



## **FINANCE COMMITTEE** **TERMS OF REFERENCE**

<b>AREA OF EMPHASIS:</b>	<b>BOARD GOVERNANCE</b>
<b>AREA OF RESPONSIBILITY:</b>	<b>FINANCIAL MANAGEMENT</b>

The **Board of Directors** has overall responsibility for overseeing the long-term direction of the organization in order to achieve its purpose. The primary function of the board of directors is to oversee rather than manage the organization. The ability to provide objective oversight may be impaired if the roles of the board involves management-level responsibilities. The more engaged a board member becomes in management functions, the more their ability to exercise independent oversight will be impaired.

**The Finance Committee** is responsible for overseeing the preparation of the annual budget and financial statements, overseeing the administration, collection and disbursements of the financial resources, and advising the board with respect to significant financial decisions. Its duties include:

- ✓ **Budget and financial statements**
  - Ensuring the preparation of annual budget and financial statements
  - Reviewing budgets, strategy and fundraising plans to ensure adequate funding for operations
- ✓ **Stewardship of Financial Resources**
  - Ensuring the appropriate financial policies and practices are in place
  - Reviewing and recommending investment strategies
  - Reviewing and recommending lending/borrowing practices
  - Reviewing financial activity and advising the board regarding any concerns with the financial stability of the organization

### **Chairman of the Finance Committee**

The role of the Chair of the Finance Committee is to oversee the organization's financial reporting, audit activities and risk management and internal controls.

The duties of the Chairman of the Finance Committee include ensuring that:

- ✓ The books of account and accounting records of the corporation are kept as required by law,
- ✓ Proper financial statements are submitted to the board on a regular basis and are presented by the Treasurer in the approved format that the board requires
- ✓ Guidance about what can be done and makes sure things are done according to policy and with adequate controls
- ✓ Preparation of financial statements, tax returns and other filings reporting to the board and other stakeholders on financial matters are executed in a timely manner



## **FINANCE COMMITTEE** **TERMS OF REFERENCE**

- ✓ May be involved in some or all of the following functions:
  - Negotiating contracts
  - Managing relationships with third party suppliers
  - Depositing cash receipt
  - Approving expenditures
  - Investing funds
  - Preparing and signing cheques
  - Assisting with the preparation for the annual audit
  - Assisting in the day-to-day financial workings of the organization.

### **Treasurer**

The role of the Treasurer is to supervise the organization's financial condition and report on it to the board. The Treasurer will provide day-to-day or guidance and support as needed to the Executive Director and also coach and train book-keeping staff on financial matters.

### **The duties of the Treasurer include ensuring that:**

- ✓ Oversees the preparation and presentation of the financial plans and operating budgets to the Board of Directors
- ✓ The books of account and accounting records of the corporation are kept as required by law,
- ✓ Proper financial statements are submitted to the board,
- ✓ The accounts of the organization are audited as required by the auditor appointed by the members, and presented to the members of the Finance Committee for approval and then at the Annual General Meeting for inclusion in the official AGM Report.
- ✓ The annual budget is prepared and submitted to the board.
- ✓ Managing a broad spectrum of risks
- ✓ Maintaining a system of internal controls
- ✓ Overseeing the record keeping of the books and records
- ✓ Analyzing the financial results and performance of the organization
- ✓ Supervising, coaching and/or training staff on financial matters
- ✓ Assisting with the preparation for the annual audit
- ✓ Assisting in the day-to-day financial workings of the organization.
- ✓ May be involved in some or all of the following functions:
  - Negotiating contracts
  - Managing relationships with third party suppliers
  - Depositing cash receipts
  - Approving expenditures
  - Investing funds
  - Preparing and signing cheques
  - Assisting with the preparation for the annual audit
  - Assisting in the day-to-day financial workings of the organization.