

# Greater Lansing Catholic Education Foundation

## Finance Committee Charter

Approved September 10, 2008

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### **Purpose**

The Finance Committee (Committee) will assist the Board of Trustees of the Greater Lansing Catholic Education Foundation (GLCEF) in its oversight responsibilities relating to fiscal management, internal controls and independent audits

### **Committee Membership**

The Treasurer serves as Chair of the Committee with at least one other trustee serving as a committee member. Committee members shall have a basic understanding of finance, accounting and nonprofit financial statements. It is preferred that at least one member of the committee have a professional background in bookkeeping or accounting.

### **Committee Meetings**

The Committee shall meet as needed to conduct its business. The committee shall meet at least once annually with the independent auditor, without GLCEF staff present to allow for full and frank discussion.

### **Key Responsibilities**

To fulfill its purposes, the Committee shall:

1. Review and Approve an Annual Operating Budget  
Annually, the Committee will review the proposed annual operating budget for the ensuing fiscal year as presented by GLCEF staff. After review and amendment, if necessary, the Committee will recommend a final operating budget to the full Board of Trustees for approval. The approved operating budget formally confers spending authority for operating costs to management, subject to the policies and procedures adopted by GLCEF. The approved operating budget may be amended, as appropriate, for significant new programs as long as funding of said programs is secured at the time.
2. Review of the Financial Statements  
Monthly, members of the Committee will receive and review financial statements consisting of the current year-to-date balance sheet and profit and loss actual versus budget and comparison to previous year. If necessary, these financial statements will be accompanied by a narrative from management highlighting any financial issues and corrective actions. At meetings of the Committee, members will review the status of GLCEF's financial condition and discuss, in detail, issues that emerge from the review.
3. Internal Control and Risk Mitigation
  - a) Review with Executive Committee, GLCEF staff and the independent auditor GLCEF's major financial risk exposures and evaluate the steps staff has taken to monitor and minimize such exposures;

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- b) Monitor the effectiveness of GLCEF's internal control systems, including through regular executive sessions, whether internal control recommendations identified by independent auditors have been implemented by staff, review annually the effectiveness of the policies and procedures related to financial matters.

#### 4. Independent Audit

- a) Recommend the appointment and, if appropriate, termination of the independent auditor, and evaluate the work of the independent auditor, who shall report directly to the Committee;
- b) Review and approve the terms of the independent auditor's engagement, and scope of the annual audit, and pre-approve any audit related and permitted non-audit services (including the fees and terms thereof) to be provided by the independent auditor;
- c) Review and confirm the independence of the independent auditor annually by obtaining and reviewing a report from the independent auditor delineating all relationships between the independent auditor and GLCEF and discussing with the independent auditor any such disclosed relationships and their impact on the independent auditor's independence by obtaining the auditor's assertion of independence in accordance with professional standards;
- d) At least every five years, review and approve the terms of the independent auditor's retention, including a review of fees charged by the auditors for the annual audits.
- e) At least every five years, review a report from the independent auditor describing the auditing firm's internal quality-control procedures and any material issues raised by the most recent quality-control review of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
- f) Review with the independent auditor any problems the auditor has encountered performing the audit and any management letter provided and GLCEF's response to that letter, and matters that the independent auditor is required to communicate to the Committee.