

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

CONFIDENTIAL

The Minutes of the Finance Committee Meeting of 26 June 2002.

PRESENT: The Provost (in the Chair), the Bursar, the Registrar, the Dean of BESS, the Dean of ESS, Dr J. Killen, Prof. J. Fitzpatrick, the Treasurer (Secretary of the Finance Committee)

OBSERVERS: Professor M. Marsh, Professor E. McCabe, Dr. M. O'Moore, Ms E. Drew, Ms A. Power, the Secretary

IN ATTENDANCE: Deputy Treasurer

APOLOGIES: Vice-Provost, Dr A. NiChasaide

The Minutes of the Meeting of 22 May 2002 were approved and signed.

2002/101 Estimates Process

The Committee had been circulated with a paper from the Bursar and the Treasurer dated 18.06.2002 setting out the background to the Estimates process, an outline of the data collection, presentation and explanations provided to support the process, the allocation process undertaken by Executive Officers, the role of the Finance Committee along with the Board approval process and the impact of future parameters which will be provided by the Strategic Plan. The Committee noted its responsibilities in relation to the Estimates process and the guidelines, policy issues and/or concerns which it must bring to the attention of Board before, during and after the Estimates process. The Committee indicated that individual explanations from Executive Officers in relation to the major allocations would be helpful. It was further agreed that the Finance Committee, at a later date, would carry out a review of all historical baseline expenditure which are commitments on income prior to entering the Estimates process. The Committee welcomed the document as a source of important clarification in relation to the Estimates process.

2002/102 Capital Projects

(Minute 2002/77 of 24.04.2002 refers)

The Bursar reported to the meeting the financial outcomes currently expected to arise in relation to the Nasr, Arts Building, Library, and St. James's Hospital projects which give rise to a total expected deficit in the region of €2m. The Committee noted that a claim in respect of PRTL I inflation was with the HEA and remained to be resolved and noted that the College had recently written to the HEA in this regard. The Committee noted, however, that issues in relation to cashflow from the HEA had still not been resolved.

In relation to the North-East Corner project the Committee noted three major issues likely to have a very significant impact on the project. The costs incurred to date were significant and would have to be recouped when considering how these projects might proceed.

The Committee confirmed the need to address capital deficits as they arise.

2002/103 Research Centres - Financial Governance

The Committee noted a memorandum dated 18.06.2002 in connection with The Institute for Neurosciences and the Institute for International Integration Studies which require the setting up of cost centres with separate financial accounting arrangements. The Committee approved a full application of the arrangements set out in a paper dated 27 September 2000 (also circulated along with Finance Committee Minute 2001/05 of 6.10.2000). The Committee indicated that these were interim arrangements in respect of these two centres only and that financial governance issues associated with centres in general would have to be revisited by the Finance Committee as part of the resolution of the centres issue.

2002/104 Indirect Costs

(Minute 2002/64 of 27.02.2002 refers)

a) Working Party on Policy for SFI and Similar Activities

The Bursar reported to the Finance Committee that the Board had set up a Working Party on Policy for SFI and similar activities. As part of its remit the Working Party would consider indirect costs, rules for use of College/Departmental facilities and personnel, intellectual property rights, the relationship between the PI, the Centre, associated Department(s), and the College, teaching obligations of PIs, postgraduate supervision, recruitment and contractual arrangements with PIs and their staff and any other matters considered relevant to the successful development of research centres. It is expected that the Working Party will report to Board early in Michaelmas Term 2002.

b) Interim arrangements for indirect costs for SFI and PRTL

The Committee heard a report from the Bursar indicating that the joint sectoral, HEA and research sponsors report on indirect costs would be available within the next month. Preliminary indications on conclusions confirmed work already carried out by the Finance Committee. The previous paper considered by the Finance Committee indicated indirect costs at a level of 45% total direct costs, of which approximately two-thirds related to College costs with the balancing one-third applicable to Departmental/Faculty costs. It was agreed, without prejudice to the outcome of the Board's Working Party, that overheads from SFI and PRTL would be allocated two-thirds to College and one-third to the Department and Faculty subject to a minimum contribution of College of 15%. The Finance Committee confirmed that for contracts currently under negotiation, and all future contracts, indirect costs could only be remitted to a Department or Faculty where costs were being incurred which the indirect cost contribution by the sponsor was intended to cover.

c) SFI Cycle 1 - Indirect Costs

The Committee had been circulated with a memorandum dated 19.06.2002 from the Research Accounting Manager outlining the background to SFI Cycle 1 Indirect Costs, the basis of the calculation and the first call commitments in relation to refurbishment costs. Arising from consideration of the memorandum, the Committee noted

- i) the impact on indirect costs of the delay in the recruitment of the Research Teams and requested this matter be brought to the attention of the relevant PIs and Departments.
- ii) that the original budgets provided by the Director of Buildings Office for the SFI refurbishment projects be confirmed as the maximum amount available for the refurbishment projects and projects must be completed within budget.

- iii) the terms and conditions of SFI - Cycle 1 do not enable automatic transfer of funds between the years for individual projects and requested that SFI PIs be requested to lobby SFI for variation of salary expenditure patterns between the years thereby protecting the original estimated indirect cost contributions.

