

What is the Role of the *Finance/Budget Committee?*

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The finance committee is responsible for making certain that the organization is in good fiscal health. This committee oversees expenditures and provides information and recommendations related to the annual budget and its implementation, as well as projections for the future. It recommends policies to the full board to safeguard the organizations assets, ensures the completeness and accuracy of its financial records, and oversees proper use of resources. It also sees to it that the organization has appropriate internal controls, conducts proper financial analysis, and reports any concerns to the full board. Beginning with the orientation of new members, the finance committee facilitates the boards understanding of the budget and fiscal issues. The committee also makes sure that all board members get the financial statements in a timely manner and that board members know how to examine and understand the reports.

Finance committee members may include the following:

- The board treasurer, usually as the chair or as an active member
- Member of the development committee, if there is one
- Members with expertise in accounting, banking, or business
- Members who are familiar with programs

Example of Budget, Finance, & Administration Committee Description #1:

This committee oversees the financial stability of the organization. Responsibilities include, reviewing and approving the budgets, reviewing yearly audit & 990, reviewing monthly financial statements, presenting financial information and overseeing the financial transactions including: cash, CD's, and other investments.

Example of Budget, Finance, & Administration Committee Description #2:

The purpose of the Budget, Finance, & Administration Committee is to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibility relating to:

- Development of the annual budget
- Review of actual financial results against budget throughout the fiscal year
- Review of cash management practices, banking relationships
- Develop/review policies and procedures
- Managing agencies operating risks
- Oversight of human resource functions including personnel policies and procedures, employee compensation and adherence to personnel law.
- Oversight of capital requirements including its physical facilities, operating equipment and information technology services