

Board Finance Committee Job Description – An Example

Disclaimer: *This document is not intended as legal advice. Your organizational goals, purpose, bylaws, and values should drive the creation of this document.*

Below are a set of categories and some sample language to include in a job description. All language should be updated to meet the needs of each committee.

Composition: Board members, staff support person (if appropriate). Some organizations will also invite members of the public who have a deep belief in the mission and bring additional perspectives to the process. It is appropriate for the CFO to staff the committee and the CEO to attend all meetings.

Optimal size: 3-5

Chair: Current treasurer or other appointee with approval of the board

Meets: Boards typically meet monthly or quarterly (depending on the organization's needs). The committee should meet one week before the board meeting.

Duties of the finance committee chair:

- Work directly with the assigned staff member to determine meeting frequency and agendas
- Convene meetings, develop the agenda, and facilitate meetings

Duties of primary staff:

- Work directly with the committee chair to ensure timely information is delivered for a productive meeting
- Handle meeting logistics and notifications
- Take minutes and provide follow-up communication for action items and board member assignments

Reporting frequency:

- The committee will submit reports to the board at each board meeting as part of the overall board packet including, at a minimum, the yearly budget to date, a report on revenue and spending, a current cash flow statement, and balance sheet.

Primary Responsibilities of the Committee

The finance committee will ensure the board has accurate and timely financial information and that all required financial filings are properly submitted. Specifically, the committee will:

- Ensure complete and accurate financial records are maintained and monitor those records
- Review the annual budget and recommend approval to the full board
- Provide sufficient information before each board meeting so the board can effectively monitor the budget on a regular basis

- Communicate financial status to the full board and make sure the board understands the financial picture
 - Present all relevant financial documents (budget, balance sheet, cash flow)
 - Ensure that financial statements are clear and concise
 - Consistently highlight the difference between unrestricted, temporarily restricted, and permanently restricted cash
- Ensure compliance with local, state, and federal regulations governing nonprofit financial reporting
- Protect financial assets and make sure that any investments are managed carefully
- Ensure the CFO and audit committee are contracting with an independent auditor to perform the annual audit, review the audit report, and accept audit finding
- Review 990 and ensure submission
- Ensure payroll taxes are paid

Optional Responsibilities

- Provide training to the full board on nonprofit financial statements
- Draft budget scenario plans to ensure the organization is prepared to deliver its services and programs
- Review and recommend policies to protect assets for board approval (as necessary)

I agree to be informed about and to observe the following board policies in our manual:

- Avoidance of conflict of interest
- Equal opportunity and avoidance of discrimination

Signed: _____ Date: _____