



FINANCE AND BUDGET COMMITTEE CHARTER

The Somerset Owners Association's Board of Directors has the authority to create standing or special committees according to Section 3.16 and advisory committees according to Section 3.18 of the Bylaws.

As such, the Board of Directors updates this formal resolution to amend the Finance and Budget Committee with the powers and duties set forth.

PURPOSE

The purpose of this Committee is to conduct financial analysis and reviews of the Associations financials on behalf of the Board of Directors to facilitate sound decision-making through detailed reporting. Please note that prior to the distribution of RFPs to vendors or spending of association funds above the amounts set forth in the Association's Expense Policy, a recommendation must be submitted to the Board of Directors in a written report, and is not enforceable without the Board adopting the report.

RESPONSIBILITIES

The Committee shall have no authority to act on behalf of the Association other than to formulate and present information and recommendations to the Board related to its stated purpose. The committee shall not engage in any activities that have not been requested by the Board either specifically or via the responsibilities identified in this charter and those set forth in the association's expense policy. In order to meet Committee responsibilities defined by this charter, the committee members shall expect to spend at least 2-3 hours per month on committee business outside regularly scheduled meetings.

Specific responsibilities shall include:

1. Detailed review of the monthly financial statements and reconciliations prepared by the management company to identify variances between the budgeted and actual performance of the SOA, evaluate the significance of such variances, and identify and prepare appropriate information, conclusions, and recommendations regarding the SOA's financial performance to be reported to the Board at its next meeting.
2. Annually work with management company staff to prepare a draft budget for the following fiscal year to be approved by the Board. The Committee shall begin developing the draft budget upon receiving preliminary goals and planning parameters from the Board. The timing and schedule for preparing the draft budget shall incorporate sufficient opportunities for the Board to provide comments and/or request additional evaluations or changes prior to finalizing the proposed budget.
3. Review the annual audit and reserve study/update and provide comments and feedback to the Board.
4. Undertake specific financial projects or evaluations as requested by the Board from time to time.
5. Recommendations to the Board must be voted on and approved by the majority at a Finance Committee meeting.

ORGANIZATION AND TERM

The Budget & Finance Committee shall consist of two (2) Association Board Members, one of whom shall be the Treasurer. The committee shall consist of a maximum of FIVE (5) Association unit owners in good standing who are appointed by the Board. A member who loses Good Standing status shall no longer be eligible for Committee Membership, until such time as that status is restored. Additional members may be added to the Committee from time to time if necessary. Members of the Committee shall be volunteers and may not be compensated for their time or efforts. Members shall resubmit their committee applications to the Board annually in November, to be reviewed and approved by the Board at their December Board of Directors meeting.



Commencing each January, the homeowner members shall nominate and elect from among themselves a Chairperson and Vice-Chairperson, or Co-Chairs, who shall be responsible for setting the agenda, organizing and running the meetings. The Committee meeting calendar will be established on an annual basis for Board approval at their October Board meeting. Additional meetings can be scheduled as necessary. Members are required to be in attendance at all meetings.

After three (3) excused Committee meeting absences, or one (1) unexcused Committee meeting absence in a year's time, a Committee Member may be removed from the Committee at the discretion of the chair. (An excused absence is defined as an absence with prior notification to the Chair or Vice-Chair, or an emergency situation precluding notification. All other absences would be regarded as unexcused absences)

At least one of the board members is required to be in attendance at each Committee meeting. If a Board member cannot be in attendance, the meeting will be rescheduled. Board members will serve as voting committee members, and shall serve as a liaison to the other board members on current committee activities. A member of the Association staff may attend meetings as directed by the Board of Directors, but will not serve as a committee member in any capacity. Staff members may take meeting recaps and provide information to the committee. To engage staff to complete work on behalf of the committee will require direction from the Community Manager, and if necessary, approval by the Board of Directors.

Any element of this charter, including the appointed members, may be changed at any time by majority vote of the Board of Directors.

The Finance & Budget Committee Charter was duly updated by the action of the Board of Directors on December 9, 2015.

By: Susan Howell
Board President

Attested By: Scandal C. Powell
Board Secretary