

Charter for the Eldorado Community Improvement Association, Inc. Finance Committee

1.0 The Mission Statement

The Finance Committee serves the community by providing the ECIA Board with recommendations on financial planning. The Committee makes recommendations to the Board and advises them on the annual budget and compliance monitoring, investment review, proposed capital expenditures, maintenance of a Replacement Reserve, long-range financial planning and analysis, and development of financial policies and procedures.

2.0 Background Statement

The ECIA collects assessments and fees to fund the association's services, operations, and property maintenance. Managing these funds is the responsibility of the ECIA Board, the Board Treasurer, General Manager and Finance Committee.

This charter describes the Finance Committee's purpose, functions, operation, and work processes so that the committee has a mutual understanding with the community and Board about its responsibilities.

3.0 Working Procedures

The Finance Committee serves the ECIA Board in an advisory capacity, and is staffed by volunteer ECIA Members In Good Standing.

The Finance Committee will meet at least once a month. A notice will be published in the association's newsletter and website. Meetings are open to all Association members. The Chairperson may call a special meeting when deemed necessary.

A committee member will record minutes. The chairperson will report progress, recommendations, issues, concerns, and committee views to the board as required. Annually, the committee will conduct an open discussion Finance Committee meeting for input from other committee chairs and Association members.

The meeting agenda and meeting minutes will be posted on the Association's website.

A quorum consists of 50% of committee members. Motions are adopted by a majority of those committee members voting, with each member having one vote.

4.0 Level and Scope of Activities

The Committee's areas of support to the Board and GM include:

Budget

- Publish a schedule of activities and due dates, reviewed by the ECIA Board.
- Receive budget proposals from the ECIA General Manager, staff, Board, committees and members, and hold review hearings.

committee liaison, the Board Treasurer, for presentation to the Board for discussion. The Committee also:

- At the Board's request, reviews proposals and contracts in excess of \$25,000 entered into by ECIA.
- Takes the lead in the analysis of the annual ECIA budget and receives input from other committees and the community at-large during the preparation of the Draft budget.
- Recommends an external auditor for the annual audit, works with the selected auditor to help prepare the audit, and analyzes the annual audit and makes recommendations concerning it to the Board.
- Annually reviews the liability insurance and makes recommendations concerning coverage to the Board.

6.0 Committee Membership and Responsibility

Committee members are expected to conduct themselves in a courteous, professional manner when communicating with Board Members, fellow Committee Members, ECIA Staff, outside contractors, Eldorado residents and other members of the public, including in electronic communications and on social media.

Committee members who violate this policy by acting in an unprofessional, inappropriate or unacceptable manner will be subject to disciplinary action, including, but not limited to censure, removal as committee officer, or removal from the committee by a majority of the Board of Directors.

Members routinely:

- Review and analyze financial documents and statements.
- Review financial plans and procedures for compliance with Bylaws and published policies.
- Make recommendations to the Board through motions passed by the committee
- Provide advice and support as requested by the Board and staff of the management company.

In its makeup, the Finance Committee strives for a blend of experience, knowledge and viewpoint that represents a cross section of the community.

A chairperson shall lead the committee. Each new year, following the Association's annual meeting, a chairperson will be selected by committee vote.

Candidates for committee membership must be MIGS and should have a basic understanding of financial and accounting practices, or should plan to acquire an understanding. After first attending three committee meetings, qualified candidates will be recommended by committee vote for Board approval. The attendance requirement may be waived with Board approval.

Members are expected to attend at least 75% of the annual meetings unless excused.

No more than 3 unexcused absences per year are permitted. Members with more than 3 unexcused absences will be dropped from committee membership.

The chair may excuse a member for medical reasons or other significant personal reasons that may arise.

7.0 Resources Required and Available

The *General Manager* shall provide Finance Committee members with:

- Annually: A preliminary draft of the Operating Budget, Capital Project proposals in excess of \$25,000 as they are presented, and copies of the final, approved budget and supporting materials, and the independent auditor's complete report.
- Before each monthly meeting: A monthly and year-to-date financial report, including balance sheet, investments, income and expenditures, variances from budget; a capital project recap; a Replacement Reserve recap, monthly bank statements.
- Periodically: Updated financial plans, reports and procedures.

Submitted By:

Finance Committee Chair

Date

Approved By:



ECIA Board President

20/24/18

Date