

# **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.

## **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. 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 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 continue to meet the selection criteria. 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. Provide advice to the CEO regarding proposed changes to financial controls;
5. Make recommendation to the Board of Trustees as needed for the placement of a line of credit or any other loans;
6. Review the annual ARIN Tax Compliance Report;

7. Review ARIN quarterly financial reports; and
8. Review ARIN draft IRS Form 990;

### **3.2. Investment Responsibilities**

The Committee shall:

1. Make recommendations to Board as needed for hiring and firing of the investment consultant and, as necessary, the investment custodian;
2. Oversee the work and assess the performance of investment consultants;
3. Receive 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;
5. Review the investment performance on, at least, an annual basis; and,
6. Recommend changes to the plan, when necessary, which may include, but not be restricted to, the following:
  - a. New allocation of monies between the funds;
  - b. Change the percentages in the funds among the asset classes;
  - c. Change the investment consultant; and,
  - d. Direct changes to individual investments, as required.

### **3.3. Audit Responsibilities**

The Committee shall:

1. Hire and fire 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. Hire 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 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.