

Vistoso Community Association

FINANCE COMMITTEE CHARTER

PURPOSE:

The Vistoso Community Association (VCA) Board of Directors (BOD) has authorized 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 Vistoso Community Association (VCA). This committee is responsible for recommending and monitoring financial policies, goals, investments, and budgets that support the mission, values, and strategic goals of VCA. 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 may be chaired by a BOD member or any member the committee chooses to place by majority vote. The appointment of a BOD member will continue if he/she is a member of and will end upon his/her resignation or removal from the Board of Directors. It is desirable that the committee will be comprised of an odd number of people: 3, 5, or 7 community resident volunteers and is open to anyone willing to assist or has working knowledge, background, or education in finance, accounting, bookkeeping, or business. In the event of 3 committee members, only one BOD member can be a member of the Finance Committee. If there are 5 members on the committee, it is acceptable to add an additional BOD member (6 total), however the only one BOD member can vote on committee motions. If there is 7 members on the Finance Committee, then it is acceptable to have 2 BOD members on the committee and vote on motions.

Each member of the committee must be unencumbered by any conflict of interest and 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 through a Resolution.

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 the authorities vested in the Board by the Governing Documents of VCA, 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:

Vistoso Community Association

- The Finance Committee shall report regularly to the Board.
- The Committee Chair, or their designate, shall make a report of the committee's action to the Board at its monthly meeting.
- The Finance Committee shall utilize the investment strategy as directed by the Board.
- Recommending policies that maintain and improve the financial health and integrity of VCA.
- Review and recommend a long-range financial plan for VCA.
- Review and recommend an annual operating budget and annual capital budget consistent with long-range financial plan and financial policies.
- Review and recommend capital expenditures and unbudgeted operating expenditures that exceed property management's spending authority.
- Review the financial ramifications of major proposed transactions, new programs or services, as well as proposals to discontinue program and services, and providing the BOD with action recommendations.
- Monitoring the financial performance and health of VCA, its major vendors and accounts against approved budget, long-term trends, and industry benchmarks.
- Requiring and monitoring corrective actions to ensure that VCA remains in compliance with its budget and other financial targets.
- Reviewing vendors' contracts with General Manager and ensure they remain viable, necessary, and financially sound.
- Review Reserve Study for financial stability and timeliness.

COMPLIANCE:

The Finance Committee is not authorized to financially or legally obligate VCA 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 month for review and discussion of assigned tasks.

The BOD also has the right and authority to take actions 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.

APPROVED AND ACCEPTED BY: The Vistoso Community Association Board of Directors on April 28, 2022