

# Finance Committee Charter

## **I. Purpose**

The primary functions of the Finance Committee are to assist the board of directors in fulfilling its financial oversight responsibilities with respect to budgeting, finance and accounting procedures. The Committee will encourage continuous improvement of and adherence to financial policies, procedures and practices.

The role of the Committee is oversight. It is not the duty of the Committee to conduct audits or to determine whether the financial statements are complete, accurate and in accordance with generally accepted accounting principles. These are the responsibilities of independent auditors.

## **II. Organization/Quorum**

The Finance Committee will be a standing committee and shall be comprised of at least one but not more than three members of the Board of Directors. It is recommended that a member of the Board of Directors serve as the committee's chairperson. Committee members are to be non-delinquent homeowners and are to be approved by the Board of Directors. If the chair is vacant, the committee chair will default to the highest ranking member of the Executive Committee. A quorum of this committee shall consist of a majority of the committee members

## **III. Term of Office**

Committee Members shall serve for one year subject to renewal by mutual agreement of the member and the board.

## **IV. Meetings**

The Finance Committee shall meet on a monthly basis, or more frequently as circumstances require.

## **V. Responsibilities and Duties**

### **Chairpersons Responsibility:**

- Point of contact for the Committee
- Schedule and organize meetings
- Appoint and remove committee volunteers as needed
- Report monthly, updates and Committee requests to the Board of Directors

### **Members Responsibility:**

- Committee representatives
- Attend meetings to establish committee quorum
- Carry out the actions of the committee

To fulfill its responsibilities and duties, the Finance Committee shall:

1. Formulate a draft operating and reserves budget each year and present it for approval by the Board of Directors a minimum of 120 days prior to the new fiscal year. The budget shall be based on a thorough review of the current year's actual expenses, cost increases in contracts and utilities, and future reserve needs.
2. Review financial reporting procedures and fraud controls annually and make recommendations to the board for improvement.
3. Review and advise the board on special assessment proposals.
4. Work directly with the independent CPA and advise the board when a review, compilation, or audit is recommended.
5. Provide oversight of the annual dues collection process and make recommendations to the Board of Directors.
6. Performs other duties as assigned.

**Declared restrictions:**

- Non-Board of Directors Committee members are not provided access to view any homeowner account activity.

*Committee Charter is designed to provide structure and outline for the purpose to the committee and its members. The details provided within the charter provide organization and focus to the purpose as approved by the Jonathan Association Board of Directors. The details listed here do not replace or change what is stated in the governing documents for the Jonathan Association. The Board of Directors may change all or any part of the charter with a favorable majority vote of the Board of Directors.*

_____	_____
President, Board of Directors	Date
_____	_____
Vice-President, Board of Directors	Date
_____	_____
Treasurer, Board of Directors	Date
_____	_____
Secretary, Board of Directors	Date
_____	_____
Member, Board of Directors	Date

Adopted 06/10/2014