Finance Committee Charter

February 6, 2025

Purpose

The Finance Committee ("Committee") exists to assist the Board of Directors in monitoring the finances of the Association. The Committee has decision-making authority as described below.

Functions

Review and make recommendations to the Board on the following Association documents and policies, as directed by the Board:

- Monthly financial statements and reports;
- Annual reserve studies;
- Annual accounting audit and tax returns;
- Capital expenditures;
- Financial policies and procedures,
- Spending authorities;
- Investment strategy;
- Annual operating budget;
- Special assessments.

Review the Association's monthly financial statements in accordance with California *Civil Code* Section 5500.

Review and approve rollover of maturing certificates of deposit in consultation with the Association's professional financial advisor.

Conduct studies, provide recommendations, and perform other special projects as assigned by the Board of Directors.

Confidentiality

All Committee discussions and decisions, as well as all documents reviewed by the Committee, are confidential and shall not be shared with anyone other than Committee members, the Board of Directors, Association management, and others designated by the Board.

Compensation

The Committee serves in a volunteer capacity at the pleasure of the Board of Directors. Volunteers receive no compensation.

Term of Office

Committee members serve at the pleasure of the Board and can be removed at any time by a majority vote of the Board. The term of each Committee member shall end upon resignation or the Board's annual vote to update committee appointments.

Committee Structure

The Committee shall consist of the Treasurer and additional members as approved by the Board. The Board President is not required to be a member of the Committee.

The Committee shall have a Chairperson and Secretary (non-Board member) elected by a majority of the Committee members at the first meeting of each calendar year. The Secretary will assist in the preparation of meeting minutes and Committee reports.

Chairperson

The Chairperson shall be appointed by the Board.

The Chairperson schedules and leads Committee meetings, and reports on Committee activities to the Board at Board of Directors meetings.

The Chairperson shall review, and sign meeting minutes and reports prepared by the Committee. The Chairperson shall also provide oral reports to the Board, if requested by the Board.

Committee Operations

The Committee shall meet on an as-needed basis.

Minutes shall be taken at each meeting to record attendance and Committee decisions.

A fifty-one percent (51%) quorum requirement must be met in order to hold a committee meeting. Committee actions must be approved by a majority of the Committee members present at a meeting. For example, if the Committee is composed of two (2) members, both must be present at each meeting and both must consent to each action. Deadlocks shall be referred to the full Board for review and decision.

Code of Conduct

- Respect the confidentiality of the Committee's sessions.
- Act knowledgeably and prudently when making decisions.
- Listen respectfully to others' points of view.
- Speak for the Board and Association only when authorized to do so.
- Immediately disclose to the Committee and/or Board any perceived or real conflict of interest as soon as a potential conflict is suspected.
- Exhibit respect, professionalism and courteous behavior to Owners, Committee members, the Board, and management staff.
- Be a Member of the Association in good standing (*i.e.*, current in assessments, not in violation of the CC&Rs or Architectural Guidelines, and with no membership rights revoked at a duly noticed hearing).
- Not currently in a lawsuit against the Association.
- Be "bondable" (insurable by the association's fiduciary/fidelity bond/insurance carrier).