase of TELE BYOD. Consultation with affected faculties began in December, with the objective of transitioning FEAS, FESNS and FBIT

Gaming to BYOD for the 2019-20 academic year. Collaborative testing will lead to a decision by mid-year.

COMPLIANCE WITH POLICY/LEGISLATION:

IT Services complies with Broader Public Sector Procurement Guidelines, and procurement instruments and contracts are reviewed with Legal.

NEXT STEPS:

No further action is required on the part of the Board.

MOTION FOR CONSIDERATION:

Pursuant to the recommendation of Management, the Audit & Finance Committee hereby recommends to the Board of Governors for approval the expenditure of ~\$2.4M for procurement, via an open competition amongst OECM-selected vendors, of laptop, tablet and desktop equipment required to support the UOIT Technology Enriched Learning Program and internal needs for the 2018-19 academic year.

SUPPORTING REFERENCE MATERIALS: