



FINANCE COMMITTEE CHARTER

The Board of Directors hereby adopts this charter for the conduct of the Finance Committee, effective April 5, 2017.

PURPOSE OF COMMITTEE:

The primary responsibility of the Finance Committee is to advise the Board of Directors regarding budgetary and financial issues. The committee is assisted by the Nepenthe office staff.

MEMBERSHIP:

The membership should consist of as many residents, but no less than three, as is required to fulfill the purpose of the committee. Additional members may be appointed by the Board throughout the year. The Treasurer is designated as liaison to the Finance Committee and attends committee meeting and acts as a communication link between the Board and the committee.

KEY RESPONSIBILITY AREAS:

1) BUDGET

- a) Reviews the monthly financial statements prepared by the management company.
- b) Identifies any issues or concerns for Board consideration.
- c) Reports and explains significant departures from budget to Board.
- d) Reviews the annual operating budget draft prepared by the management company and makes appropriate recommendations for Board consideration.
- e) Reviews budget of special projects as directed by the Board.

2) RESERVES

- a) Reviews, consults and advises of Board on components of the Reserve Study and long term capital spending plan.
- b) Reviews the monthly reserve statement prepared by the management company.
- c) Identifies any issues or concerns for Board consideration.
- d) Reports and explains significant departures from the Reserves to the Board.

3) INVESTMENT

- a) The Finance Committee reviews and makes recommendations related to association investment policies for replacement reserves and operating reserves.

4) AUDIT

- a) Upon request recommends an annual audit or review of financial operations and reports results of the audit or review to the Board.