

## Rule 14. RULES FOR THE FINANCE COMMITTEE



*Based upon directives to the Finance Advisory Committee for 3-9-2009 to 3-2010.*

### 14.1 Establishment and Purpose

A. The Finance Committee is established to review current Association finances and do work necessary to recommend a budget to the Board with associated planning for the future.

B. The Board retains authority to review and determine salaries of management personnel.  
*Adopted 2-17-2010.*

### 14.2 Membership

The Board shall appoint members to the Committee, except that the Treasurer shall serve as Committee Chair. The Community Manager shall serve as a member of the Committee. There shall be at least one other Board member on the committee, and the President shall be that member's alternate if the Board member cannot attend. The Board shall appoint or re-appoint other committee membership from the community in April of each year.

*Adopted 2-17-2010.*

### 14.3 Committee Responsibilities and Duties

A. The Board authorizes the Finance Committee to perform the following tasks:

- 1) Monitor monthly payables
- 2) Identify method to monitor monthly income
- 3) Validate and update liabilities
- 4) Identify accounts over-budgeted and make suggestions to rectify
- 5) Evaluate validity of reserve study
- 6) Develop policy for expenditure of reserves
- 7) Consult with insurance subject matter experts
- 8) Review income tax filings
- 9) Create method to establish contingency fund
- 10) Develop trend analysis for budgeting
- 11) Develop annual budget (with Board input)
- 12) Research other issues as requested by Board
- 13) Make recommendations to Board
- 14) Monitor Utility expenses and fee increases
- 15) Research current Investment options (make recommendations to Board)

*Adopted 2-17-2010.*

B. The Committee Chairperson or delegate shall be responsible for:

- 1) Submitting all verbal or written reports to the Board of Directors.

- 2) Providing meeting date, time & location to Office Staff for timely posting in accordance with open meeting laws.
- 3) If applicable, secure a volunteer to take minutes.
- 4) Securing a meeting location.

#### **14.4 Residents Responsibilities**

- A. Residents should support the Committee efforts by reporting fiscal concerns.

#### **14.5 VLPOA Staff Responsibilities**

- A. The Community Manager is responsible for ensuring timely distribution of monthly financial reports and/or any financial issues to the Finance Committee Chairperson.
- B. The Community Manager shall work directly with the Finance Committee Chairperson. Conflicts between a Finance Committee decision and the Community Manager shall be brought before the Board for resolution.
- C. Should there be no Finance Committee in operation, the Community Manager or designee shall work with the Board directly.

#### **14.6 Board Responsibilities**

- A. The Board has final approval authority.
- B. The Board will support the Finance Committee by tasking them with projects and accepting their reports for review and consideration.

#### **14.7 Meetings, Reports and Minutes.**

- A. Committee meetings are subject to the ARS open meetings law and must have advance meeting dates, times and locations posted and emailed as required.
- B. The committee will meet monthly or as needed. The Committee shall provide written reports to the Board at its regular business meeting.
- C. The minutes of the Finance Committee shall not be published, as the research and ongoing work on proposals is not official until it is presented and approved by the Board. The minutes will be available to professional auditors for the Association.
- D. If warranted, a monthly report shall be prepared and submitted five days prior to a regularly scheduled monthly Open Board Meeting and should include, but not be limited to; work performed, current status, next progress steps, problems being encountered and financial costs.

*Adopted 2-17-2010.*