

## **Charter and Work Plan for Board Finance Committee**

### **Purpose and Scope of Responsibility of Committee**

The Board Finance Committee is a standing committee chartered to guide, oversee and support the financial and tax practices of the organization, including approval and conformance regarding up-to-date fiscal policies and procedures; development of the annual budget; and ensuring accurate tracking and analysis of financial highlights, trends and issues. Also ensure conformance to relevant financial and tax rules and regulations.

NOTE: The Committee might not do the hands-on achievement of goals and objectives, but is responsible to the entire Board to ensure the goals and objectives are achieved on a timely basis.

### **Committee Organization and Reporting Structure**

- Committee reports to the Board Chair.
- Committee makes recommendations to the full Board for Board's review and approval.
- Committee is led by a Committee Chair who is also a member of the Board.
- Committee provides written reports about its meetings, recommendations and actions to the entire Board on a regular basis.
- Committee includes at least two Board members.
- Membership of the Committee is selected on an annual basis.

### **Committee Goals, Objectives and Timelines for 2011**

The Board Finance Committee will associate specific objectives, responsibilities and timelines into this Work Plan, and then present that Work Plan to the Board for approval. (See objectives on the next pages.)

- Goal 1: Ensure conformance to relevant rules and regulations affecting financial management and taxes, including Sarbanes Oxley.
- Goal 2. Ensure accuracy and efficiency of financial management by reviewing and updating the fiscal policies and procedures, and training all Board members and relevant leaders about the policies and procedures.
- Goal 3: Train other Board members and leaders in the organization how to analyze financial data and make appropriate decisions.
- Goal 4. Ensure sustainability by developing appropriate budgets (operating, product/program-based, etc.) that are approved by the Board.
- Goal 5: Ensure ongoing effectiveness and efficiency in management of financial resources from timely generation and analysis of relevant financial information.
- Goal 6. Ensure effectiveness and focus of financing (for-profits) and fundraising (nonprofits) by establishing financial targets for each product/program where appropriate.

**Goal 1: Ensure conformance to relevant rules and regulations** affecting financial management and taxes, including Sarbanes Oxley.

Objectives for Goal 1	Start	Stop	Responsibility
1. Identify relevant rules and regulations affecting finances and taxes			Finance Comm.
2. Ensure these are integrated into fiscal policies and procedures			Finance Comm.

**Goal 2. Ensure accuracy and efficiency of financial management** by reviewing and updating the fiscal policies and procedures, including for budget development, cash management, recording and tracking transactions, generating financial statements, analyzing statements, and guiding Board members' review of financial information.

Objectives for Goal 2	Start	Stop	Responsibility
1. Review fiscal policies and procedures			Finance Comm.
2. Board approval of new policies and procedures			Board
3. Orient all Board members and relevant leaders about policies and procedures			Finance Comm.

**Goal 3: Train other Board members and leaders in the organization how to analyze financial data** and make appropriate decisions.

Objectives for Goal 3	Start	Stop	Responsibility
1. Identify most important decisions to be made from financial data and reports			Finance Comm.
2. Include financial training in Board trainings and Board/employee orientations			Finance Comm.

**Goal 4. Ensure sustainability** by developing appropriate budgets (operating, product/program-based, etc.) that are approved by the Board.

Objectives for Goal 4	Start	Stop	Responsibility
1. Generate operating budgets based on results of strategic and business planning			Finance Comm.
2. Generate budgets for each major product/program			Finance Comm.
3. Get Board approval of budgets			Board

**Goal 5: Ensure ongoing effectiveness and efficiency in management of financial resources** from timely generation and analysis of relevant financial information.

<b>Objectives for Goal 5</b>	<b>Start</b>	<b>Stop</b>	<b>Responsibility</b>
1. Generate income statements, balance sheets and/or cash flows at least quarterly			Finance Comm.
2. Provide reports to all Board members			Finance Comm.
3. Get Board approval of budgets			Board

**Goal 6. Ensure effectiveness and focus of investments** (for-profits) and fundraising (nonprofits) by establishing financial targets for each product/program where appropriate.

<b>Objectives for Goal 6</b>	<b>Start</b>	<b>Stop</b>	<b>Responsibility</b>
1. Analyze each product's/program's estimated expenses and revenue			Finance Comm.
2. Identify expected deficits			Finance Comm.
3. Identify investment/fundraising target for each program			Finance Comm.
4. Get Board approval of targets			Board