

KIAWAH ISLAND  
**COMMUNITY**  
ASSOCIATION

## **CHARTER – FINANCE COMMITTEE**

### **KICA Mission:**

The Kiawah Island Community Association exists to preserve and enhance the quality of life and property values of its members. This includes taking the leadership role in ensuring that Kiawah Island's unique look and feel is preserved by exceptional stewardship of its resources, which provide for a beautiful, safe, well-maintained, and friendly community.

### **Goals / Objectives**

Proper stewardship of KICA's resources will allow the community to maintain its financial stability. The Finance Committee (FC) will advise the KICA Board (Board) in matters of Finance, Audit and Accounting in order to further KICA's mission of protecting, preserving and enhancing KICA's assets and services, and prudently managing its financial liabilities. The FC will recommend improvements to the financial policies that govern KICA. The FC will assist in the achievement of KICA's goals as defined by KICA's policies and strategic plan.

The role of the FC is to provide financial advice to KICA and the Board helping to assure they provide services to KICA members, protect and enhance property values, continue to attract and retain high quality KICA employees and support the strategic plan of the Board.

At the request of the Board, the FC will:

- Advise the Board and COO in matters of Finance, Investments, Audit and Accounting in order to further KICA's mission of protecting, preserving and enhancing its assets and services, and to prudently manage KICA's financial liabilities.
- Recommend improvements to the financial policies that govern KICA.
- Assist in the achievement of the Board's goals and objectives and KICA's policies and strategic plan.



## Specific Responsibilities / Tasks:

To achieve the FC objectives, the Board envisions that the FC will:

- Provide recommendations to the Board for improvements to financial policies that govern KICA.
- Review and recommend changes to the annual Operating and Reserve budgets.
- Review and advise the Board as to appropriate assessment levels to adequately cover operating costs and to maintain appropriate reserves.
- Review KICA's 5-year capital projection spending plans, determine adequacy of projected fund balances, and advise the Board regarding assumptions, assessments or magnitude of projected expenses.
- Monitor operating results and variances to budget on a quarterly basis, with questions and comments addressed by the COO or Director of Finance and shared with 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 the prior year. Provide the Board a summary of the study and advise the Board if current assessment and reserve levels are enough to maintain existing infrastructure
- The FC will serve as the Audit Committee and in that role the FC will 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 of changes to internal control policies.
- Review insurance coverage, premiums and vendors and provide recommendations to the Board.
- Review employee Health Insurance in conjunction with the HR Committee.
- Review the investment portfolio on a periodic basis and suggest allocation changes and highlight inconsistencies with the KICA Investment Policy to the Board.
- Review the Financial Control Manual at least every two years to update for any changes or additions made by the Board or KICA.
- Review vendors of audit, investments, insurance, and accounting per the schedule set in the financial controls manual and inform and advise the Board of any changes needed.



- Inform the Board of any concerns or ideas for improvement through the Board Chair, Vice Chair or directly to the Board.

## Finance Committee Schedule and Process

The FC will normally meet monthly based on a schedule agreed to by the FC Chair, the Board Chair and the KICA COO.

- Key items for review are:
  - March: Audit/Reserve study
  - April: Property Insurance
  - May: Investments
  - October/November: Budget Review
- Additional meetings will be convened, if required, to review any major new/scope changes affecting financial expenditures.
- A majority of FC members or the Chair can schedule additional meetings with or without KICA staff
- KICA 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.
- It shall be the responsibility of the FC Chair to report the majority vote of FC members to the Board and to note any areas of significant difference of opinion.
- The FC Chair may set up subcommittees to evaluate specific issues pursuant to the need to fulfill the responsibilities of the Committee.
- Budget variance reports will be provided to the FC members on a quarterly basis.
- FC comments and questions will be consolidated by the Chair and submitted to the CFO/COO for responses via email or at next quarterly meeting.

## Membership and Terms of Service:

Chair:	Treasurer of the Board
Vice Chair:	Director of Finance
KICA Members:	Nine (9) Members including the FC Chair
Term:	Four (4) years – staggered terms
Type:	Ongoing/Advisory



The Chair will be ex-officio the Board Treasurer, unless the Board deems an exception necessary. The Director of Finance, normally the Vice Chair, and the COO will participate in all FC meetings. Members will be solicited from the KICA Membership. All members shall be in good standing with KICA and sign the Conflict-of-Interest Policy. All members will be selected by the KICA Board of Directors in Executive Session.

Members with strong business and/or financial backgrounds will be sought. It is the intent to have the following professional experience represented:

- CPA
- Investments
- Insurance

In the event of the resignation of a FC member, the Board will engage in the committee member solicitation process via KICA's community communications and select a community member to fulfill the remainder of the term. As committee member terms expire, in no cases should more than three members leave the committee in any one year. If four or more terms are set to expire at the same time, the Board Chair and the FC chair may recommend that the term of one or more members of the committee serve an additional year, for approval by the Board.

Any Finance Committee member elected to the position of Director on the KICA board will resign from the Finance Committee.

This is a standing Committee and meetings are open to the Public, unless otherwise specified. Minutes will be taken at each meeting and will be posted on the KICA website.

## **Budget – N/A**

## **Reporting**

Chair shall provide a report to the Board as to the activities of the Committee not less than twice a year.

**APPROVED: KICA Board of Directors on December 4, 2023.**

