

FINANCE COMMITTEE

TERMS OF REFERENCE

PURPOSE:

A standing committee of the Board of Directors charged with oversight of budgeting, financial reporting and disclosure.

COMPOSITION AND TERM:

- The Committee will be composed of
 - the Treasurer
 - a minimum of two additional board members of the Co-operative
 - the Executive Director
- Members of the Committee will be elected each year at the first meeting of the Board of Directors following the annual general meeting of the Co-operative. The term is one year, renewable.
- The Board may appoint members to fill any vacancies that arise during the year. At no time shall the Committee comprise fewer than three members.
- A minimum of one director must possess accounting or related financial experience, and be sufficiently versed in financial matters to understand the Co-operative's accounting practices and policies and the major judgments involved in preparing the financial statements.
- Committee members who are not financially literate must take at least one course approved by the Executive Director or Treasurer on financial literacy or financial review committees during their term.
- Quorum will be 50% plus 1. Each committee member, excluding the Executive Director, has one vote.

AUTHORITY:

The Committee has the authority to hold meetings and present recommendations to the Board in support of the Committee's purpose. The Committee will be accountable to the Board.

DUTIES AND RESPONSIBILITIES:

The Committee is mandated to:

1. Review the appropriateness of the Co-operative's accounting and financial reporting, including the selected accounting policies and principles.
2. Ensure that financial controls and procedures are in place, followed and evaluated.
3. Review quarterly financial statements and reports, including the Executive Director's commentary, before presentation to the Board.
4. Review the year-end financial statements before presentation to the Board.
5. Review the financial content of the Annual Report and any mid-year reports.
6. Perform a detailed review of the annual budget and prepare a recommendation to the Board for approval.

7. Research projects such as policy development dealing with financial management issues and controls.
8. Review all payments made for non-budgeted items under \$10,000; approve any payments that would benefit the Executive Director, and approve all payments made for non-budgeted items over \$10,000
9. Review all signed contracts under \$10,000 and approve all pending contracts over \$10,000.
10. Prepare a recommendation to the Board for approval of all contracts over \$25,000.
11. Oversee engagement, performance and independence of the external auditors.
12. Meet with the internal bookkeeper or external auditor as required.
13. Finance Committee meeting agendas shall be the responsibility of the Chair of the Committee in consultation with the Committee members and management, and the External Auditor or internal bookkeeper as required

ORGANIZATION:

1. Meetings will be held at least quarterly.
2. The Treasurer will be the committee Chair. If the Chair of the Committee is not present at any meeting of the Committee, one of the members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting.
3. The committee will appoint a Recording Secretary.
4. Decision-making will preferably occur by consensus. If voting occurs, all committee members have a vote.

Revised June 27, 2018