

# **Tahoe Donner Association Finance Committee Charter**

## **I. INTRODUCTION**

### **A. Authority**

Pursuant to the powers vested in the Tahoe Donner Board of Directors (“Board”) by the Articles of Incorporation, the Bylaws and the Covenants and Restrictions of the Tahoe Donner Association (“Association”), the Board hereby establishes the Finance Committee (“FC”) as a standing committee of the Association.

The FC is established and operates under the provisions of:

- Section 1, Article X, Restated Bylaws of Tahoe Donner Association
- Resolution 2021-5, Committee Policy, Tahoe Donner Association Board of Directors, July 23, 2021
- Article VIII, Board Meetings, Restated Bylaws of Tahoe Donner Association

This FC Charter shall remain in effect as presented herein until such time as it is amended or revoked by the Board. Any changes, amendments or modifications hereafter may only be accomplished at a properly noticed meeting of the Tahoe Donner Association Board of Directors.

The FC shall remain in existence until dismissed by the Board.

The FC shall have no authority to act on behalf of the Association, other than to formulate and present recommendations to the Board related to its stated purposes.

## **II. PURPOSES AND PRINCIPLES**

### **A. Purpose**

The FC shall serve the Board and Staff as a source of advice, feedback, assistance and expertise in all matters pertaining to the Association’s financial decision-making to better enable the Board to make sound business decisions on behalf, and for the benefit, of the Association. Operating in collaboration with the Board and Staff, this work will include, but is not limited to:

- **Annual Budget:** Support staff and the board in developing an annual budget. This support includes:
  - Providing annual budget advice and feedback to staff, especially regarding key budget driver assumptions.
  - Making annual budget recommendations to the board.
  - Following adoption of the annual budget, working with the staff to monitor actual results to the budget.
- **Financial Policies:** Review financial policies annually to ensure that they are current and well-documented, and recommend new policies and policy updates to the board as warranted. Monitor adherence to the Association’s financial policies.
- **Financial Planning:** Work with staff and the board to develop long-range financial goals, along with funding strategies to achieve them, and reviewing the plans annually.
- **Capital Planning:** Review the list of expected capital investments and their costs and the adequacy of the Association’s ability to fund them.
- **Investment Oversight:** Review quarterly the Association’s investment portfolio, assess its safety and soundness, and its adequacy to satisfy the Association’s expected financial commitments.
- **Regular Financial Review:** Review monthly financial results, analyze trends and their impacts on future operating results and financial conditions, and make recommendations to the board as warranted.
- **Annual Audit:** Review the draft of the annual audit before it is finalized, providing non-binding advice to the Board.

## B. Guiding Principles

In no particular order, the FC’s guiding principles are to assist the Board in achieving the following:

- **Member Enjoyment:** Ensure that long-range capital plans, operating funds, and amenity enhancements improve member enjoyment, user experience and livability.
- **Adaptive Management:** Deftly adjust to changing times and anticipate evolving economic and financial conditions to ensure that the Association remains financially sound, nimble, innovative, and hence a sought-after community.
- **Asset Protection and Stewardship:** Ensure that existing capital (including land, physical and financial) investments are protected, conserved, well maintained, and managed within the risk tolerance of the Association.
- **Financial Responsibility:** Manage limited financial resources prudently to meet Association objectives.

- **Member Interest:** Consider member needs, preferences, priorities, and the Association's financial viability.
- **Governing Documents:** Conform to the Association's Governing Documents including the Covenants & Restrictions and the Bylaws.

### **III. COMMITTEE ADMINISTRATION**

#### **A. Resolution 2021-5, Committee Policy**

Except as exempted and specified below, the FC shall operate according to policies established in Resolution 2021-5, Committee Policy.

#### **B. Committee Size**

The FC shall consist of seven voting members, and one non-voting Staff Lead.

#### **C. Appointment Qualifications**

The FC shall endeavor both to draw members representing a diversity of Association experiences and to include a broad demographic spectrum of Association members, subject to having the appropriate experience.

Members who possess experience in such areas as business modeling, finance, accounting, investment management, insurance, real estate, business planning and general management will receive preference over those that have more general interest in the FC's work. The FC's supplemental application will also be carefully considered in the FC's recommendations to the Board.

In addition to such standard qualifications, prior to the Board's appointment of any new FC members, the FC shall provide the Board with a report describing the FC's current personnel needs and any supplemental qualifications necessary to satisfy those needs. Prior to appointment, prospective FC members must also complete the following qualification prerequisites:

- Initiate potential onboarding by notifying the Chair of their interest in applying.
- Introduce themselves to the FC at a noticed meeting.
- Attend at least two FC meetings.
- Read the relevant governing documents, planning documents, recent FC meeting minutes and FC Charter.

The FC shall encourage prospective FC members to attend and participate in FC meetings.

#### **D. Officer Qualifications**

Officers include a Chair and Vice Chair. To better ensure that Chairs are fully familiar with FC operations, it is preferable for FC members who have served on the FC for one year or more, either in their current term or in a previous term, to stand for election as Chair.

To encourage succession planning, it is preferable for FC members with two or more years remaining in their term to stand for election as Vice Chair.

#### **E. Meeting Schedule**

The FC will meet at least quarterly.

- The FC may adopt an expanded regular meeting schedule at the first meeting of the calendar year or as such a need may arise.
- Special FC meetings shall be scheduled at the discretion of the Chair and Staff Lead.

#### **F. Other Meetings**

The FC is encouraged to participate in the annual budget workshop process with the Board and Management.

Attendance at Board meetings, or review of Board meeting recordings, is not required but is strongly encouraged.