

Life Jacket Association

Committee Charter

Finance Committee

Note: A Finance Committee Policy was signed 9/18/17 by Wayne Walters, LJA President. This is a committee charter and does not replace that policy.

Committee Type

Standing Committee of the Board.

Purpose

The purpose of the Finance Committee is to support the Board of Directors in fulfilling its fiduciary responsibilities for the financial health and integrity of the organization. Its purpose is to provide financial oversight, ensure stewardship of the organization's resources, and recommend sound fiscal policies and procedures that promote financial sustainability, transparency, and accountability.

Scope of Work

The Finance Committee's primary scope of work encompasses budget development and oversight, financial reporting and monitoring, internal controls, risk management, and financial policy oversight. The committee is charged with reviewing and recommending the annual budget, monitoring actual financial performance versus approved budgets, and providing guidance on major financial decisions. Its duties include, but are not limited to:

- Participating in the development of the annual operating budget in collaboration with staff and presenting these budgets to the Board for approval.
- Regularly reviewing financial statements, including balance sheets, income statements, and cash flow reports, and ensuring that appropriate financial controls are in place.
- Reviewing and recommending policies related to reserves and restricted funds.
- Advising the Board on significant financial decisions, including making recommendations to the Board of Directors on program spending from revenue generated by the Life Jacket Label Surcharge Fund.
- Reviewing and recommending updates to the organization's financial policies and procedures.
- Assessing financial risks and ensuring adequate risk management processes are in place.
- Providing guidance and support to the Treasurer and staff, as needed.

Authority and Limitations

The Finance Committee is a standing committee of the board. Its authority is limited to reviewing, advising, and making recommendations on financial matters; it does not have authority to act on behalf of the Board. The committee may engage external expertise as needed to fulfill its responsibilities, subject to Board approval for expenditures beyond budgeted amounts.

The committee does not have authority to approve or amend budgets without Board ratification or enter into financial commitments on behalf of the organization.

All recommendations and findings of the Finance Committee are reported to the Board for final consideration and approval.

Composition

Leadership Structure

The Treasurer of the Board shall serve as Chair of the Finance Committee. The Committee Chair is responsible for setting meeting agendas, presiding over meetings, ensuring that the committee fulfills its responsibilities, and ensuring effective communication between the committee and the full board. The chair also leads the annual evaluation of committee effectiveness and is responsible for delivering updates and reports to the board.

Membership

The Chair of the Finance Committee will recruit at least two members, in good standing, of the association's membership, on an annual basis (Finance Committee Policy, 2017). Members should possess financial literacy and a commitment to the organization's mission. Committee memberships shall be approved by the board.

The Board President and Executive Director shall serve as ex officio, non-voting members. The Committee may invite non-Board members or external advisors with relevant financial or investment expertise to participate, subject to Board approval.

Decision-Making Process

Decisions of the committee shall be made by a majority vote of the voting members of the committee.

A quorum, defined as a majority of committee voting members, must be present to conduct official business. Regular attendance and active participation are expected of all committee members.

Reporting Requirements

The committee shall report to the Board of Directors quarterly and as otherwise requested by the Board Chair. Written reports should summarize key activities, findings,

recommendations, and any actions taken since the last report. Quarterly reports should include:

- Current financial statements and analysis of variances from budget.
- Updates on the status of the annual budget and any significant deviations.
- Information on investments, reserves, and restricted funds.
- Updates on tax filings.
- Recommendations for policy changes or board action.

The committee is also responsible for preparing an annual summary of its activities and accomplishments.

Meeting Frequency

The committee shall meet at least quarterly, with additional meetings scheduled as necessary to address specific issues or to fulfill its responsibilities. Additional meetings may be called by the Chair as necessary.

Minutes of all meetings shall be recorded and maintained in the organization's official records.

Additional Information

This charter is intended to complement the Association's financial policies as well as the overarching policy on committees of the board. In the event of any inconsistency or conflict between this document and the Association's policy on committees of the board, the latter shall take precedence with the ultimate authority being the Association Bylaws.

Review and Amendments

This charter shall be reviewed annually by the committee with recommended changes submitted to the Board of Directors for approval. Amendments require a majority vote of the Board.

Adoption

This charter was approved and adopted by the Board of Directors on 10/28/25.