

IOWA ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN
COMMITTEE DESCRIPTION

I. TITLE

FINANCE COMMITTEE

II. PURPOSE

The primary responsibility of the Organization's financial reporting and management rests with senior operating management, as overseen by the Organization's Governing Board (the "Board"). The purpose of the Finance Committee (the "Committee") is to assist the Board in fulfilling this responsibility by providing oversight of the financial management and financial reporting function.

III. AUTHORITY

The Finance Committee shall have the resources and authority necessary to discharge its duties and responsibilities. The Committee has sole authority to retain and terminate outside counsel or other experts or consultants, as it deems appropriate, including sole authority to approve the firms' fees and other retention terms. The Committee may form and delegate authority to subcommittees and may delegate authority to one or more Members of the Committee.

IV. MEMBERSHIP

The Finance Committee shall be a standing committee of the Governing Board, comprised of not less than three (3) Members of the Board. Members of the Committee shall:

- A. Have no relationship to the Organization that may interfere with the exercise of their independence from management and the Organization.
- B. Not be Members of the Organization's Audit Committee, a separate committee of the Governing Board.

V. RESPONSIBILITIES

The Finance Committee's role is one of oversight, recognizing the Organization's management is responsible for financial management and for preparing the Organization's financial statements. The Committee shall have oversight responsibilities in certain areas of financial management and reporting as follows:

- Oversee the Organization's assets, including policies associated with safekeeping and protective of those assets.
- Review and evaluate the Organization's financial viability.
- Review the annual budget and recommend it to the full Board for approval.
- Review new initiatives involving requests for funding.

- Review the Organization's cash flow management.
- Monitor budget implementation and accounting and financial policies and procedures.
- Review monthly and quarterly financial reports and monitor financial performance against budget.
- Prepare a report, signed by the Chair of the Committee, for presentation to the full Governing Board, describing the activities and responsibilities of the Committee.
- Review overall organizational risk management and adequacy of insurance carried by the Organization (and report annually to the Audit Committee on the Organization's risk management function).
- Review all borrowing arrangements of the Organization.
- Review annual income tax and information returns filed with the Internal Revenue Service and State government agencies.
- Review this Charter on an annual basis and propose any recommended changes to the Board.
- Oversee the management of the Organization's investments, including review of investment policies, use of external investment managers, and other matters associated with investment management.

The Committee shall meet on a regular basis and call special meetings as deemed necessary in fulfilling the responsibilities.