

FINANCE COMMITTEE (FN) CHARTER

Purpose

FN provides guidance and recommendations to the full board concerning fiscal decisions.

Composition

Members of FN shall consist of the treasurer and at least one other board member, the general manager or designee, the finance team members, and co-op member-owners approved by the committee. The treasurer or designee shall chair the committee. All committee members and attendees must sign a confidentiality statement annually.

All board members are encouraged to attend the meetings of FN.

Authority

FN reports to the board.

Duties and Responsibilities

1. Discuss co-op finances to better understand current and future financial challenges.
 - A. Discuss the general manager's reports for policies B3 (Annual Financial Plan) and B4 (Financial Condition) and highlight for the board areas of interest or concern.
 - B. Discuss financial proposals from the general manager concerning topics such as capital purchases, long-term financial planning, and debt acquisition, and recommend to the board what actions, if any, to take.
2. Review requests for return of equity investments forwarded by operations and recommend to the board what actions to take.
3. Board Budget
 - A. In November, propose to the board the board budget for the upcoming fiscal year.
 - B. In February, if necessary, propose to the board a revised board budget for the current fiscal year.
 - C. Monitor board expenses against the board budget at least semi-annually in February (for the prior fiscal year) and in August (for January through June).
4. In May, based on the audited or reviewed prior year-end financials, recommend to the board the application of net savings for the prior year, specifically:
 - A. Deposits to the surplus fund
 - B. Additional funds for capital investment
 - C. Additional funds for educational purposes
 - D. Patronage refunds: amount to distribute and amount to retain
5. In August, recommend to the board the share price for the upcoming fiscal year.
6. In August, review the existing agreement (engagement letter) with the board's independent, certified, public accounting firm. Propose to the board periodic reviews or audits by a recommended independent, certified, public accounting firm (e.g., the proposal might be to continue the existing agreement, to change the existing agreement, or to change firms).
7. Perform other duties (a) assigned by the board or (b) requested by the general manager and approved by the board.

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Meetings

FN will meet at least quarterly in February, May, August, and November at least one week prior to the board meeting. The chairperson will call meetings, set the agenda, and report to the board.

This charter will be reviewed in June or August.

Adopted 1/4/2003
Revised 5/21/2014
Revised 6/15/2016
Revised 8/15/2018