



Minutes of the Finance Committee Meeting of 14 November 2013

PRESENT: Provost (in the Chair), Vice-Provost/Chief Academic Officer, Bursar, Dean of AHSS, Registrar (for Minutes 16 – 22), President of the Students Union, Mr. J. Gorringe, Ms. Caroline Curtis, Chief Financial Officer (CFO) – Secretary of the Committee.

IN

ATTENDANCE: FSD Project Manager

APOLOGIES Prof. R. Gilligan, COO

The minutes of the Finance Committee meeting of 19 September 2013 were approved and signed.

The Committee noted the circulated Status Report on the Finance Committee Action List as at November 2013 and the updated position on certain open actions as outlined by the CFO and Bursar. Updated action points are minuted separately below (minutes FN/13-14/20, FN/13-14/21 and FN/13-14/22 refer).

Section A

FN/13 – 14/16 Procedure Guiding Transfers of Capital from the Trust Funds

The Committee noted the circulated memorandum from the CFO dated 07.11.2013 which set out a guiding principal and recommendations around the management of transfers of capital units from the Trust Funds in the future. The Committee considered and approved the proposal, subject to a minor amendment, and recommended it for onward consideration and approval by Board (policy attached).

Action:

16.1 A guiding principal and recommendations around the management of transfers of capital units from the Trust Funds in the future was recommended for onward consideration and approval by Board, subject to a minor amendment.

FN/13 - 14/17 Proposed Amendment to Trust Funds Name and Financial Year End

The Chair of the Investment Committee attended for this item.

Having considered the circulated memorandum from the CFO dated 07.11.2013, and noting that it had previously been considered by the Investment Committee at its meeting of 10.09.2013, the Committee agreed to the proposed name change for the Trust Funds to the "Trinity Endowment Fund". The Committee further agreed that the financial year end for the Fund should now align with that of the College, on 30 September annually. Both proposals were recommended for onward approval by Board (policy attached).

Action:

17.1 A proposal to change the name and financial year-end for the Trust Funds was recommended for onward consideration and approval by Board.

Section B

FN/13 - 14/18 Global Relations Strategy (GRS) (Minute FN/13 - 14/1.1 of 19.09.2013 refers)

The Committee, noting that the VPGR is currently meeting with the Schools in relation to student numbers targets and that the Planning Group will consider these in the context of a review of the GRS Business Case, requested that the next GRS report (due for consideration at the December meeting) would include an update on the composition of student numbers that would meet the original targets as set out in the agreed business plan.

Action:

18.1 The December report on the GRS to include an update on the composition of student numbers that would meet the original targets as set out in the agreed business plan.

FN/13 - 14/19 Non EU Fee Levels for 2014/15 (Minute FN/13 - 14/7.2 of 19.09.2013 refers)

In the context of the financial challenges facing the College, the Committee requested that the CFO should work closely with the Vice Provost and Director of Communications & Marketing to incorporate financial matters/budgetary cycles into the Provost's internal Communications Plan for the College and that the delivery of this communication should now be accelerated.

Action:

19.1 The CFO to work closely with the Vice Provost and Director of Communications & Marketing in incorporating financial matters into the internal Communications Plan for the College and the delivery of this communication should be accelerated.

FN/13 - 14/20 IIIS (Minute FN/11 - 12/103.1 of 13.06.2012 refers)

The VP/CAO briefed the Committee on the review of the IIIS which is currently underway. It is anticipated that a preliminary report will be brought forward in Hilary Term 2014. The Committee also noted that resources for the current academic year have not been allocated pending the outcome of this review.

Action:

20.1 A preliminary report in relation to the IIIS to be brought forward in Hilary Term 2014.

FN/13 - 14/21 TBSI (Minute FN/12 - 13/1.1 of 26.09.2012 refers)

Further to an update from the VP/CAO, the Committee noted that governance arrangements in respect of TBSI have now been finalised with the appointment of the Dean of the Faculty of Engineering, Mathematics and Science.

