



**Subject: Finance Committee Membership Policy**

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**II. QUORUM**

A quorum shall be defined as the majority of voting members (3 of 6 members will constitute a quorum) of the Finance Committee. Vacant positions shall not be included in the count towards the quorum.

**III. MEMBER APPOINTMENTS**

Each year in January, but no later than March, the Commission shall ~~appoint members~~appoint members to the vacant positions on the Finance Committee.

**IV. MEMBER QUALIFICATIONS/COMPETENCIES**

The Finance Committee shall have the following types of skills and expertise amongst its members:

- Budget Management
- Fiscal Planning & Management
- Financial Auditing
- Investment Management
- Contracts Management
- Public Policy & Opinion
- Business Management

**V. ALTERNATE MEMBERS**

Each voting Finance Committee member shall be responsible for designating an alternate to attend meetings in the member's absence. Alternate members shall vote when the primary member is absent from the meeting.

Alternate members shall receive notice of the Finance Committee meetings and meeting agenda packets.

**VI. TERMS OF SERVICE**

Each member of the Finance Committee shall serve a 2-year term commencing in January. Any member may be re-appointed to serve additional terms.

**VII. CHAIRPERSON**

The First 5 Commission shall appoint the Chairperson of the Finance Committee from the voting members of the Committee. The Chairperson shall be appointed for a two-year term in January of each odd-numbered year (ex: 2007, 2009, etc.), but no later than

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March of the same year. The Chairperson shall preside at the Finance Committee meetings and shall make Committee reports to the First 5 Commission at its public meetings.

**VIII. VICE-CHAIRPERSON**

The First 5 Commission shall appoint the Vice-Chairperson of the Finance Committee from the voting members of the Committee. The Vice-Chairperson shall be appointed for a two-year term in January of each odd-numbered year (ex: 2007, 2009, etc.) but no later than March of the same year. The Vice-Chairperson shall preside at the Finance Committee meetings and make reports to the Commission when the Chairperson is not able to attend.

**IX. VACANCIES**

The Commission shall approve new voting members who are recommended to fill vacancies on the Committee. Until a formal appointment is made by the Commission to fill a vacancy, a vacancy on the Finance Committee shall be filled temporarily by the alternate member or another representative of the vacant membership position on the Committee, if such temporary appointment is approved by the Executive Director or by a member of the Commission.

**X. COMMITTEE PURPOSE AND FUNCTIONS**

The following roles and responsibilities were adopted by the Commission on March 22, 2004:

A. Policy

- Budget – review of budget; look at the budget in light of financial priorities to be established; develop policy(ies) on budgeting for Commission approval, e.g., revisiting policy adopted by Strategic Planning Committee to put excess revenue and unspent funds into the sustaining reserve, coming up with percentages going to Initiatives, etc.
- Administrative costs – a policy that will describe a justifiable administrative rate
- Accrued savings – a policy on how to manage the sustainability fund (plan for overflow of money beyond the financial spending plan), what a prudent reserve is, etc.
- Investments – investment advice to the Commission
- Fixed assets – although the Commission does not own any property at the present time, this is for future policy development as the need arises
- Long-term financial plan – annual review of the financial spending plan as it correlates with investment; review and make changes to the existing policy, if necessary

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B. Planning

- Financial objectives – setting financial and investment policies and asset allocation strategies
- Funding strategies and annual allocation plan– financial implications and risks associated with funding strategies and the annual allocation plan
- Long-term financial plan ~~development and approval—same as role under Policy~~

C. Oversight

- Budget – review the budget prepared by staff taking into consideration that any discrepancies that the Committee sees that staff disagrees with will be pointed out when budget goes to the Commission
- Administrative costs – part of annual review of budget; see if existing numbers are still reasonable by looking at past administrative expenses
- Cash flow – review statements ~~of to determine~~ cash flow
- Investment returns – review returns on investments
- Annual financial audit – review the audit report and approve / make comments before acceptance by the Commission

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