

Board Policy/Resolution on Committees of the Board: Finance Committee (approved October 2015)

The CFAW Bylaws say that:

7. Article 7—Committees 7.3 Other Committees.

(a) The Board may establish one (1) or more other standing or ad hoc committees to perform such duties as it deems appropriate. The Board resolution creating the committee must specify the function of the committee.

(b) **Committees of the Board.** If the proposed committee is to be authorized to exercise the authority of the Board of Directors, then (i) the members of that committee must consist of only Directors¹ (two Directors or more), (ii) the creation of that committee requires a majority vote of the entire Board of Directors, and (iii) the Board of Directors may delegate any of the Board of Directors' powers and authority except with respect to:

- (i) the filling of vacancies on the Board of Directors;
 - (ii) appointment of committees with the authority of the Board, or the filling of vacancies in any such committee;
 - (iii) the amendment or repeal of Bylaws;
 - (iv) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable;
 - (v) the approval of any self-dealing transactions; and
 - (vi) any action prohibited by the Articles of Incorporation, these Bylaws, or by law.
-

Practices that are common to all Committees of the Board include:

1. The Board of Directors ("Board") has the authority to implement recommendations made by any Committee of the Board.
2. Each Committee shall be composed of at least three directors.
3. The Board Chair shall appoint the members of each Committee, including the Committee Chair, subject to Board approval, except for the Executive committee which is made up of all Board officers.
4. The Board Chair is an additional ex officio member of each Committee, without vote, except with vote as Chair of the Executive committee.

¹ This can be changed to include non-directors when acceptable to the Board, possibly non-voting?

5. The President & CEO is an additional ex officio member of each Committee, without vote.
6. The President & CEO, or other staff member that he/she assigns, shall provide administrative support to each Committee.
7. Committee members shall serve a one-year term. All terms commence July 1 and end June 30, or until a Committee member resigns or is removed by the Board. There are no limits on the number of terms a member may serve. It is preferred that the Committee Chair have previously served at least one year as a member of the Committee.
8. All Committees shall meet, either in-person or telephonically, at least quarterly each year, and more frequently as circumstances dictate. A majority of the members of the Committee shall constitute a quorum sufficient for the taking of any action. A majority vote of the quorum shall be the decision of the Committee.
9. In the absence of the Committee Chair, the Committee shall appoint by majority vote a member of the Committee to serve as Committee Chair.
10. If any member of the Committee and Staff shall have, or appear to have, a conflict of interest that impairs or appears to impair the respective member's ability to exercise independent and unbiased judgment in the good faith discharge of his or her duties, he or she shall disclose such conflicts and, if appropriate, recuse himself/herself prior to meaningful discussion.
11. Each Board member must be active on at least one committee.
12. At its first meeting of the year, each Committee shall establish its calendar guidelines for tasks to be completed during the year.
13. Each Committee shall maintain minutes of its meetings and report to the Board in writing, in a timely manner, the results of its Committee meetings.
14. Each Committee shall provide oversight to all assigned Board Policies (see listing in each committee policy), review and report status at least annually and recommend any necessary changes.
15. Each Committee shall review its functions and responsibilities annually, and recommend modifications as appropriate.
16. Each Committee shall perform such other duties as the Board may assign to it from time to time.

Finance committee functions and responsibilities:

The CFAW Bylaws say that:

7. ARTICLE 7 – COMMITTEES 7.1 Finance Committee.

(a) Members. The Finance Committee consists of at least three (3) voting Directors appointed by the Chair and subject to approval by the Board.

(b) Purpose. The purpose of the Finance Committee is to supervise the preparation of the Society's budget, regularly review financial matters, provide financial support activities as requested by the Board, and report to the Board on a quarterly basis regarding the status of reserve funds. In addition, the Finance Committee shall make recommendations (subject to Board approval) regarding the Society's long-term reserve investments in accordance with the Society's Investment Policy.

1. Assist the Board in fulfilling its responsibility to monitor the financial health of the organization and ensure that its assets are protected and its resources are used properly.
2. Understand CFAW's key financial risk areas.
3. Recommend the proposed annual budget for Board approval at the last regularly scheduled Board meeting of the fiscal year.
 - 3.1. A draft budget is provided by the President & CEO no later than the first business day of May, then the committee and he/she work in partnership for completion.
 - 3.2. The committee should only recommend a budget that is based on "real" numbers, supports the strategic direction of the organization, and ensures that the CFAW meets its Operating Reserves and Long-Term Reserves ("Reserves").
4. Bring significant finance issues forward to the full Board for discussion throughout the year and recommend any necessary material changes to the annual budget plan.
 - 4.1. At least quarterly, review the existence and adequacy of significant estimates and assumptions underlying the financial statements, including the rationale behind those estimates and assumptions, as well as the details on material accruals and reserves.
 - 4.2. Understand the reasons for any variances.
 - 4.3. Review a mid-year budget re-forecast provided to the Committee annually by the President & CEO no later than the last business day of February.
5. Provide oversight, review and report status at least annually, and recommend any changes to all assigned Board Policies:
 - 5.1. Payments
 - 5.2. Investment Policy Statement ("IPS")
 - 5.3. Operating Reserves and Long-Term Reserves ("Reserves")

5.4. Other financial policies that may be adopted by the Board

6. Recommend selection of all financial accounts (e.g., mutual funds, bank accounts) that comply with CFAW's IPS, ensuring each is adequately performing, following its advertised guidelines and strategy.
7. Select an auditor and oversee the preparation of, and results of, the annual audit.
8. Keep the Board informed of all other material events and activities; advise on other finance matters as appropriate, whether requested by the Board or submitted by the staff.