



## Finance Committee Guidelines

The purpose of this document is to establish the roles and responsibilities of the **Finance Committee**.

### **Background:**

The FODL By-Laws provide for the election/appointment of a Treasurer and calls for the establishment of a Finance Committee to support the Board.

The Finance Committee is identified as one of six standing committees, the Chairperson of which is nominated by the President and approved by the Board. However, there are no explicit roles or responsibilities articulated in the By-Laws for this committee. The purpose of these guidelines is to articulate for the Board the primary responsibilities of the Finance Committee and differentiate its purpose from those of the Treasurer.

## Purpose of Finance Committee

The main responsibilities of the Finance Committee should be:

- **Prepare and monitor the Annual Budget.** Finance should consult with other leaders and chairpersons to assess needs for the coming year and submit a recommended budget for Board approval. Finance should work with the Treasurer to periodically assess current spending vs. the approved budget and make recommendations on any adjustments that are necessary.
- **Periodic review of financing operations and balance sheet.** Because FODL is a non-profit, there are fiduciary responsibilities to the members and the community that require oversight that is independent of the Treasurer. This will ensure transparency to members and other interested parties and will build confidence in the stewardship of the Board. The Board will determine the frequency of such reviews but will not be less than 2 times per year (ideally timed with the May annual Treasurers report and the budget preparation in the Fall).
- **Review any regulatory documents.** To support the Board's fiduciary responsibilities, the Finance Committee should have independent review of all tax returns and any other such regulatory filing. Additionally, the Finance Committee should review and certify any independent audit.
- The Finance Committee should consist of the Committee chairperson and at least one other member who is not the Treasurer. The Treasurer can sit on the Committee and be involved in its activities but should recuse herself from any recommendations that might create the appearance of a conflict of interest.

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