

# Finance Committee (SOP)

## Montezuma Valley Volunteer Community Service Organization (MVVCSO)

**Effective Date: June 28, 2025**

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### **Purpose and Authority**

The Finance Committee oversees MVVCSO's financial health, ensuring responsible stewardship of resources to support the organization's mission of serving the Ranchita community. It operates under **Article VI, Section 1A** of the 2025 bylaws and **California Corporations Code § 5212**, which authorizes the Board to delegate specific financial oversight powers to committees. This SOP embeds MVVCSO's Northstars—community focus, transparency, inclusivity, and serving all members—while exceeding legal standards through proactive community engagement and ethical practices.

### **Composition**

- Composed of at least three members:
  - The Treasurer (who serves as Chair).
  - One Director.
  - One Voting Member with financial expertise, prioritizing individuals from underserved communities to enhance inclusivity.
- Members are appointed by the Board, ensuring diverse representation (e.g., age, language, disability) to reflect the community's needs and align with the Unruh Civil Rights Act (Civ. Code § 51).
- Members must annually disclose conflicts of interest per MVVCSO's Conflict of Interest Policy.

### **Duties and Responsibilities**

- **Budget Oversight:** Develop and monitor the annual budget, incorporating community input from public forums or surveys to ensure alignment with community-focused priorities. Present the draft budget at a public forum 30 days before Board approval.
- **Financial Reporting:** Review monthly financial statements and ensure timely filing of IRS Form 990 to maintain 501(c)(3) status. Provide quarterly financial updates in accessible formats (e.g., multilingual, large print) for public review.
- **Audit Coordination:** Oversee annual audits or financial reviews, ensuring compliance with the **Nonprofit Integrity Act (Gov. Code § 12586)**. Share audit summaries publicly (excluding sensitive data) to uphold transparency.
- **Fund Management:** Ensure restricted funds (e.g., grants) are used per donor intent, avoiding private benefit per **IRS 501(c)(3)** rules, and allocate resources equitably to serve all members.

### **Meetings and Decision-Making**

- Meets quarterly, with additional meetings as needed for budget or audit planning.
- **Quorum:** Majority of committee members present.
- Decisions are made by consensus to promote inclusivity; if consensus fails, a majority vote is used, with the Chair breaking ties. Minutes are recorded and posted publicly within 14 days.

### **Reporting and Transparency**

- Provides detailed financial status reports to the Board at each regular meeting.
- Publicly posts annual financial summaries (excluding sensitive personal data) at the food bank lot, community bulletin boards, and online (if available) in accessible formats, reinforcing the transparency Northstar and serving all members.

### **Compliance and Legal Standards**

- Ensures no private benefit to members or insiders, per **IRS 501(c)(3)** regulations.
- Maintains transparent financial records for public inspection, as required by the **Nonprofit Integrity Act (Gov. Code § 12586)**.
- Upholds non-discrimination in financial decisions and committee membership, per the **Unruh Civil Rights Act (Civ. Code § 51)**.

- Conducts an annual compliance review to ensure adherence to **California Corporations Code § 5210 et seq.** and all relevant laws.

### **Best Practices**

- Embeds MVVCSO Northstars:
  - **Community Focus:** Prioritizes funding for programs based on community feedback.
  - **Transparency:** Shares financial updates proactively in accessible formats.
  - **Inclusivity:** Ensures diverse voices shape financial decisions.
  - **Serving All Members:** Allocates resources equitably to meet diverse needs.
- Implements ethical practices, such as avoiding conflicts of interest and hosting annual budget forums to foster accountability and trust.