FN/13 - 14/22 Consolidated Financial Statements 2009/10

Having expressed concern regarding the lack of progress in resolving the ongoing qualification on the College's Financial Statements arising from unresolved sectoral pension issues the Committee requested that the CFO should again engage with the HEA.

Action:

22.1 The CFO to once more engage with the HEA with to resolve the ongoing qualification on the College's Financial Statements arising from unresolved sectoral pension issues.

FN/13 - 14/23 Science Gallery

(Minute FN/12 - 13/81 of 22.05.2013 refers)

The Director of Science Gallery attended for this item.

The Committee considered the first of the bi-annual reports from the Director of the Science Gallery dated 04.11.2013 as circulated, including the recent additional funding it had been awarded along with other fundraising measures, noting that the feasibility of an endowment campaign will be assessed in 2014. The concerns expressed by the Director regarding the impact of the lack of a full-time fundraising manager on fundraising targets were also noted by the Committee, who also considered administrative expenses and miscellaneous expenditure in detail.

Noting the financial position as set out and the plans to reduce start-up costs in the coming years, the Committee requested that the CFO meet with the Chair of the Science Gallery Board and the Director to consider the Gallery's financial model and cost management strategies. Furthermore, the Committee requested the Science Gallery to commencement repayment of its start-up costs in 2013/14 at a minimum rate of €60k per annum (over the next 10 years) but to accelerate this repayment schedule should a positive variance against budget be reported in any financial year.

In line with College policy, the Committee invited the Director of the Science Gallery to provide an update in Michaelmas Term 2013.

Action:

23.1 The CFO to meet with the Chair of the Science Gallery Board and the Director to consider the Gallery's financial model and cost management strategies.

23.2 The Science Gallery to repay its start-up costs at a minimum rate of €60k per annum (over the next 10 years) but to accelerate this repayment schedule should a positive variance against budget be reported in any financial year.

23.3 In line with College policy, the Director of the Science Gallery to provide an update in Trinity Term 2014.

FN/13 - 14/24 CRANN

(Minute FN/12 - 13/96 of 12.06.2013 refers)

Noting that consideration of the report from CRANN had been deferred due to its late submission, the Committee requested that report authors would in future submit their reports at least 3 days in advance of circulation to the Committee to allow adequate time for review by the FSD.

Action:

24.1 In future report authors to submit their reports at least 3 days in advance of circulation to the Committee to allow adequate time for review by the FSD.

FN/13 - 14/25 Trust Funds (Benefactions) Financial Statements to 30 June 2013

(Minute FN/13 - 14/3 of 19.09.2013 refers)

The Chair of the Investment Committee attended for this item.

The Committee welcomed the presentation from the Chair of the Investment Committee in relation to the College's endowment investment portfolio and noted the associated investment objectives, strategies and risks.

FN/13 - 14/26 Research Funding Diversification & Industry Engagement Strategies

(Minutes FN/13 - 14/10 & FN/13-14/11 of 19.09.2013 refer)

The Dean of Research & Director of Trinity Research & Innovation (TR&I) attended for this item.

The Committee considered the circulated memorandum from the Dean of Research and Director of Trinity Research and Innovation dated 07.11.2014 and noted the high level progress report provided on both the Research Funding Diversification and Industry Engagement Strategies. The Committee further noted the updated financial position and work undertaken to develop detailed financial models to inform future reporting on both strategies.

In advance of the completion of these models, the Committee requested the Dean of Research and Director of Trinity Research & Innovation to prepare an additional report on each Strategy, to include performance targets and strategies, for consideration at the December meeting.

Furthermore, the Committee recommended that all reports coming forward for consideration should be limited in size to a maximum of three pages of narrative along with accompanying financial schedules.

Action:

26.1 The Dean of Research and Director of Trinity Research & Innovation to prepare reports on the Research Funding and Industry Engagement Strategies, to include performance targets and strategies, for consideration at the December meeting.

