

Leisure Town Home Association
FINANCE COMMITTEE CHARTER (Amended 9/16/22)

ROLE

The Finance Committee is a standing advisory committee reporting to the Board of Directors of Leisure Town. Its purpose is to advise the Board and in particular the Treasurer in determining LTHA financial policy, reporting, and planning. The Finance Committee is to advise on strategic financial issues facing LTHA with recommendations, concerns, policies, and action steps.

COMMITTEE SIZE

The Finance Committee will have no less than one and no more than five members. A Finance Committee Chair will be appointed by the Board of Directors annually.

RESPONSIBILITIES

- Supports the work of the Treasurer of LTHA and advises the Board of Directors.
- Review financial statements as prepared by LTHA management on a regular basis and make recommendations to the Treasurer that will continue to strengthen the financial health of LTHA. This would include regular review of assets and liabilities, fund balances in both operating and reserve accounts, accounts receivable and payable review, account reconciliations, cash flow, and year-to-date budget monitoring.
- Recommend financial policies to guide LTHA decision making on a consistent basis including investment policies, account authorizations, and schedule of reports to members.
- Review the performance of contracted professionals serving the association including accountants, auditors, investment managers, and reserve fund consultants.
- Review the proposed annual budget prior to its presentation to the Board of Directors including any potential changes in annual assessments.
- Ensure that LTHA is in full compliance with the laws and regulations governing homeowners associations in California (Davis Sterling), Generally Accepted Accounting Policies and Procedures, and Financial Accounting Standards Board.
- Work closely with the Board of Directors on long-range and strategic planning of LTHA
- Study opportunities to increase earned income sources for LTHA and the impact on operations of any alternative income sources.
- Provide information and assistance to LTHA management and Board of Directors as needed or requested.
- Review and recommend the annual tax return prior to submission
- Review the annual audit or review as well as the management letter in an effort to continuously improve our financial management systems, procedures, and cash flow.

MEMBERSHIP CRITERIA

- Committee members may be professionals from the fields of accounting, investment management, auditing, finance, investment banking, venture capital, chief financial officers, chief executive officers, and especially, nonprofit financial management experience. Members may or may not be current active members of Leisure Town Home Association. The primary criterion for participation is professional level financial management knowledge and experience that is relevant to the needs of LTHA.

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ATTENDANCE AT COMMITTEE MEETINGS

- The Finance Committee will be on an as needed basis but will meet at least once each fiscal year.
- There is no quorum requirement for committee meetings. A designated Board member shall attend committee meetings and will work with the Finance Committee Chair on the preparation of the meeting agenda.

EFFECTIVENESS

The Board of Directors will annually review the work of the Finance Committee with input from the Treasurer and will provide feedback to the Committee for ways that it can improve or enhance its performance. The Committee's Roles and Responsibilities may change from time to time as LTHA circumstances change or there are changes to the economy, laws, or benchmarks for accountability in HOA financial management.