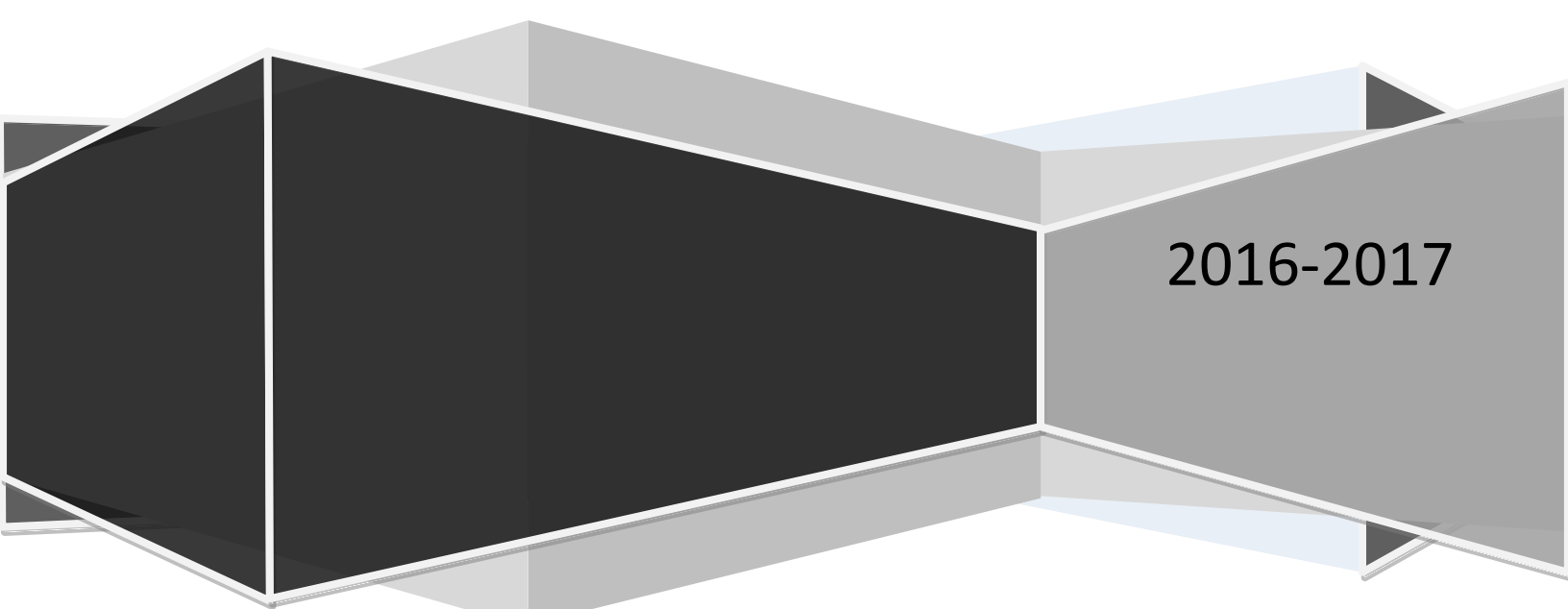


STUDENTS' UNION BUILDING CAPITAL REPLACEMENT FUND - (CRF)

Terms of Reference

The Students' Union, the University of Lethbridge

Approved by Students' Council April 22, 1990



2016-2017

Capital Replacement Fund

TERMS OF REFERENCE (Proposed)

1. Definitions

- 1.1. The Students' Union shall collect fees from students, and maintain and invest those monies as a trust fund, hereby known as the "Capital Replacement Fund" (CRF).
- 1.2. The word "Union" shall henceforth, in this document, describe the Students' Union of the University of Lethbridge.
- 1.3. The word "SUB" shall henceforth, in this document, describe the Students' Union Building of the University of Lethbridge.
- 1.4. The words "SUB Trust Fund" shall henceforth, in this document, describe the fund of monies collected, invested and dispensed by the Students' Union solely towards the achieving of the Students' Union Building on the University of Lethbridge campus.
- 1.5. The word "university" shall henceforth, in this document, describe the University of Lethbridge.
- 1.6. The words "Capital Item" or "Capital Acquisition" or "Capital Purchase" shall henceforth, in this document, describe a purchase of goods or services valued at \$500.00 or more.