26.2 The Committee recommended that all reports coming forward for consideration should be limited in size to three pages of narrative along with accompanying financial schedules.

FN/13 - 14/27 Financial Services Division's Office Risk Assessment Update

The Financial Planning Manager attended for this item.

The Committee considered the circulated memorandum from the Financial Planning Manager dated 07.11.2013, which, in accordance with the College's Risk Management Policy, outlined a review of the financial risks associated with College activity along with the monetary value estimate for each risk (Minute FN/11-12/88 of 16.05.2012 refers). The Committee noted in particular the following high risks:

- Challenging State funding environment and economic outlook
- Continued reduction in research funding and the related impact on research quality
- Process, systems and infrastructural risks associated with large IT transformation projects

Noting that details of low risks were available for review in the FSD, the Committee agreed the risks as presented. In considering the medium risks as circulated, and the Committee requested that two of the risks outlined should be re-classified as high in advance of the report being forwarded to the Chief Operating Officer for inclusion in College's overall risk process.

The Committee further requested that the Director of HR would bring forward a proposal for consideration at the December meeting in relation to the future management of the casual payroll in order to mitigate the risks identified. In addition, the CFO agreed to engage with the relevant Heads of School on their agreed financial commitment to the repayment of the College's investment in a specific capital project (Minute FN/12-13/105.2 of 12.06.2013 refers), advising the Committee in December should further action be required to expedite this high risk matter satisfactorily.

Action:

- 27.1** Two risks to be re-classified as high in advance of the Risk Assessment being forwarded to the COO for inclusion in the overall College risk process.
- 27.2** The Director of HR to bring forward a proposal for consideration at the December meeting in relation to managing the high risk associated with the Casual Payroll.
- 27.3** The CFO to engage with the relevant Heads of School on their agreed financial commitment to the repayment of the College's investment in a specific capital project, advising the Committee in December should further action be required to expedite this high risk matter satisfactorily.

FN/13 - 14/28 Post Graduate EU Fees for 2014/15

The Financial Planning Manager attended for this item.

The Committee considered the circulated memorandum from the Financial Planning Manager dated 07.11.2013 in respect of PG EU fee levels for 2014/15, noting that there had been no increase in fees since 2009/10 and the positive impact increased fees would have on the College's finances. Further noting the components and outcomes of the review undertaken in arriving at the proposed fee levels, and in the context of its earlier decision in respect of PG and UG Non-EU fees, the Committee approved the increased PG EU fee levels as proposed.

FN/13 – 14/29 Commercialisation Strategy - Update

(Minute FN/12 - 13/99 of 12.06.2013 refers)

In considering the Bursar's circulated report dated 07.11.2013 in relation to the Commercialisation Strategy, the Committee noted the updated position in relation to the combined performance of the Commercial Revenue Unit along with the performance of individual units for 2012/13. The Committee further noted the appointment of the Commercial Director and invited the Bursar to bring forward a further report for consideration in Hilary Term 2014.

Action:

- 29.1** The Bursar to bring forward a further report for consideration in Hilary Term 2014.

Section C

FN/13 – 14/30 Trinity College Institute of Neuroscience (TCIN) (Minute FN/12 - 13/95 of 12.06.2013 refers)

The Committee noted the circulated report from the Director of TCIN 07.11.2013 including the current stable financial position and outlook, an outline of sustainability issues, core costs, grant (including diversification of incomes sources and risk along with detail of successful and unsuccessful research proposals in the reporting period as previously requested. The Director of TCIN was invited to provide an update in Trinity Term 2014 in line with College Policy.

Action:

30.1 The Director of TCIN to provide an update in Trinity Term 2014 in line with College Policy.

FN/13 - 14/31 Treasury Management Update (Minute FN/12 - 13/102 of 12.06.2013 refers)

In accordance with the Treasury Management Policy, the Committee noted the Treasury Management update for the financial year 2012/13, as set out in the circulated memorandum from the Financial Planning Manager dated 07.11.2013.

