

Finance and Budget Committee Charter

Charter Revised 1.22.19; Board Approved 1.23.19

The Somerset Owners Association's Board of Directors has the authority to create standing committees according to Section 3.16 of the Somerset Owners Association Bylaws.

As such, the Board of Directors updates this formal resolution to amend the Finance and Budget Committee with the powers and duties set forth.

Purpose

The purpose of the Finance and Budget Committee is to conduct analysis and reviews of the Association's financials on behalf of the Board of Directors to facilitate sound decision-making through detailed reporting. In addition, the Finance and Budget Committee will provide recommendations and suggestions regarding planning or anticipation of significant capital expenditures required to meet the communities' long range strategic requirements. The committee shall conduct its business in conformance with the Mission, Vision and Goals of the Somerset Owners Association.

Responsibilities

The Committee shall have no authority to act on behalf of the Association other than to formulate and present information and recommendations to the Board related to its stated purpose. The Committee shall not engage in any activities that have not been requested by the Board either specifically or via the responsibilities identified in this charter and those set forth in the association's expense policy. The Committee shall have the fiduciary responsibility to provide the Board with any information and recommendations that relate to the current and future fiscal health of the Association, including but not limited to the investment strategies of the cash positions of the Association and any debt capacity or reduction opportunities or obligations that contribute to the long term financial health of the Association.

Specific responsibilities shall include but are not limited to:

1. Detailed review of the monthly financial statements and reconciliations prepared by the management company to identify variances between the budget and actual performance of the SOA; evaluate the significance of such variances; and identify and prepare appropriate information, conclusions, and recommendations regarding the SOA's financial performance to be reported to the Board at its next meeting.
2. Annually work with management company staff to prepare a draft budget for the following fiscal year to be approved by the Board. The committee shall begin developing a draft budget upon receiving preliminary goals and planning parameters from the Board. The timing and schedule for preparing the draft budget shall incorporate sufficient opportunities for the Board to provide comments and/or request additional evaluations or changes prior to finalizing the proposed budget.
3. Review the annual audit and reserve study/update and provide comments and feedback to the Board.
4. Identify extraordinary financial needs based upon assessment of strategic plans developed or being considered by the board.
5. Annually review the investment strategies and cash positions of the Association to maximize the current and future safe investment returns of funds invested by the Association and make recommendations as need to the Board and management.

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Organization and Term

The Committee shall be composed of no more than seven Board appointed members; one primary (Board Treasurer) who will automatically be assigned to the committee and one alternate Board member; and five Association unit owners in good standing. A quorum of the Finance and Budget Committee shall consist of a majority of members. A decision may be rendered by a majority of members at a meeting at which a quorum is present.

At least one of the assigned Board members shall be in attendance at each Committee meeting. The alternate board member is encouraged to attend all meetings and participate in Committee discussion. Board members shall not vote on any matter that requires subsequent approval by the board of directors.

In addition, at the beginning of each year the Committee shall develop its five top goals/priorities for the upcoming year that align with the Goals of the SOA Board and report them to the BOD and then at the end of each year the Committee will report back to the BOD as to their performance against their goals/priorities for that year. The Committee meeting calendar will be established on an annual basis for Board approval at the December Board meeting.

Each January, the Board shall appoint Committee Members and a non-Board Chairperson and Vice-Chairperson who shall be responsible for leading all meetings. In the absence of a committee chair or vice chair the attending board member may be in charge of running the meeting.

The Committee meeting calendar will be established on an annual basis for Board approval at its December Board meeting. Additional meetings may be scheduled as necessary.

A member of the association staff will attend meetings as directed by the Board of Directors, but will not serve as a committee member. Staff members may take meeting recaps and provide information to the committee.

The Finance and Budget Committee charter was duly updated by the action of the Board of Directors on January 23, 2019.

By: _____
Board President

Attested By: _____
Board Secretary

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Committee Members Required Signatures

With my signature below, I agree that as an appointed member of the Finance Committee, I am bound by all Somerset Governing Documents, local state and federal or other applicable laws and Board requirements to maintain all confidential information if presented. I also agree to attend scheduled meetings and to participate as an active member of this committee.

Name/Signature

Date

Name/Signature

Date

Name/Signature

Date

Name/Signature

Date

Name/Signature

Date