

Term ends in December 2016

Terms of Reference for the RAIC Finance Committee

I. **NAME:** RAIC Finance Committee

II. **ROLE:** The role of the Finance Committee is to **monitor** financial planning, management and reporting matters of the RAIC, and work alongside the Financial Officer in order to make recommendations and deliver reports to the Board of Directors. The Finance Committee is responsible for ensuring that proper internal controls are developed and observed by staff during the day to day operations of the Institute.

III. **COMPOSITION:** The committee is composed of the following members of the RAIC Board:

- i. Treasurer (Chair);
- ii. 1st Vice-President;
- iii. President;
- iv. Immediate Past President

The staff liaison is the RAIC Manager of Finance & Operations, whose main responsibility is to provide the committee with necessary information and data including, but not limited to: financial information, HR updates, reports, policies, agendas, and other critical information necessary for informed decision making in advance of Board meetings.

IV. **RESPONSIBILITIES:** The following list outlines the major responsibilities of the Finance Committee:

A. **Budgeting & Financial Planning**

- i. Assist the Manager of Finance & Operations when needed to develop the annual operating budget;
- ii. Approve the budget within the Finance Committee;
- iii. Review financial reports on a quarterly basis to ensure adherence to the original budget, also providing the Manager of Finance &

- Operations with guidance on necessary adjustments when applicable;
- iv. Set long-term financial goals in order to achieve growth as well as RAIC's ongoing sustainability;
 - v. Provide assistance to the Finance Manager when presenting financial goals and proposals orchestrated by the committee to the Board of Directors.
 - vi. Work closely with Finance Manager and the Executive Director in order to evaluate the impact of any Strategic Plans developed by the Board of Directors;
 - vii. Provide guidance to the Finance Manager in regards to the RAIC Reserve Fund (how to invest, etc.);
 - viii. Work in conjunction with the Finance Manager in order to prepare a risk matrix and contingency plan to address unforeseen events (i.e. drastic shift in the economy which would impact our membership revenues).

B. Reporting

- i. Provide staff with a list of predetermined reports (financial as well as qualitative) to be produced on a monthly basis;
- ii. Ensure that reports are relevant and provide enough level of detail to assist the committee in monitoring and decision making;
- iii. Reports are to be detailed enough and should also assist staff and the Board to understand the implications of implementing the strategy devised by the Board, and achieving the overarching mission. This includes proper resource acquisition and management;

C. Internal Controls Policies

- i. Develop, review and approve internal control policies in order to guide staff in ensuring the sustenance and security of RAIC assets and resources.
- ii. Some example of policies and procedures include, but are not limited to the following:
 - Finance & accounting procedures policy
 - Credit Card usage policy
 - Investment/Cash Flow policy (with detailed objectives of performance of RAIC's portfolio, guidelines for investing and allocation of funds for growth);

D. Audit Responsibilities

i. Taking into consideration the size of the (organization) RAIC, the Finance Committee will also be responsible for certain responsibilities as detailed below:

- Recruitment and selection of the auditor, based on instruction received by the membership at large during or prior to the annual AGM;
- Review the draft audited statements received by the auditors;
- Present the full report to the Board of Directors;
- Ensure that issues identified in the management letter are addressed by staff and remedied when required. Occasionally, new internal controls might need to be devised to address these issues.

V. ROLE OF THE CHAIR: The main role of the Finance Committee chair is to ensure that the committee meets on a regular basis (see VI below), as well as effectively accomplishes the goals set out in these Terms of Reference.

Additionally, the chair will act as the principal liaison between the committee and the Board of Directors. Finally, the chair is responsible for working with the Finance Manager in developing the agenda for each meeting of the Committee.

VI. MEETING FREQUENCY: The chair of the committee should meet with the Finance Manager Officer on a monthly basis to review and amend the financial statements as required.

In order to be effective and efficient, the committee itself should meet on a quarterly basis (i.e. April, July, October and January) in order to review the previous quarter's financial statements.

The Finance Manager is responsible for producing financial statements in a timely manner. As such, the statements should be ready for the chair and/or committee to review by the 15th of the following month/quarter and a minimum of two weeks prior to a board meeting whichever comes first.