FN/13 - 14/32 eStrategy Quarterly Update (Minute FN/12 - 13/71 of 20.03.2013 refers)

Having considered the circulated report dated 06.11.2013 from the Project Management Office (PMO), the Committee noted the financial position of the four eStrategy Projects at October 2013 and requested a further update to be provided in Hilary Term 2014.

Action

32.1 A further update on the eStrategy projects to be provided by the PMO in Hilary Term 2014.

FN/13 - 14/33 Miscellaneous Charges

The Committee noted the memorandum dated 06.11.2013 from the Director of Accommodation and Catering Services as circulated, approving the proposed charges for 2013/14 as set out.

FN/13 - 14/34 Minutes of Sub Committees

The Committee noted and approved the minutes of the Investment Committee meeting of 10.09.2013, as circulated.

FN/13 - 14/35 Related Entity Financial Reporting

The Committee considered the circulated Annual Report and audited Financial Statements from the Central Applications Office (CAO) and IRIS Electronic Information Services Limited for the year ended 31.12.2012 and requested that the documents be forwarded to Board for noting. The VP was requested to engage at Sectoral level regarding the level of reserves held by the CAO.

Action:

- 35.1** The Annual Report and audited Financial Statements from the Central Applications Office (CAO) and IRIS Electronic Information Services Limited for the year ended 31.12.2012 to be forwarded to Board for noting.
- 35.2** The VP to engage at Sectoral level regarding the level of reserves held by the CAO.

FN/13 - 14/36 Finance Committee Self-Evaluation Process 2012/13 - Outcomes
(Minute FN/12 - 13/107 of 12.06.2013 refers)

In considering the circulated report dated 06.11.2013 from the Financial Services Division, the Committee noted the recommendations and clarifications as set out, and agreed that a standard reporting template should be developed and applied for future reports to the Committee.

Action:

- 36.1** A standard reporting template to be developed and applied for future reports to the Committee.

The Committee noted that the next Finance Committee meeting is scheduled for 18 December 2013, at 2.30p.m. in the Provost's Library.

PROVOST.....

DATE.....



MEABHRÁN | MEMO

Chuig | To: Finance Committee
Ó | From: Chief Financial Officer
Dáta | Date: 7 November 2013
Tagairt | Ref: Policy for Transfers from the Trust Funds

1. Introduction

The Trust Funds (Benefactions) are permanent funds that provide financial support to specific College activities in perpetuity and, in many cases, the activity relies on the Trust Funds as the only source of perpetual financial support. The permanent nature of the Trust Funds creates the financial challenge of preserving the purchasing power of the Fund's assets against inflation thus ensuring that the assets continue to support the same set of activities for future generations.

The contribution made by the Trust Funds to College continues to be a significant source of income to College as the level of State funding deteriorates further. In the year ended 30 June 2013 the Trust Funds contributed €3.5m to College activities.

2. Policy for Transfers from the Trust Funds

Historically, the sale of capital units or the winding down of individual Funds was approved by Finance Committee as a response to funding a deficit in a College account. The purpose of this document is to set out policies to manage the transfers from the Trust Funds (Minute IC/12-13/11 of 7 May 2013 refers).

Finance Committee is asked to consider the following principal and recommendations with regard to transfers from the Trust Fund to College:

- Principal** For existing Funds, and unless otherwise stated, capital units shall not be sold in the Trust Funds to transfer funding to College.
- Reason** The sale of capital units reduces the annual income earned by the Fund which, in turn, undermines the ability of the Fund to support the activities it was set up to support.
- Approval** Any proposed sale of capital units must have the sign-off of the relevant Dean/Chief Officer and the Provost.
- Exception** Faculty Endowment Funds were initially set up in October 2009 on the basis that transfers to the Trust Funds could be recalled in the short term if funds are required in the School. It is proposed that such sale of units can proceed once signed off by the Faculty Dean.



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New Funds It is proposed that the above principal will form part of the terms and conditions for new Funds that are established going forward.

