

FINANCE COMMITTEE CHARTER

The Responsibilities of the Finance Committee are the Budget, the Reserve and Cash Management.

BUDGET DUTIES

- A. Prepare a new Budget every year.**
 - 1. Obtain input from all committees for proposed changes to the Budget.**
 - 2. Use the current Budget for indications of changes.**
 - 3. Contact contractors and all utilities for their best estimate of price changes for the next year.**
 - 4. The Board normally advises us of salary increases.**
 - 5. The new Budget must be presented to the Board for their approval no later than their April meeting so that it can be implemented beginning July 1.**
- B. Review monthly statements of income and expenses for compliance with the approved Budget.**
- C. Review Annual Audit prior to being mailed to all homeowners.**

RESERVE DUTIES

- A. The Reserve Study will be updated with current pricing as follows: Every year by the Manager and Board and every third year by a professional company in this type of business, as required by law. The final Reserve Study figures could affect the Reserve allocation, which could affect the monthly dues.**
- B. Review the monthly schedule of Reserve Fund Expenditures.**

CASH MANAGEMENT

- A. All cash that is not needed for current Budget or Reserve Projects is invested in U.S. Treasury notes or CDs, at the best rates available at the time. The due dates of these investments are adjusted so that we do not have a lot of cash on hand at any one time. The dates are spread over a period of time to meet our future cash requirements. This investment technique is called “laddering”.**

OTHER DUTIES

- A. Review expenditures not covered by the Budget or the Reserve over \$2000.**
- B. Make financial studies as requested by the Board.**
- C. Make bid evaluation as requested.**

ORGANIZATION

The Finance Committee is staffed as follows:

Chairperson

4 to 6 Committee Members

Board Liaison

Association Manager

10/20/2005