

FINANCE COMMITTEE CHARTER, ROLES & RULES

Pursuant to Article 5.4 of the IHCA By-laws, the IHCA Board of Directors may establish a Finance Committee:

5.4. Powers and Duties: . . . The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Pursuant to Article 6.1 of the IHCA By-laws, the Finance Committee shall adhere to the following:

Purpose: The Finance Committee shall serve at the pleasure of the IHCA Board of Directors to develop to IHCA operating budget per Article VIII of the IHCA CCRs 8.1 for Board approval and other fiscal projects as assigned.

Members: Finance Committee members will be appointed by the IHCA BOD. Each committee member shall be a member in good standing of the Association. A member in good standing is defined as a member current on assessments and otherwise in compliance with the governing documents of the IHCA.

Committee membership for an individual may be revoked by the IHCA BOD when either:

1. The member resigns in writing. A member may resign at any time by giving written notice to the IHCA BOD. The resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
2. The member's committee term expires.
3. The member misses two consecutive meetings unless otherwise agreed to by the IHCA BOD.
4. The member has three unexcused absences from meetings in a twelve-month period.
5. At the discretion of the IHCA BOD.

Budget Requirements:

1. Fiscal Year operating budget shall reflect sources and estimated amount of funds to cover expenses, which may include any surplus to be applied from prior years.
2. Use the reserve study as a guide to project needed reserves per Section 8.3. Propose plan for effective & adequate funding of the capital reserves.

3. Ensure adequate contingency fund reserves for unanticipated expenses and decline in scheduled revenue.
4. Formalize procedure for each budget line-item review.
5. Annual budget should break down into monthly projections on a cash basis.

Monthly Financial Analysis and Reporting:

1. Review monthly actual vs. accrued income/expense to compare with budget projections.
2. Monthly report to BOD of any significant variances to budget.
3. Work with IHCA Senior Accountant to develop monthly reporting process to be included in the IHCA BOD packet.
4. Adopt procedure for recommending adjustments to the budget for any significant variances that occur during the fiscal year for the IHCA BOD approval.

Other:

1. In conjunction with the IHCA staff, provide research and recommendations to improve operation efficiencies and reduce costs.
2. Other projects as assigned by the BOD.

Meetings: Meeting schedule to be determined annually at the first calendar year meeting (January). The Finance Committee will have the flexibility to increase or decrease meeting frequency based on peak periods to meet the requirements of the CC&Rs timelines. Finance Committee members may be required to attend IHCA BOD and IHCA Voting Member meetings, as needed. All Committee members will receive a minimum two-week notification prior to meeting dates.

Authority: The Committee must obtain prior Board approval for the expenditure of any funds.

Roles:

Chair: The Finance Committee Chair will be the IHCA Treasurer. The Finance Committee Chair will be responsible for presenting the budget to the IHCA BOD and Voting Members with support from the other Finance Committee members.

Managing Agent: The Finance Committee shall have a representative from the managing agent, the IHCA, present at all meetings. The IHCA member will also gather and disperse pertinent information relevant to each committee meeting.