

## **Finance Committee of the Board of KICA - Charter**

NAME: Finance Committee

TYPE: Advisory

CHAIR: Treasurer of the Board

Term: Ongoing

Vice Chair: Director of Finance

### **OBJECTIVES OF THE FINANCE COMMITTEE:**

The Finance Committee (FC) will advise the KICA Board (Board) in matters of Finance, Audit and Accounting in order to further KICA's (the Association's) mission of protecting, preserving and enhancing the Association's assets and services. The FC will recommend improvements to the financial policies that govern the Association. The FC will assist in the achievement of the Association's goals as defined by the Association's policies and strategic plan. Specifically, the objective is to track, maintain and improve the Association's financial condition in keeping with the goals and objectives established by the Board. Operating budgets will be proposed and reserves maintained:

- 1) To meet short term needs as well as support the long-term vision for the finances and infrastructure owned or envisioned by the Association.
- 2) To provide services to members of the Association.
- 3) To continue to attract and retain high quality employees for the Association.
- 4) To protect and enhance property values.
- 5) To support the strategic plan of the Board.

### **SPECIFIC RESPONSIBILITIES OF THE FINANCE COMMITTEE**

The FC will advise and counsel the Association Board, Treasurer and COO relating to the financial aspects of the Association. To achieve this objective, the board envisions that the FC will:

- Provide recommendations to the Board for improvements to financial policies that govern the Association.
- Review and recommend changes to the annual operating and MR&R budget.
- Review and advise the Board as to appropriate assessment levels to adequately cover operating costs and to maintain appropriate reserves. Review Association's 10 year capital projection spending plans, determine adequacy of projected Fund balances, and advise the Board in regard to assumptions, assessments or magnitude of projected expenses.
- Monitor actual operating results and variances to budget on a periodic basis and prepare any specific recommendations to the Board.
- Review and advise the Board on appropriate financing and funding alternatives for major projects that do not ordinarily fall within the operating budget or the MR&R plan.
- Annually review external reserve studies, including revisions from prior year. Provide the Board a summary of the study and advise the Board if current

Approve 1.9.2017

assessment and reserve levels are sufficient to maintain existing infrastructure.

- Review all external independent accountants' reports, observations and comments and advise the Board on instituting any necessary changes. The FC will meet with external auditors at least once a year to review the annual audit results and provide advice to the Board on any recommendations from the independent auditors including any updates or changes to internal control policies.
- Review insurance coverage, premiums and vendors and provide advice to the Board.
- Review investment portfolio on a periodic basis and ensure compliance with the investment guidelines of the Association.

As a result of carrying out its responsibilities, the FC will inform the Association's Board of any concerns or ideas for improvement through the Board's Liaisons or directly to the Board.

#### GENERAL CONSIDERATIONS

1. The FC will meet based on a schedule agreed to by the Treasurer, Chair of the FC and the Association's COO and will, at the outset, meet at least as follows:
  - a. February: to review audit findings and report
  - b. April: Quarterly Financial Review
  - c. June: Annual Insurance Renewals Review
  - d. July: Quarterly Financial Review
  - e. October:
    - i. First Week: First Budget Review
    - ii. Third Week: Final Budget Review before Board Review, Quarterly Financials Review and Year End Projections.
  - f. Additional meetings will be convened, if required, to review any major new/ scope changes affecting financial expenditures.
  - g. A majority of FC members or the Chair can schedule additional meetings with/without Association staff.
2. The FC will consist of between seven and ten members, including the Chair. The Chair of the FC will generally be ex-officio the Treasurer of the Board, unless the Board deems an exception necessary. Proposed new FC members will be selected based on recommendations from current FC members, current Board members and/ or the Association's Nominating Committee (if in existence) and submitted for approval to the Association's Board, at the first Board meeting post annual elections. Members will serve a term of (3) years. Every attempt will be made to include a variety of backgrounds to the FC including at least one regime resident and at least one non-resident member.
3. All FC members serve at the pleasure of the Association's Board.
4. All FC members shall be in good standing with the Association.
5. The COO and/ or the Association's Director of Finance will participate in meetings of the FC.

6. Association staff will take minutes, which will be forwarded to the FC Chair for review prior to distribution to, and approval by, the rest of the Committee.
7. Rather than conducting “majority rule” votes, it shall be the responsibility of the Treasurer to report the views of the FC members to the Board and note any areas of significant differences of opinion.
8. The FC Chair may set up subcommittees to evaluate specific issues pursuant to the need to fulfill the responsibilities of the Committee.
9. Budget variance reports will be provided to the FC members on a monthly basis. FC comments and questions will be consolidated by Chair and submitted to CFO/COO for responses via email or at next quarterly financial review meeting.