2. Origin

- 2.1. The CRF came into being as a separately collected fee levy, following a duly conducted referendum, in accordance with the rights and powers under the Students' Union Constitution and By-Laws, granted to the Union under the Universities Act.
- 2.2. Debate and information made available to students led the voters to believe that the Capital Replacement Fund would be used explicitly to:
 - 2.2.1. make capital purchases for the SUB, in accordance with guidelines established for expenditures of the SUB Trust Fund, and accepted procedures and practices of the University of Lethbridge and Government of Alberta; and
 - 2.2.2. pay towards any outstanding capital construction mortgages and debts resulting from construction of the SUB, and/or any capital renovations and repairs made within and around the SUB, and duly considered by the Union and University of Lethbridge to fairly represent the Union's share of costs of any acquired mortgage or debt against the SUB.
 - 2.2.3. It is in the spirit of the understanding upon which the members of the Union voted the CRF into being, that the Terms of Reference for the CRF are made.

3. Collection of the CRF

- 3.1. The CRF shall be collected as a separate line item “fee”, together with other Union, University and student fees, and in accordance with the fee collection practices established by the University.
- 3.2. The referendum of January, 1989 established that the CRF would be collected at the following rates, and that any changes to these rates would have to be put to referendum:
 - 3.2.1. \$5.00 per semester for full-time students*
 - 3.2.2. \$2.50 per semester for part-time students*
 - 3.2.3. \$1.25 per session for summer students

(*the Union follows the University of Lethbridge Calendar’s definitions in determining designation of “full-time” and “part-time” student status)

4. Management of the CRF

- 4.1. Monies collected by the Controller’s office of the University on behalf of the Union shall be turned over to the Union’s duly authorized employee or representative, in keeping with the accepted practices for such exchanges, as are agreed to by the Union and the University from time to time.
- 4.2. CRF monies which are not required by the Union for immediate purchase of goods or services shall be invested responsibly by the Union in government backed securities, certificates of deposit, or commercial paper with a rating of no less than R1 on the Dominion Bond Rating Service schedules.
- 4.3. University of Lethbridge investment policies may also be used to serve as guidelines for investment.
- 4.4. Allocation of CRF monies into, and between different investment types, must be reported to the Students’ Council at least two (2) times per annum, by the Vice-President Administration of the Union.
- 4.5. The performance of CRF monies in investment portfolios must also be reported to the Students’ Council at least two (2) times per annum, by the Vice-President Administration of the Union.
- 4.6. Any member of the Students’ Union, Students’ Council, Alumni Council, or University’s senior administration, may request to see the Union’s most updated audited financials statements for the CRF, and must be granted access to the statements within a reasonable amount of time, and in any case, no later than seventy-two (72) hours after the Union’s receipt of a written request to view the statements.

- 4.7. A separate chequing account shall be maintained, called the ACRF Chequing Account, for the purpose of expenditures and deposits to be made using CRF monies.
- 4.8. The Union must produce, at the end of every fiscal year, an audited financial statement and report of the use of CRF monies for that year, and must provide copies of that report to the Management Liaison Committee and the Board of Governors of the University.

5. Expenditures of the CRF

- 5.1. Purchases of Capital goods and services through CRF monies must be approved by a two-thirds (2/3) special resolution of the Students' Council of the Union.
- 5.2. Summer quorum requirements of the meetings of the Students' Council of the Union shall not be considered applicable to resolutions to purchase capital goods and services using CRF monies.
- 5.3. Recommendations to purchase Capital goods and services using CRF monies can be made by any one of the following:
 - 5.3.1. the Management Liaison Committee (in accordance with the SUB Management Agreement, Sec. 4.01.11)
 - 5.3.2. the Sub Facilities Manager
 - 5.3.3. the Union's Administration Manager or Business Manager
a member of the Students' Council of the Union
 - 5.3.4. the Alumni Council of the University
- 5.4. A Capital purchase may include the following items, inclusive of purchase, installation, renovation, repair, replacement and removal of said items:
 - 5.4.1. furnishings, equipment, and fixtures, including: desks, work surfaces, sound screens, counters, cabinets, bulletin boards, seats, chairs, lights, loungers
 - 5.4.2. floor, window and wall coverings, including: drapes, blinds, carpets, tile, linoleum, paint, wallpaper, wall surfaces
 - 5.4.3. computer hardware and software, including upgrading, used to provide for the efficient operation of the Union and the SUB
 - 5.4.4. walls, major partitions, windows, SUB outer features, partitions, signage
 - 5.4.5. aesthetic elements designed, installed and otherwise intended to enhance the decor of the SUB

