

Finance Committee - Governance

Terms of Reference

1.0 Rationale

The Finance Committee (FC) has been created in accordance with clause 27 of the Rules and Statement of Purpose of Rotary International District 9800 Inc to assist the Board in relation to exercising its Financial/Governance Responsibilities.

2.0 Purpose and Scope

2.1 The purpose of these Terms of Reference:

Is to set out the objectives, responsibilities, and procedural guidelines governing the operation of the committee.

2.2 The scope of these Terms of Reference

Is limited to the powers and duties of the members of the FC as set out in this document.

3.0 Committee Objectives

3.1 The objectives of the Finance Committee are to:

3.1.1 Provide advice and recommendations to the Board on Financial matters with regards to the operations of the District.

3.1.2 Review the overall financial plans, strategies and budgets to ensure the long-term financial viability of the District.

4.0 Committee Responsibilities

4.1 The Finance Committee members are responsible for:

Review of Financial Policies (By-Laws), Strategies and Procedures

4.1.1 Reviewing and recommending for Board approval, governance policies in relation to financial investments that initially define, and following regular review (at least annually), will refine the District's investment objectives and set out the parameters that govern the investment and or disposition of surplus funds of the District.

4.1.2 Reviewing and recommending for Board approval, financial management strategies that provide for the District's current and future growth in line with annual and long term strategic plans.

4.1.3 Reviewing and monitoring the adequacy of the District's accounting policies relating to financial reporting and controls, including compliance with laws, accounting standards, regulations and ethical guidelines.

4.1.4 Reviewing and proposing strategies to assist with better financial management and reporting of the Districts operations.

Review of Historical and Planned Financial Performance.

4.1.5 Receive, review, critique and ultimately recommend to the Board any reports from the Treasurer or other Directors/Committees on the financial affairs and performance of the District, including quarterly and annual financial performance reports (ie Profit and Loss Statements, Cash Flow annual accounts only and Capital Expenditure reports and Balance Sheet) and other relevant performance reports.

4.1.6 Receive, review, critique and ultimately recommend to the Board the annual operating and capital budget as presented including full enquiry of the list of assumptions on which the budget was based.

Review of Matters of Financial Significance or with Inherent Risk.

4.1.7 Evaluation of any asset/property purchase, sale, lease, re-development or divesture as presented and recommendation to the Board on appropriate actions.

4.1.8 Evaluation of significant threats to funding or to other income streams as is noted in the reports of Directors or Committees.

4.1.9 Monitor and report to the Board on any matters or plans that potentially expose the District to significant financial liability with regards to financial reporting, accounting principles or underlying risks.

4.1.10 Making recommendations to the Board on authorised signatories to bank accounts, and ensure a balance of authority so that no single individual has unfettered powers over the finances of the District.

4.1.11 The provision of any other pertinent financial information, planning recommendations and advice to the Board.

5.0 Procedures

5.1 Membership

5.1.1 Members of the FC will include: the Chairperson of the District Board, Chair of the FC (to be appointed by the DG), the DGE, the DGN, the Treasurer and the Treasurer Elect.

5.1.2 The FC meeting may also be attended by the other members of Committees who may be invited to attend at the discretion of the Board Chair.

5.1.3 Continuing Membership of the FC will be in accordance with clause 28.5,6,7,8 of the Rules.

5.1.4 At least one of the members of the FC will be financially competent either by possessing recognised financial qualifications or by experience in a significant financial role.

5.2 Meetings

5.2.1 The FC may meet prior to each Board meeting if necessary but will meet not less than quarterly so that the Chair can report to the Board as necessary.

5.2.2 A quorum will consist of half the members of the Committee.

5.2.3 The FC will keep minutes of its meetings and the Treasurer shall act as Secretary and the Treasurer Elect will perform the duties of Minutes Secretary.

5.2.4 All FC members and attendees must observe a strict code of confidentiality.

5.2.5 All members of the FC must declare any pecuniary interest or other conflict of interest at the beginning of each meeting.

5.2.6 Agenda and documentation for the meeting will be prepared by the Chair.

6.0 Authorities and Accountabilities

In accordance with clause 27 of the Rules, the Board is responsible in appointing the formation of the FC and may delegate to the FC the authority required to discharge the duties as specified under these terms of reference.

7.0 Evaluation

The FC will monitor its performance against these Terms of Reference on an annual basis, following the District Annual General Meeting.

8.0 Approval and Revision Table

These Terms of Reference are to undergo the following approval process:

Approval and Revision Table

Approved by

District Board

Date of approval

Effective date