## Checklist – Finance Committee

A Finance Committee may include both members and non-members of your board, to oversee your organization's financial operation.

**Why do you need a Finance Committee?**

You establish a Finance Committee because:

\_\_\_A Finance Committee helps a board fulfill its fiduciary responsibility.

\_\_\_A Finance Committee can protect the organization from legal challenges and liability.

\_\_\_An alert and informed committee should be able to catch both intentional and unintentional mismanagement of funds.

\_\_\_A Finance Committee can protect the organization from actual or apparent conflict of interest.

\_\_\_A Finance Committee acts as the board's eyes and ears in the financial operation.

\_\_\_A Finance Committee can act as an advisory panel to the financial operation.

\_\_\_A Finance Committee can evaluate both the financial operation and the people in charge of it from a position of knowledge.

\_\_\_A Finance Committee can be helpful in the hiring of fiscal staff or a new director.

\_\_\_A Finance Committee can make the audit easier.

\_\_\_A Finance Committee can interpret the audit for the rest of the board.

\_\_\_A Finance Committee can be helpful in recommending the hiring, retention, or firing of potential or current auditors.

**Who should be involved in a Finance Committee?**

\_\_\_You recruit board members who have a financial background, and who want to serve on the committee - CPA's, lawyers, financial analysts, bankers, etc.

\_\_\_You recruit non-board members who would be valuable to the committee and with whom your board can benefit by establishing relations.

\_\_\_You recruit board members who are financially less sophisticated, and who might therefore represent the board at large, and ask the kinds of questions they might ask.

\_\_\_You recruit people who, by their known integrity and community standing, can lend credibility to the committee.