3. Next Steps

Finance Committee is asked to consider and approve the above policy and recommendations for the management of transfers of capital units from the Trust Funds to College going forward.

Ian Mathews
Chief Financial Officer



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MEABHRÁN | MEMO

Chuig | To: Finance Committee
Ó | From: Chief Financial Officer
Dáta | Date: 7 November 2013
Tagairt | Ref: **Proposed amendment to Trust Funds Financial Year End and name change**

The Financial Resources Manager and I met with Anne Corrigan (Arthur Cox) on 25th October to discuss two proposed amendments to the Trust Funds Common Investment Scheme to reflect the following:

- 1. Name Change** The Scheme has been known up to now as the Trust Funds (Benefactions) but the College as trustee considers that it would be beneficial if this name could be modernised and updated to the Trinity Endowment Fund.
- 2. Financial Year End** The financial year end of the Funds is 30th June and it is proposed to amend the year end to 30th September in line with the College's year end. This will also facilitate the consolidation of the Trust Fund's financial statements with College as agreed with the C&AG from 2012/13.

I attach here the following documents for the Committee's information:-

1. Draft letter from Anne Corrigan to the Charities Commission seeking an amendment to the Scheme rules for the above proposals
2. Draft Supplemental Order to be sealed by the Charities Commission following approval of the changes

The Finance Committee is asked to approve the proposed amendments which will now be sent to Board before the final documents are sent to the Charities Commission.

Ian Mathews
Chief Financial Officer



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Our Reference: AXC/TR030/126/

4 November 2013

Ms. Orla Barry-Murphy
Office of the Commissioners of Charitable Donations and Bequests for Ireland
12 Clare Street
Dublin 2

**Re: Trinity Endowment Fund
Amendments to Common Investment Scheme**

Dear Orla,

I refer to our telephone conversation on [November].

As explained, we act on behalf of Trinity College, which acts as trustee of a large number of charitable trusts conferring various gifts and benefactions on the College. The Commissioners of Charitable Donations & Bequests (the “Commissioners”) made an Order dated 15th September 1970 (as amended by supplemental orders dated 19th January 1988 and 14th October 2003) establishing a common investment scheme (the “Scheme”) under the provisions of section 46 of the Charities Act 1961. I attach a copy of the Scheme rules (as amended) for ease of reference.

The Scheme enabled the College as the common trustee of all of these separate charitable trusts to pool the funds of those trusts for investment purposes. The College could, with the consent of the Commissioners, allow future benefactions of which it was a trustee to participate in the Scheme. Similarly trust funds for the benefit of the College administered by trustees other than the College itself could participate in the Scheme if the trustees transferred the funds comprised in such trust to the College for investment in accordance with the terms of the Scheme, again provided the prior consent of the Commissioners is obtained.

The Scheme has been known up to now as the Trust Funds (Benefactions) but the College as trustee considers that it would be beneficial if this name could be modernised and updated to the Trinity Endowment Fund. This would be particularly helpful in the context of possible future gifts to the College which could participate in this Scheme as donors, particularly those based overseas, would be more comfortable with this terminology.

In addition, as the financial year end of the College is 30th September, it would be preferable if the financial year end of the Scheme was also changed to 30th September from the current date of 30th June, as this will facilitate the drawing up of accounts in tandem with those being prepared for the College. It will also ease administrative compliance in terms of information returns required by the Auditor & Comptroller-General.

I attach a draft supplemental Order making an amendment the Scheme rules to deal with these two matters. I would be grateful if you could confirm if this is likely to be acceptable to the Commissioners. I can provide you with engrossments in duplicate if so.

Please be sure to contact me if you have any questions.

