

Finance Committee Charter (draft)

November 7, 2019

Purpose: The Committee will provide assistance to the Elder Board in fulfilling its oversight responsibility to the Organization, its stakeholders and others relating to:

1. the establishment of annual operating budgets and long-range financial goals together with funding strategies to achieve them,
2. the monitoring of the Organization's adherence to annual operating budgets,
3. the management of the Organization's assets and allocation of its capital resources, including investment strategies, acquisitions of capital assets, execution of long-term contracts (such as lease and/or credit/borrowing agreements),
4. the integrity of the Organization's financial statements,
5. the effectiveness of the Organization's internal controls,
6. the Organization's compliance with legal and regulatory requirements,

Responsibilities:

1. *Annual Budget and Long-Range Financial Goals:* Annually, the Committee will review the proposed annual operating budget for the coming fiscal year. After review and amendment, if necessary, the Committee will recommend a final operating budget to the Elder Board for approval. Additionally, the Committee will assist the staff with the development of a long-range financial plan that integrates the Organization's key strategic objectives and initiatives.
2. *Asset Management and Allocation of Capital Resources:* The Committee shall assist the Organization's staff with key decisions related to managing the Organization's assets, including significant acquisitions of capital assets. The Committee shall provide oversight to the Organization's selection and evaluation of long-term contracts, such as agreements to lease equipment and/or facilities and/or agreements related to the funding of the Organization for the conduct of its activities. This includes significant structured donor gifting (such as a remainder trust) and debt financing (such as lines of credit and long-term borrowings).
3. *Financial Reporting:* Members of the Committee will receive and review financial statements consisting of the then current year-to-date: 1) statement of financial position, 2) operating statements, 3) cash flows; and 4) key financial performance benchmarks that the Committee deems relevant from time-to-time. The Committee shall assist the Organization's staff in the preparation and filing of required tax information to comply with regulations.
4. *Compliance Oversight, Risk Management and Internal Controls:* The Committee shall oversee the staff's creation, approval and updating of, policies and procedures for a system of internal controls, including controls over the custody of assets, approval of transactions and proper segregation of duties and delegations of authority, related to accounting and financial matters. The Committee shall discuss the Organization's policies on risk assessment and risk management, including the risk of fraud.

The Committee also shall discuss the Organization's major financial risk exposures and the steps the staff have taken to monitor and control such exposures.