

Terms of Reference for the Finance Committee

Purpose:

The Finance Committee is a standing committee of the FGCA Board. The primary purpose of the Committee is to assist the Board in the oversight of the FGCA's financial matters. This is done by overseeing preparation of the annual budget, reviewing the annual financial statements, reviewing quarterly the internal financial statements as compared to budget, ensuring that liabilities are paid (in particular, payments to the Canada Revenue Agency), ensuring the organization has adequate insurance, and ensuring that internal controls over financial matters are in place.

A secondary purpose of the Committee is to be a resource to the Executive Director(s), and provide guidance and support for general or specific financial management matters of the FGCA.

Responsibilities:

The Committee fulfills its purpose by assuming the following responsibilities:

1. Financial Statements

Ensuring that, annually, a review or audit of the organization will be undertaken by an external accountant. The Committee, in connection with the Executive Director(s), will be responsible for recommending the external accountant for appointment by the Board, meeting with the external accountant to review the annual financial statements, and presenting the financial statements at the Annual General Meeting. The Committee, in collaboration with the Executive Director(s) will ensure all financial statements are in accordance with accounting principles for not for profit organizations.

2. Budget and Quarterly/Yearly Review

Ensuring that, annually, the Executive Director(s) prepare a detailed budget for the next fiscal year. The Committee will review the budget and present it to the Board for approval. On a quarterly basis the Committee will also compare the actual financial results to budget and, if there is a significant difference between the two, determine why the differences have occurred and recommend actions to the Board, as needed. Annually, the Committee will ensure a statement of year end financials are created for review at the AGM and, additionally, will ensure the Society's charitable tax return is filed.

3. Internal Controls

On a quarterly basis the Committee will review the monthly bank reconciliations to ensure they have been completed and that there are no significant reconciling items. On a quarterly basis the Committee will also review the liabilities and, in particular, that payments to the Canada Revenue Agency for payroll withholdings are being made.

Further, the Committee will regularly assess the financial internal controls with the Executive Director(s). The Committee will ensure that the policies are being undertaken to ensure the prudent financial management of the organization and will confirm with the Executive Director(s) that financial terms of grants and contracts are complied with.

4. Insurance

The Committee will undertake an annual review of the insurance of the organization to ensure that it is in place and sufficient for the organization. This will include a review of the director's liability insurance. The Committee will report to the Board on such coverage, and make recommendations re the same, as necessary.

5. General Financial Management Guidance and Support

The Committee will act as a resource to the Executive Director(s), by providing mentoring, guidance and support for general or specific financial matters of the FGCA. This may include: being available to discuss and assist with general budgeting issues or concerns; assist in the development or refinement of FGCA financial management policies and procedures; or identifying additional external professional or other resources that may be of use to the Executive Director(s) in fulfilling their financial management duties.

Authority

The Committee's activities and actions follow and are consistent with the FGCA Policy on Committee Terms of Reference, unless otherwise detailed in these Terms of Reference.

The Committee does not have the authority to independently make (significant) financial decisions as relate to the organization.

As a Committee of the Board, all significant decisions related to the financial management will, in a timely manner, be brought by the Committee as recommendations to the Board for approval.

Committee Structure:

1. Membership

Committee members are appointed by the Board. Recommendations may be put forward by the Committee.

The Committee is comprised of:

1. The Chair/Treasurer
2. The Vice-Chair
3. Secretary
4. The President
5. Up to three(3) other Board members

Non-officer Board members who wish to join the Committee are expected to have direct skills or experience in financial management, or in managing operations budgeting in mid-large not-for-profit organizations.

An Executive Director(s) of the FGCA will be an ex-officio member and will not count toward the maximum number of members.

Committee membership may be terminated by the Board in accordance with Section 4 of FGCA Policy 6.3.1 "Committee Terms of Reference".

2. Committee Officers

As per Section 5 FGCA Policy 6.3.1 "Committee Terms of Reference", the Committee Chair and Vice-Chair are elected by the Board, and are to be Board Members unless otherwise approved by the Board. The Secretary is elected by the Committee. Committee Officers are appointed for one-year terms.

Each Committee Officer is to carry out the duties outlined in Section 5 FGCA Policy 6.3.1 "Committee Terms of Reference" and in any related FGCA Job Descriptions.

Meeting Schedule:

The Committee will meet at least quarterly. The Committee may meet more frequently, depending on any realized financial issues. Meetings may be called by any member of the Committee. Meetings may also be called by the Executive Director(s).

Communications and Reporting:

The Committee will, in a timely manner, provide reasonably detailed minutes of all committee meetings and activities to the Board.

Support Needs:

The Committee may require some support of FGCA staff to support its work, including:

- scheduling meeting space
- assisting in the development and dissemination of internal financial statements to the board
- coordinating activities related to the annual preparation of the budget and financial statements, and so on