

COMMITTEE CHARTER: FINANCE

Committee Charge

The Finance Committee has responsibility for Pratt's financial and endowment policies, monitoring financial and endowment activities, and reporting on these matters to the board.

Responsibilities

Finances

The finance committee's specific responsibilities include:

- Recommending and monitoring policies that maintain and improve the financial health and integrity of the organization.
- Reviewing and approving the annual operating budget and annual capital budget consistent with the long-range financial plan and financial policies.
- Reviewing the financial aspects of major proposed transactions, new programs and services, as well as proposals to discontinue programs or services, and making action recommendations to the board.
- Monitoring the financial performance of the organization as a whole and its departments against approved budgets.
- Monitoring cash flow projections including any line of credit activity.
- Requiring and monitoring corrective actions to bring the organization into compliance with its budget and other financial targets.

Audit and Taxes

- Currently the Finance Committee has responsibility for audit oversight and preparation of the 990. The committee meets with the auditor's at the conclusion of the audit and reviews a draft of the audited financial statements. Upon committee approval of the report, the committee chair presents the audit results to the board for approval.

Endowment

- Recommending to the board policies governing investments.
- Approving the selection of independent investment advisers and managers.
- Reviewing reports from independent investment advisers and managers.
- Reviewing and reporting to the board annually on investment and benefit plan performance.

Each Pratt committee also has the responsibility to collaborate with the Diversity, Equity, & Inclusion Change Team and the responsibility to apply an intersectional anti-racist lens to all decision-making by following the established and developing best practices approved by the DEI Change Team.

Meetings

The committee meets monthly and the committee chair attends and reports on financial and endowment activities at all board meetings.

Members

The Board Treasurer chairs the committee. The committee is made up of at least three members of the board. Voting requires a minimum of three board members in attendance. Minutes are taken by a committee member and included in the board meeting package.

Reports

The committee members typically receive and review the following reports:

- Monthly financial statements
- Restricted funds reports
- Investment reports
- A/P and A/R aging reports
- Key financial ratios
- Departmental budget to actual reports