

401. Finance Committee Operations

I. Introduction

The Bylaws of The Board of Trustees of The University of Alabama (herein called Board), at Article IV, Section 2, provide for a standing committee designated as the Finance Committee (herein called Committee). The Committee's role is primarily advisory to the Chancellor and the Board, unless otherwise provided by the Board. It is expected that the Committee will meet at all regular meetings of the Board, and on other occasions as deemed necessary by the Chancellor or the Board.

II. Objectives

The purpose of these operating guidelines is to provide a mechanism through the Office of the Chancellor to assist the Board in its policymaking role and in those business and financial matters requiring Board action on matters in which the Board has expressed a desire to be kept fully informed. The Chancellor shall review information and make recommendations to the Committee in the following areas:

- A. Establishment and implementation of financial policies and objectives of the University;
- B. Levying of student fees;
- C. Review and approval of legislative requests for appropriations, annual budgets, and midyear budget changes;
- D. Approval of all loans, borrowing and the issuance of bonds;
- E. Approval of long-range fund development plans;
- F. Review of long-range financial plans;
- G. Review of the financial aspects of new or modified policies at both the campus and System levels;
- H. Approval of depositories, custodial arrangements, contractual arrangements and legal commitments of all kinds;
- I. Review and approval of annual campus information technology plans. The projects included in the approved plans would not require additional Board approval. Projects not included in the annual plan that exceed \$500,000 in individual expenditures or \$750,000 in total

project cost for hardware, software, services or related items must be approved by the Board.

In each of the areas set forth above, the Chancellor, through the Vice Chancellor for Financial Affairs, the principal staff officer in these matters, shall cause the issuance of detailed plans for accomplishing the work of the Chancellor and the Board. Such detailed plans will be approved by the Chancellor and communicated to the Presidents and to the members of the Committee.

Before issuing any such detailed plans, the Chancellor or Vice Chancellor shall consult with and seek the advice and recommendations of the chief financial officers of each of the campuses.

To fulfill the above purposes, the Committee will work with the assistance of the Vice Chancellor for Financial Affairs, as designated herein. The Chancellor wishes to review and present to the Board relevant financial functions indicated under this Section II.

III. Operation of the Committee

- A. All financial issues of the Board are presented to the Committee.
- B. Chancellor's staff prepares agenda for distribution to the Committee members prior to each meeting.
- C. The Committee takes the official action for items requiring action by a Board Committee.
- D. The Vice Chancellor for Financial Affairs, or her/his designee, schedules working sessions, as needed, to permit time for full discussion of each item on the agenda.
- E. In order for an item to appear on the agenda of the Committee, it should have been reviewed by the Chancellor, the Chair of the Committee or the President pro tempore.

(Adopted August 24, 1977 as Committee Guidelines; amended January 21, 1981, September 16, 1981, and April 21, 1995; amended and adopted as Board Rule December 5, 1977; amended November 19, 1999; November 14, 2008.)