

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 are the responsibilities of the Treasurer and independent auditors.

II. Organization

The Finance Committee shall consist of the Board Treasurer, who shall be its Chairman, and at least two (2) additional Directors who will be appointed and approved by the MRPOA Board of Directors.

III. Term of Office

Committee Members shall serve for one year.

IV. Meetings

The Finance Committee shall meet on a quarterly basis, or more frequently as circumstances require.

V. Responsibilities and Duties

To fulfil its responsibilities and duties, the Finance Committee shall be:

1. Responsible for managing 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. Recommend policy changes to the Board of Directors when necessary.
2. Responsible for reviewing 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. Responsible for reviewing fund investment recommendations with Todd Douma from TMD and Associates, for the next fiscal year, and shall, at least sixty (60) days before the end of each fiscal year or as deemed appropriate by the Finance Committee, present those recommendations to the Board of Directors for their approval.
4. Review annual draft Operating and Reserve Budget prepared by the Executive Director each year and present it for approval the Board of Directors at least sixty (60) days before the end of each fiscal year. 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 make recommendations to the board for improvement.
6. Review and advise the board on assessment increase proposals.
7. Review the annual tax return prior to submission.
8. Review the annual audit and implement any recommendations.
9. Abide by all laws: state, federal and local.