

McCormick Ranch Property Owners' Association, Inc.

FINANCE COMMITTEE CHARTER

I. Purpose

The primary functions of the Finance Committee are to assist the Board of Directors in fulfilling its financial oversight responsibilities with respect to budgeting, finance, and accounting procedures. The Committee will encourage continuous improvement of and adherence to financial policies, procedures, and practices.

The role of the Committee is oversight. It is not the duty of the Committee to conduct audits or to determine whether the financial statements are complete, accurate, and in accordance with generally accepted accounting principles. These responsibilities fall to the Treasurer and independent auditors.

II. Organization

The Finance Committee shall consist of the Board Treasurer, who shall serve as its Chairperson, and at least two (2) additional Directors, appointed by the Board President and the Executive Director as an ex officio, non-voting member. The Committee may invite other individuals with relevant expertise to participate in meetings as needed, without voting rights.

III. Member Requirements

All Committee members must be current on assessments and maintenance charges as specified in Article XI, Sections 2 or 3 of the Declaration of Covenants, Conditions, Assessments, Charges, Servitudes, Liens, Reservations, and Easements for McCormick Ranch. Members must have no open and unresolved violations. For the purposes of this requirement, "open" means violations that are visible from neighboring properties, public streets, or common areas, and "unresolved" means that the MRPOA has notified the member of the violation, and the issue has not been corrected within the required timeframe.

IV. Term of Office

Committee members shall serve for one year.

V. Meetings

The Finance Committee shall meet every quarter or more frequently as circumstances require.

VI. Responsibilities and Duties

To fulfill its responsibilities and duties, the Finance Committee shall:

1. Manage the Investment Policy Statement, approved by the Board of Directors on May 23, 2012, and made part of the Financial Policies, ensuring all investment parameters are followed. The Committee may recommend policy changes to the Board of Directors when necessary.
2. Review the financial condition of MRPOA retirement funds quarterly with Todd Douma from TMD and Associates, including a review and analysis of the past fiscal year's fund investments.
3. Review fund investment recommendations with Todd Douma from TMD and Associates for the upcoming fiscal year. At least sixty (60) days before the end of each fiscal year or as deemed appropriate by the Finance Committee, these recommendations shall be presented to the Board of Directors for approval.
4. Review the annual draft Operating and Reserve Budget prepared by the Executive Director each year. The Committee shall present this budget to the Board of Directors for approval at least sixty (60) days before the end of each fiscal year unless otherwise approved by the Board

President. The budget shall be based on a thorough review of the current year's actual expenses, cost increases in contracts and utilities, and future reserve needs.

5. Review financial reporting procedures and fraud controls and recommend improvement to the Board.
6. Review and advise the Board on assessment increase proposals.
7. Review the annual tax return before submission.
8. Review the annual audit and implement any recommended changes.
9. Ensure compliance with all applicable laws: state, federal, and local.

VII. Reporting

After each meeting, the Finance Committee shall provide written reports to the Board of Directors, summarizing key discussions, decisions, and recommendations.

VIII. Code of Conduct

All Finance Committee members must act with integrity, maintain professionalism, and respect confidentiality. Breaches of conduct may result in removal from the Committee.