- 5.4.6. installations and upgrades of equipment designed to enhance the safety and security of the occupants and users of the SUB
 - 5.4.7. immediate repairs of damages to the SUB, the costs of which may be subsequently recovered through insured, legal or other means
 - 5.4.8. professional consultation services yielded by persons recognized as bona fide and licensed to practice in Alberta in the given profession, provided that the consultation is in regards to matters involving goods and/or services provided for under the terms of this document.
- 5.5. CRF monies may NOT be used to purchase, provide for, or otherwise attain the following items:
- 5.5.1. Union Club's funding
 - 5.5.2. Union operating expenses
 - 5.5.3. Union business ventures
 - 5.5.4. Union salaries and honoraria
 - 5.5.5. telephone, utility and other liabilities as are occurred to the Union on a day-to-day basis
 - 5.5.6. conferences attended by Union employees or representatives
 - 5.5.7. conferences hosted by, or otherwise associated with, the Union, or the SUB
 - 5.5.8. legal expenses incurred by the Union or the SUB
- 5.6. In the event that it is in the best interests of both the Union and the SUB to do so, monies from the CRF may be used to relieve all or some of the mortgage debt load incurred by the Union as a result of the SUB, provided that the SUB is in a satisfactory condition of capital maintenance, as determined by the Management Liaison Committee.
- 5.7. In the event that it is the will of the Students' Council of the Union, as determined by a special resolution of the Council, to purchase space in the SUB, from the University, it is permissible to use CRF monies, provided that capital upgrading, maintenance and replacement obligations have been met, and that the Union and the University can agree on a fair market value for the space in question.
- 5.8. In the event that there is a dispute over the priority of expenditures of CRF monies, the following general guideline shall serve as a priority schedule:
- 5.8.1. the first priority shall be to provide capital purchase monies to attain goods and services as outlined in 5.4.

5.8.2. the second priority shall be to provide debt relief

6. Other Uses of the CRF

- 6.1. When the mortgage debt load of the SUB is retired, the Union shall continue to collect CRF monies from Union members, provided that, at no time, the CRF is larger than the cumulative capital replacement value of all the furnishings, fixtures, floor-window-wall coverings, capital equipment items, and other such items as covered by this document.
- 6.2. If the CRF should grow to a size that it is as large as the cumulative capital replacement value of the SUB capital equipment, furnishings, fixtures and floor-window-wall coverings, the Students' Council of the day must undertake to temporarily suspend collection of the CRF fee from students, for a period of time necessary to reduce the CRF to a value equivalent to only eighty percent (80%) of the aforementioned capital replacement value, at which time it may be reinstated. Both actions shall require a two-thirds (2/3) majority vote of the Students' Council.
- 6.3. Upon retirement of the mortgage debt load of the SUB, the Union may use CRF monies to provide capital replacement for any other structures which may be owned, under construction, or purchased by the Union, for the benefit of Union members, subject to a special resolution passed by two-thirds (2/3) of the Council of the Union.

7. Adjudication

- 7.1. Members of the Union, or any member of the University community, may contest an expenditure of monies from the CRF, by community, may contest an expenditure of monies from the CRF, by providing a written letter of appeal against a purchase, to the Vice-President Administration of the Union, the Administrative Manager of the Union, or the Management Liaison Committee.

The letter must outline the nature of the contest of the decision, the identity of the person(s) contesting, and must be put before the Students' Council of the Union at the following regular meeting of the Students' Council. The Students' Council must render a decision or, barring that, postpone the expenditures of CRF monies, where possible, until a decision has been rendered.

- 7.2. The decision of the Students' Council on matters of appeal against the use of CRF monies requires that:
 - 7.2.1. a minimum of two-thirds (2/3) of the Students' Council members must uphold the original decision of the Students' Council to expend CRF monies
 - 7.2.2. a minimum of one-third (1/3) of the Students' Council members are required to overturn the original decision of the Student' Council to expend CRF monies
- 7.3. Students' Council need not consider an appeal of a decision to purchase more than one (1) time, unless new evidence is brought to bear.

- 7.4. The decision of the Students' Council is final, and not subject to any other form of appeal, other than that available through the Students' Union Constitution and By-laws.

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Ratification by
Students' Council: 90/04/22

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