Kind regards

Yours sincerely

Anne Corrigan

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DRAFT

UNIVERSITY OF DUBLIN TRINITY COLLEGE
IS THE MATTER OF A SCHEME FOR THE
ESTABLISHMENT OF A COMMON INVESTMENT
FUND
AND IN THE MATTER OF SECTION 46 OF THE
CHARITIES ACT 1961

WHEREAS

- A. By Order dated 15th September 1970 made under the common seal of the Commissioners of Charitable Donations & Bequests for Ireland (the “Board”) a Common Investment Scheme (“the Scheme”) was made which provided for the establishment of a single common investment fund (“the Investment Fund”) brought into effect as from 30th June 1970, which Investment Fund has become known as Trinity Trust Funds (Benefactions).
- B. The Provost, Fellows, Foundation Scholars, and the other Members Of Board, of the College of the Holy and Undivided Trinity of Queen Elizabeth Near Dublin (“the College”) was the trustee of several separate charities referred to in the Scheme and the Scheme provided that those separate charities became subject to the Scheme, and that in addition future benefactions to the College could, with the prior consent of the Board, also participate in the Scheme should the College in its discretion wish them to do so.
- C. Article 11 of the Scheme provided that trust funds for the benefit of the College administered by trustees other than the College could participate in the Scheme by permitting the trustees of such trust funds to transfer the funds comprised in such trust to the College for investment in accordance with the terms of the Scheme provided the prior consent of the Board had been obtained.
- D. The Scheme provided that the Investment Fund should be administered in the manner set out therein.

- E. The Scheme also provided that the Investment Fund or any part or parts thereof might be invested and the investments thereof might be changed from time to time in accordance with Section 32 of the Charities Act 1961 (“the Act”) as amended from time to time and that such investments should be made and changed by the College after consultation with an Investment Committee consisting of the Finance Committee for the time being of the College.
- F. By a first supplemental Order dated 19th January 1988 made under the common seal of the Board, Article 7 of the Scheme was amended in order to facilitate more effective administration of the Scheme by providing for revaluations quarterly instead of annually as had previously been the case.
- G. By a second supplemental Order dated 14th October 2003 made under the common seal of the Board effective from 15th July 2003, the Scheme was further amended to confer additional powers of management and administration on the College, in particular the power to engage investment advisers and managers and power to engage nominees and custodians.
- H. Now the Board in exercise of the powers conferred on them by Section 46(9) of the Act and of every or any other power them enabling do **HEREBY ORDER** that the Scheme shall be amended and varied in the manner set out in the Schedule thereto and that the Scheme shall stand so amended and varied with effect from the date of this Order.

SCHEDULE

With effect from the date of this Order the Scheme shall be read and construed as if the following Articles had been inserted therein:-

1. **“14. *With effect from the calendar year 2014 the financial year end of the Scheme shall be 30th September annually or such other date as the College may designate from time to time.***

15. *With effect from 1 November 2013 this Scheme shall be known as the Trinity Endowment Fund or such other name as the College may designate from time to time."*

IN WITNESS whereof the Provost, Fellows, Foundation Scholars, and the other Members Of Board, of the College of the Holy and Undivided Trinity of Queen Elizabeth Near Dublin and the Commissioners of Charitable Donations and Bequests for Ireland have caused their respective seals to be affixed hereto this day of 2013.

PRESENT when the Corporate Seal of **THE PROVOST, FELLOWS, FOUNDATION SCHOLARS AND THE OTHER MEMBERS OF BOARD OF THE COLLEGE OF THE HOLY AND UNDIVIDED TRINITY OF QUEEN ELIZABETH NEAR DUBLIN** was affixed hereto:-

PRESENT when the Corporate Seal of **THE COMMISSIONERS OF CHARITABLE DONATIONS & BEQUESTS FOR IRELAND** was affixed hereto:-

Dated this day of 2013

**UNIVERSITY OF DUBLIN TRINITY
COLLEGE**

**IN THE MATTER OF A SCHEME
FOR THE ESTABLISHMENT OF A
COMMON INVESTMENT FUND
AND IN THE MATTER OF
SECTION 46 OF THE CHARITIES
ACT 1961**

**Third Supplemental amending Order to
COMMON INVESTMENT SCHEME
dated 15th September 1970 known as
the TRINITY ENDOWMENT FUND**

ARTHUR COX

DUBLIN