

Isles of Sarasota Homeowners Association

Finance Committee Charter

PURPOSE:

The Board of Directors (BOD) has authorized the establishment of the “**Finance Committee**”. The purpose of this Committee is to serve at the will of the BOD on all matters pertaining to the finances of the Isles of Sarasota Homeowners Association. This Committee is responsible for recommending and monitoring financial policies, goals, and budgets that support the mission, values, and strategic goals of the HOA. The Committee also reviews vendors’ contracts, invoices, and work orders to ensure that the HOA continues to receive required services in a timely manner that are consistently value-add and at a fair and reasonable cost. It also monitors the financial health of all capital accounts against its goals and the annual budgets and will assist the Treasurer in his/her duties.

COMMITTEE STRUCTURE AND TERMS:

The Finance Committee will be chaired by the BOD “Treasurer”. This appointment will continue as long as he/she is a member of and will end upon his/her resignation or removal from the Board Of Directors. The Committee shall be comprised of 3-7 community resident volunteers and is open to anyone willing to assist or has a working knowledge, background, or education in finance, accounting, bookkeeping, or business. Each member of the committee must be unencumbered by any conflict of interest and also attest that they have never been convicted and to the best of their knowledge, are not presently under investigation for any felony. Members will be appointed by the BOD.

Appointment consideration criteria will include, but will not be limited to, relevant experience, willingness and availability to serve, ability to get along with others, fairness, firmness and ability to function within a team.

AUTHORITIES:

All committee members shall serve at the will of the BOD. The BOD has the right and authority to disband and discontinue any committee or subcommittee, as well as appoint or dismiss any committee member or subcommittee member, with or without cause. The BOD may delegate any or all of the authorities vested in the Board by the Governing Documents of the HOA, to the Finance Committee, and these authorities may change at any time in accordance with the desires of the Board.

SPECIFIC RESPONSIBILITIES:

The Finance Committee’s specific responsibilities include:

- Recommending policies that maintain and improve the financial health and integrity of the HOA.
- Reviewing and recommending a long-range financial plan for the HOA.
- Reviewing and recommending an annual operating budget and annual capital budget consistent with the long-range financial plan and financial policies.
- Reviewing and recommending capital expenditures and unbudgeted operating expenditures that exceed property management's spending authority.
- Reviewing and recommending capital expenditures and unbudgeted operating expenses that, per Board-approved policy, are above property management's authority, but below the threshold required for Board approval.
- Reviewing the financial ramifications of major proposed transactions, new programs or services, as well as proposals to discontinue programs or services, and providing Board with action recommendations.
- Monitoring the financial performance and health of the HOA as a whole and its major vendors and accounts against approved budgets, long-term trends, and industry benchmarks.
- Requiring and monitoring corrective actions to ensure that the HOA remains in compliance with its budget and other financial targets.
- Reviewing vendors' contracts and ensuring they remain viable, necessary and financially sound.

COMPLIANCE:

The Finance Committee is not authorized to financially or legally obligate the HOA in any manner (i.e. contract for services, hire contractors, borrow money, purchase equipment or supplies, or approve such a request on behalf of the BOD) unless it has been specifically approved in the Annual Plan and Budget for the Committee or separately approved by the BOD. The committee shall meet at least once a quarter for review and discussion of assigned tasks.

The BOD also has the right and authority to take action and/or make decisions with or without involving any committees and to take action and/or make decisions which are consistent with and/or contrary, in whole or in part, to any committee or subcommittee recommendations, should they see the need. The BOD also has the right to amend this Charter, should it be required.