

FINANCE COMMITTEE JOB DESCRIPTION

Sample

The presence of a fully engaged finance committee is an indication that an organization is committed to good stewardship and is building and preserving the financial resources necessary to accomplish its mission for the short and long term. Its duties can include:

1. ***Communicating with the board.*** The committee conveys information the board needs for sound decision-making. Not everyone understands financial statements and related jargon. Numbers require explanation and context; the committee must connect them to the organization's mission, goals and strategies.
2. ***Budgeting and financial planning.*** Before beginning the budgeting process, the committee should initiate initiatives that will influence the process. Members and staff must discuss internal and external factors that could affect budgets over the next several years, including your organization's strategic plan. After approval, the committee monitors variances from the budget.
3. ***Financial reporting.*** The committee oversees the preparation and distribution of financial statements and expectations about the level of detail, frequency and deadlines of other financial reports. The committee monitors the adequacy of the organization's financial resources and the allocation toward accomplishing its mission.
4. ***Developing internal controls.*** Internal controls are essential for protecting your organization's assets. Assure that approved controls are followed and filing deadlines are met.
5. ***Administering financial resources.*** The finance committee provides oversight and confirms compliance with fiscal and related policies and procedures. Approved policies should reflect your organization's specific circumstances, such as size, rather than just general "best practices."
6. ***Overseeing audits.*** If your organization doesn't have a separate audit committee, the finance committee is also responsible for the audit. The committee must engage and regularly interact with the auditors, review the auditors' report and IRS Form 990, present the audited financial statements to the board, and propose changes to implement any auditor recommendations.
7. ***Creating an appropriate investment policy.*** Even if your organization doesn't have enough cash to support a separate investment portfolio, liquid funds need to be managed to maximize revenue. This means it falls to the finance committee to develop an appropriate investment policy and retain qualified investment advisors, when needed. Fiduciary responsibility isn't limited to the committee's members. The entire board has the duty to safeguard your organization's net assets.