



To: Board of Directors
From: Diana Podawiltz, Board of Directors
Date: January 15, 2020
Re: Motion – Approve Finance Committee Charter

Motion

I move to approve the Finance Committee Charter as presented.

Background

In its retreat in May 2019, the Board expressed an intent to establish a standing Finance Committee for the purpose of assisting and advising the Board on governance and oversight responsibilities relating to fiscal management, and likewise assisting and advising staff upon their request.

On November 13, 2019 and December 6, 2019, the Board held public work sessions for the purpose of discussing the establishment of a Finance Committee and its charter. Subsequently, the Board discussed the proposed Finance Committee Charter at the December 18, 2019 regular meeting.

The attached charter, which includes changes discussed and recommended by the Board at the December 18, 2019 regular meeting, defines the proposed establishment of this new standing committee

HOT SPRINGS VILLAGE
PROPERTY OWNERS ASSOCIATION
FINANCE COMMITTEE CHARTER

I. AUTHORITY AND ACCOUNTABILITY

- A. This Committee derives its authority from Article XII of the Bylaws of the Hot Springs Village Property Owners Association.
- B. This Committee is accountable to the HSV POA Board of Directors.

II. PURPOSE

The purpose of this Committee is to:

- A. Assist and advise the Board on governance and oversight responsibilities relating to fiscal management.
 - 1. Board requests regarding operational matters must first be requested of the CEO by a majority of the Board.
 - 2. Board requests to Finance Committee to be approved by a majority of the Board.
- B. Assist and advise staff upon their request..
 - 1. Staff requests to Finance Committee to be approved by the CEO.

III. ORGANIZATION AND APPOINTMENT

- A. This Committee shall consist of a minimum of 3 but up to 7 members, the majority of whom are not staff or Board directors.
- B. The Committee Chair shall be the Treasurer of the POA.
- C. One Board director shall be selected by the ~~Treasurer~~ Board to serve as a committee member.
- D. The CFO of the Association, if not the Treasurer, shall also serve as a committee member.
- E. Committee members shall serve staggered 3-year terms, ~~which will commence each April~~ in accordance with the Bylaws Article XII.
- F. The Committee Vice Chair and Secretary shall be elected by the Committee for terms not to exceed one year..
- G. An affirmative vote of a majority of committee members is required to approve Committee actions.
- H. Committee member interviews shall be conducted by the Committee Chair, the Director-member, the CFO, and one other Board director selected by the Board chair.
- I. No Board director shall simultaneously serve on the Finance Committee and the Audit Committee.

IV. DUTIES AND RESPONSIBILITIES

The Committee shall:

- A. Recommend policies, and policy and bylaws modifications, relating to financial matters (risk management, internal controls, asset protection, investments, etc.).
- B. Review the proposed annual capital and operating budget and related fees, to assure alignment with established strategic intent and enterprise goals.

- C. Review proposed capital expenditures and related contracts as requested by the Board or the CEO.
- D. Create a standard, consistent report format and process for these first three duties.
- E. Alert the Board to any emerging financial concerns or any suspected deviations from financial policies.
- F. Become sufficiently informed of business matters and specific assignments as assigned by the Board.
- G. Perform any financial analyses requested by the Board or CEO (line of business analysis, reserves analysis, trends analysis, benchmarking, lease vs buy analysis, insource vs outsource analysis, etc.)
- H. Recommend report content improvements to the CFO that aid in the Board's understanding of fiscal management and does not compromise GAAP reporting.
- H.I. The Committee is empowered to remand any request that is overburdensome, or in conflict with their charter, to the Board for its disposition.

V. LIMITATIONS

- A. The Committee has no authority to hire, fire, discipline, or issue orders to any POA employee. The Committee shall not serve as a check on, evaluator or perform oversight of managerial authority or performance.
- B. The Committee has no authority to set policy or take any action on behalf of the Board.
- C. The Committee shall not make commitments of POA funds.
- D. No Committee member shall engage in any activity that would constitute a conflict of interest with the duties and responsibilities of the Committee.
- E. Committee members are prohibited from accepting any form of gratuity, any form of remuneration from suppliers, contractors, realtors, property owners, developers or any person doing business, attempting to do business, or in conflict or competition with the POA.
- F. The Committee shall not seek policy or rules changes with governmental agencies or outside stakeholders.
- G. Work products produced by the Committee must remain with the Committee until and unless presented to the Corporate Secretary in their final format.

VI. MEETINGS

- A. Meetings shall be held at least monthly. Additional meetings shall be held as required.
- B. Meetings shall be held in accordance with the Committee Open Meeting Policy (Chapter 1, Article 26).
- C. Meeting minutes, once approved by the Committee, shall be promptly filed with the Corporate Secretary.

VII. REPORTS

- A. Reports shall be produced on any analysis requested by the Board or staff.
- B. Reports shall be produced for all recommended policies and policy modifications, in accordance with the Governing Documents Change Policy (Chapter 8, Article 7).
- C. A report shall be produced upon completion of the review of the annual operating and capital budgets and associated fees.

D. Reports shall be produced upon completion of the review of capital expenditures and related contracts.