

# Charter for the Finance Committee

## 1.0 Purpose

The Finance Committee is responsible for consulting with the President and CFO on the corporation's financial policies and controls; for reviewing, making recommendations and ensuring the soundness of the corporation's Investment Policy and its implementation; and for providing oversight of the financial audit process. The Finance Committee shall only be delegated the powers and authority, if any, from the Board as specified below; and for any other work or matters requested by the Board, the Finance Committee will work to refer any actions or information for consideration by the Board.

## 2.0 Composition of the Committee

The Committee shall consist of the Treasurer and three other members from the Board of Trustees. The Treasurer shall serve as the Committee Chair, and another trustee member of the Committee selected by the Committee Chair shall serve as the Vice Chair. The President shall serve as a non-voting ex-officio member of the Committee. The CFO and COO will serve as a committee- liaisons in an advisory capacity.

The expectations of the Committee Chair include the following:

- prepare for and facilitate committee meetings, including working with staff to shape meeting agendas,
- able to run a meeting, to time, and bring a group to a consensus,
- able to draw on colleagues' skills and abilities,
- able to deploy people management skills to handle different people and personalities, managing the strong versus the quiet, gathering input from all,
- able to establish and maintain a good working relationship with the Board Chair
- act as subject matter expert and/or offer technical skills related to the committee's mandate.

The duties of the Committee Vice Chair include the following:

- work with the Committee Chair to further develop skills in
  - identifying and implementing Committee workflows, and
  - chairing meetings
- lead Committee projects as needed
- co-author the end of year Committee Report
- in any instance where the Chair is unavailable or the position becomes vacant, the Vice Chair will serve.

The Board of Trustees, at its first business meeting of each calendar year, shall appoint the Trustee representatives. Members may serve successive one-year terms as long as they are appointed to the Committee. Vacancies on the Committee during the term shall be filled in the same manner as the regular selection process.

When requested, the General Counsel will provide advice to the Finance Committee.

### **3.0 Scope of Responsibilities**

The Committee has responsibilities in three overall areas: Finance, Investment, and Audit. The Committee shall report to the Board regarding actions taken in fulfilling these responsibilities.

At the end of each year, the Finance Committee shall review its charter and its performance as a Board committee. Any recommendations from this review shall be reported to the full Board for their consideration.

### **3.1 Financial Responsibilities**

The Committee shall:

1. Review, at least annually, ARIN's fee structure and make recommendations to the Board on any fee changes, if necessary.
2. Review ARIN draft budget materials and make recommendation to the Board for approval, as appropriate.
3. Have the specific duty to review any unbudgeted financial support from ARIN for outside organizations.
4. Have the specific duty to review any reported or potential discrepancies in ARIN's tax compliance with regulatory authorities.
5. Provide advice to the CEO regarding proposed changes to financial controls.
6. Make recommendation to the Board of Trustees as needed for the placement of a line of credit or any other loans.
7. Review the annual ARIN Tax Compliance Report.
8. Review ARIN quarterly financial reports, and
9. Review ARIN draft IRS Form 990.

### **3.2 Investment Responsibilities**

The Committee shall:

1. Make recommendations to Board as needed for the hiring and dismissing of the investment consultant and, as necessary, the investment custodian.
2. Oversee the work and assess the performance of investment consultants.
3. Receive and review quarterly reports of investment plan performance.
4. Review the Investment Policy Statement on an annual basis, and make recommendations to the Board of Trustees for changes as needed, including but not limited to:
  - a. New allocation of monies between the funds,
  - b. Change the percentages in the funds among the asset classes; and,
  - c. Direct changes to individual investments, as required.

### **3.3 Audit Responsibilities**

The Committee shall:

1. Act on behalf of the Board of Trustees to hire and dismiss financial auditors.
2. Review the financial auditor report.
3. Receive copies of all correspondence between financial auditor and ARIN, directly from the auditor.
4. Receive a copy of the financial auditor's comments and adjustments, directly from the auditor.
5. Meet with financial auditors directly.
6. Present the financial audit report to the Board of Trustees, for their acceptance; and,
7. Act on behalf of the Board of Trustees to hire and dismiss outside independent experts for opinions on financial audits and ARIN's books as needed.

### **3.4 Reporting Responsibilities**

The Committee shall:

1. Report at least quarterly to the board about committee activities, issues, and related recommendations.
2. Review any other report ARIN issues that relate to the committee responsibilities.

### **4.0 Committee Logistics**

The Committee will meet at least quarterly. With support from staff the Committee chair will develop an agenda in advance of each meeting. The Committee will contemporaneously document each meeting and any written actions undertaken in meeting minutes. The meeting minutes will include an attendance record and a report of Committee discussions with documented recommendations and decisions.

These minutes will be completed, reviewed, and posted no more than three weeks following the meeting. All committee minutes, to the extent not confidential, will be made available to all Board members.