

# **University of Saskatchewan Sustainability Revolving Fund (SRF) Terms of Reference February 28, 2019**

## **Introduction**

### **1.0 Background**

Sustainability has been identified by the University of Saskatchewan as a global issue that must be addressed. It is one of four pillars in the University Plan 2025. The Campus Sustainability Plan together with the University and College President's Climate Change Statement of Action for Canada outline the university's goals in this area. Investment in sustainability is required for the university to fulfill its commitments.

### **1.1 Purpose**

The SRF provides funding for projects, initiatives or programs that produce utility savings and advance the sustainability of campus operations. Utility savings resulting from these projects are tracked and reinvested to the fund by an amount equal to the funding received and, in some situations, an addition 50%.

This reinvestment enables ongoing financial support for sustainability projects by providing a source of funds to grow the fund balance and to support sustainability initiatives that do not have utility savings. Investing in sustainability initiatives allows the university to reap considerable long-term utility savings and demonstrate effective stewardship of institutional resources.

## **Funding Eligibility**

### **2.0 Applicants**

SRF funding is available to any academic or administrative unit for a project, initiative or program associated with a building owned by or actively controlled by the university. Any staff, student or faculty member of the University of Saskatchewan may submit an application form (Appendix A).

### **2.1 Project Criteria**

Proposed projects, initiatives or programs must address one or more of the following criteria:

- a) Advance the university's sustainability performance in at least one of these areas: education, operations, community engagement and governance;
- b) Align with the university's Campus Sustainability Plan and/or Climate Action Plan;
- c) Reduce utility and other operating costs directly or indirectly;
- d) Reduce the university's environmental impacts;
- e) Reduce demands on the university's facilities and infrastructure;
- f) Provide a stepping-stone for future sustainability improvements; or
- g) Use campus operations as a "living laboratory" for integrated experiential learning.

Initiatives that address multiple objectives typically will be favoured.

## **2.2 Project Classification**

All projects, initiatives or programs will be classified as either a “revolving project”, a “revolving loan” or a “non-revolving project” based on the ability of the proposed activity to produce utility savings to that can be reinvested. These project classifications are defined below:

### Revolving Projects

- a) Result in utility savings for the Central Utilities Operating Fund and have a payback period of 15 years or less.

### Revolving Loan Projects

- a) Result in utility savings for a non-centrally funded facility.

### Non-Revolving Projects

- a) Result in utility savings for the Central Utilities Operating Fund but have a payback period greater than 15 years;
- b) May result in savings through behavior change;
- d) Result in operational cost savings to an administrative unit; or
- e) Have no operational cost savings.

## **2.3 Funding Available**

The pool of funds available to a project is dependent on the current balance of the fund and the project’s classification:

- a) Any single revolving project or revolving loan-project can receive funding up to a maximum of 25% of the current uncommitted balance of the fund;
- b) Any single non-revolving project can receive funding up to a maximum of 5% of the current uncommitted balance of the fund.

The total expenditures and commitments of non-revolving projects must not exceed 25% of the total expenditures and commitments of revolving projects and revolving-loan projects. This ratio eliminates the risk of depleting the fund by approving too many non-revolving projects. It also ensures that a portion of reinvested funds contribute to growth of the fund.

## **2.4 Eligible Costs**

The SRF funds costs associated with executing projects including capital expenditures, procurement, design, external labour, internal labour, professional services (project managers, engineers), project services fees, and contingency.

Indirect expenses related to the administration of the SRF (e.g. salaries of those who administer the SRF or salaries for project proponents) are not eligible.

## Reinvestment

### 3.0 Repayment Schedule

Reinvestment from savings occurs on an annual basis and commences once a project is completed. Upon completion of the project, any unspent amounts must also be repaid to the SRF.

#### Revolving Projects

- a) Are repaid an amount equal to the project cost plus 50%;
- b) Reinvestment into the SRF comes from the Central Utilities Operating Fund.

#### Revolving-Loan Projects

- a) Are repaid an amount equal to the project;
- b) Reinvestment into the SRF comes from the external or affiliated entities who received the loan;

#### Non-Revolving Projects

- a) Are not be repaid to the fund

Procedures for repayment are defined in the Sustainability Revolving Fund Accounting Guidelines. (Appendix C). The schedule below defines the re-payment term.

Project Cost	Re-payment Term
<\$10,000	1 year
\$10,000 to \$999,999	Maximum 5 years
>=\$1,000,000	Maximum 10 years

## Fund Management

### 4.0 Program Delivery Team

The SRF is managed by a SRF Program Delivery Team on behalf of the institution. Membership includes:

- a) Team Lead: Manager, Facilities Sustainability and Engineering
- b) Sustainability Coordinator, Facilities Sustainability and Engineering
- b) Energy and Emissions Officer, Facilities Sustainability and Engineering
- c) Financial Analyst, Financial Operations, Utilities
- d) Sustainability PM, Enterprise Project Management Office

### 4.1 Program Delivery Team Responsibilities

The Program Delivery Team's responsibilities include:

- a) Promoting the fund and its purpose;
- b) Coordinating the application review process;
- c) Review and approval or denial of applications;
- d) Tracking water, energy and GHG savings;
- e) Financial accounting, tracking and allocation; and
- f) Reporting annually to VP Finance and Resources Leadership Team

The application review process is outlined in Appendix B. The application review and approval process is guided by the principle of proportionality; the effort dedicated to reviewing applications should be commensurate with the project cost.

## **4.2 Reporting**

The Program Delivery Team will provide an annual statement to the Vice-President Finance and Resources' Leadership Team on the balance and activities of the fund.

PCIP approves the Central Utilities Operating budget each year and Financial Operations provides oversight. The Vice-President Finance and Resources will report annually to the Provost's Committee for Integrated Planning on the state of the SRF. This update will consist of information on funded initiatives, the current balance, a forecast to year-end, and a multi-year projection.