2002/105 Company Directors - Duties and Powers of Company Directors

The Committee noted and approved the memorandum (and attached documentation) dated 13.06.2002 from Ms M. Matthews setting out guidelines on the duties and powers of Directors and confirmed the necessity for the College to outline for its nominees to campus company and other Boards their duties and obligations so that their full requirements of the Directors and Officers liability insurance of the College can be met. In this context Directors will be requested to provide the College with certain information on an annual basis.

2002/106 Electronic Distribution of Financial Reports

The Committee approved a memorandum from Mr. T. Dunne dated 17.06.2002 proposing the introduction of electronic reporting to Departments and cost account holders, on a phased basis, in the coming months.

2002/107 Staff Reimbursements - Electronic Payments

The Finance Committee approved a proposal from the Financial Information Systems Manager dated 7.06.2002 that reimbursement of expenses incurred by staff be made weekly by electronic funds transfer directly into bank accounts (details of which are held for salary purposes). Staff will be provided with details of such payments as before. Where bank account details are not already held reimbursement of expenses will be by cheque on a monthly basis.

2002/108 Student Charge

Arising from the finalisation of the recurrent income and expenditure estimates for 2002, the Treasurer tabled a paper, discussed in advance with the Student Representatives, setting out the estimates for 2002 in respect of the costs associated with the Student Charge. The Treasurer outlined for the Committee the historical context of the free tuition fees initiative in 1995/96 which gave rise to the introduction of the Student Charge along with setting out the consistent basis on which charges had been determined on an annual basis. The Committee noted the Student Unions concerns regarding the inclusion in the calculation of examination and registration costs while acknowledging that this was a requirement of the Minister for Education at the time of the introduction of free tuition fees and the student charge. It was agreed that the College would make representations to the HEA about the inclusion of examination and registration costs as part of the Student Charge. The Committee approved the paper as presented.

2002/109 Sub Committee Memberships

The Committee received and approved nominations from the Provost as follows:

- a) Investment Committee
Professor F Ruane to be replaced by Professor C. Kearney (for the period 2002/2005)

- b) Conferences Committee
Ms A. Fitzgibbon to be replaced by Professor P. Lane (for the period 2002/2005)
- c) Business and Industry Committee
Mr. S. McGinnes to be replaced by Dr. J. Jones (for the period 2002/2005)
Dr. M. O'Regan to be replaced by Dr. J. Donegan (for the period 2002/2005)

The Committee expressed its appreciation to Professor F. Ruane, Ms A Fitzgibbon, Dr. S. McGinnes and Dr. M. O'Regan for their contributions to the sub committees.

2002/110 Day Nursery

The Finance Committee noted and approved a memorandum dated 20.06.2002 from the Chairperson of the Day Nursery Working Party proposing a 15% increase in Day Nursery charges for both staff and student parent users with effect from 1.10.2002 as an interim measure pending the completion of the Working Party Report. The Committee noted there had been no increase in 2001/2002 and that the matter had been fully discussed in advance with Student Representatives.

2002/111 Miscellaneous Charges

The Committee noted and approved a memorandum dated 12.06.2002 from the Accommodation Officer setting out Miscellaneous Charges for the academic year 2002/2003 in relation to the Dublin Experience, College Guest Rooms and residential group tariffs.

2002/112 Audit Fee - 2001/2002

The Committee noted and approved the memorandum from the Deputy Treasurer dated 19.06.2002 setting out details of the proposed audit fee for the current year as put forward by PricewaterhouseCoopers. The Committee approved the proposed fee of €43,500 (ex VAT) in respect of the audit of the College's financial statements and a fee of €3,000 (ex VAT) in respect of the audit of Ghala Ltd.

2002/113 External Examiner Rates 2003/2005

Arising from the triennial review of the fees payable to External Examiners, the Committee approved an 18.5% increase in existing rates outlined in a memorandum dated 19.06.2002 from Ms A. O'Mahony.

2002/114 Ghala Ltd

The Committee noted the Revenue Commissioner's correspondence dated 28.05.2002 in connection with a VAT cash revenue audit of Ghala Ltd.

2002/115 House Purchase Loans

The Committee approved the three applications as circulated and tabled. The Committee requested that the Treasurer process, prior to submission to Finance Committee in October, House Purchase Loan applications presented during Summer Vacation.

2002/116 Research - PRTL Cycle 3

The Committee noted HEA correspondence dated 24 May 2002 indicating potential delays in the commencement in the capital elements of approvals received under PRTL Cycle 3 arising from uncertainties in relation to the cashflow profile in respect of this initiative over the period of the National Development Plan.

2002/117 Finance Committee Meetings - 2002/2003

The Finance Committee was circulated with a memorandum dated 12.06.2002 setting out the schedule of Finance Committee meetings for 2002/2003.

2002/118 Non EU Fees - Health Sciences and Dentistry - 2003/2004

The Committee approved a recommendation from the Medical Consortium dated 12.06.2002 recommending a 5% increase in the non EU medical fee to €21,300 for 2003/2004.

The Provost expressed his appreciation for their participation and contribution during their respective terms on the Committee to the Dean of BESS, Dr. J. Killen and Miss A. Power who were retiring from the Committee.

The next meeting of the Finance Committee has been arranged for Wednesday, 9.10.2002, at 2.30 p.m. in the Provost's Library.

PROVOST.....

DATE.....

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