

First 5 Commission of San Diego

Subject: Finance Committee Membership Policy

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Effective Date: ~~November 6, 2006~~ June 29, 2009 Page 1

I. MEMBERSHIP COMPOSITION

The Finance Committee of the First 5 Commission of San Diego (Commission) shall have a minimum of 5 and a maximum of 7 voting members.

Individuals who directly or indirectly receive income from the Commission or from or through a contractor to the Commission or who serve as a paid member of a board of directors of a contractor to the Commission may not serve on a Commission established committee, including the Technical and Professional Advisory Committee and Finance Committee. For purposes of this prohibition, income to a spouse or registered domestic partner, or as a subcontractor shall constitute "indirect" income. Additionally, individuals who receive direct or indirect services from the Commission or Commission contractors shall not be deemed as having received "direct" or "indirect" income from the Commission.

A. Voting Members

- An Employee of the County of San Diego Auditor and Controller's Office designated by that Office and appointed by the Commission
- An Employee of the County of San Diego Treasurer-Tax Collector's Office designated by that Office and appointed by the Commission
- An Individual Identified by the San Diego Regional Chamber of Commerce and appointed by the Commission
- An Individual from the First 5 Commission Technical and Professional Advisory Committee (TPAC) and appointed by the Commission
- An Employee of the County of San Diego Health & Human Services Agency and appointed by the Commission
- A CPA familiar with government and nonprofit contracting identified by the Commission or the Executive Director
- At-large appointment by the Commission

B. Staff Supporting the Committee

- First 5 Commission Executive Director
- First 5 Commission Finance Manager
- County Counsel

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II. QUORUM

A quorum shall be defined as the majority of voting members of the Finance Committee. Vacant positions shall not be included in the count towards the quorum.

III. MEMBER APPOINTMENTS

Each year in January but no later than March of each year the Commission shall appoint the membership of the Finance Committee.

IV. MEMBER QUALIFICATIONS/COMPETENCIES

The Finance Committee shall have the following types of skills and expertise amongst its members:

- Budget Management
- Fiscal Planning & Management
- Financial Auditing
- Investment Management
- Contracts Management
- Public Policy & Opinion
- Business Management

V. ALTERNATE MEMBERS

Each voting Finance Committee member shall be responsible for designating an alternate to attend meetings in the member's absence. Alternate members shall vote when the primary member is absent from the meeting.

Alternate members shall receive notice of the Finance Committee meetings and meeting agenda packets.

VI. TERMS OF SERVICE

Each member of the Finance Committee shall serve a 2-year term commencing in January. Finance Committee members that are not County employees may serve more than one term but not more than two consecutive terms.

The TPAC member serving on the Committee must be a member-at-large of the TPAC and shall be appointed to the Finance Committee at the beginning of their 2-year term of service on the TPAC.

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VII. CHAIRPERSON

The First 5 Commission shall appoint the Chairperson of the Finance Committee from the voting members of the Committee. The Chairperson shall be appointed for a two-year term in January of each odd-numbered year (ex: 2007, 2009, etc.), but no later than March of the same year. The Chairperson shall preside at the Finance Committee meetings and shall make Committee reports to the First 5 Commission at its public meetings.

VIII. VICE-CHAIRPERSON

The First 5 Commission shall appoint the Vice-Chairperson of the Finance Committee from the voting members of the Committee. The Vice-Chairperson shall be appointed for a two-year term in January of each odd-numbered year (ex: 2007, 2009, etc.) but no later than March of the same year. The Vice-Chairperson shall preside at the Finance Committee meetings and make reports to the Commission when the Chairperson is not able to attend.

IX. VACANCIES

The Commission shall approve new voting members who are recommended to fill vacancies on the Committee. Until a formal appointment is made by the Commission to fill a vacancy, a vacancy on the Finance Committee shall be filled temporarily by the alternate member or another representative of the vacant membership position on the Committee, if such temporary appointment is approved by the Executive Director or by a member of the Commission.

X. COMMITTEE PURPOSE AND FUNCTIONS

The following roles and responsibilities were adopted by the Commission on March 22, 2004:

A. Policy

- Budget – review of budget; look at the budget in light of financial priorities to be established; develop policy(ies) on budgeting for Commission approval, e.g., revisiting policy adopted by Strategic Planning Committee to put excess revenue and unspent funds into the sustaining reserve, coming up with percentages going to Initiatives, etc.
- Administrative costs – a policy that will describe a justifiable administrative rate
- Accrued savings – a policy on how to manage the sustainability fund (plan for overflow of money beyond the 20-year financial plan), what a prudent reserve is, etc.
- Investments – investment advice to the Commission

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- Fixed assets – although the Commission does not own any property at the present time, this is for future policy development as the need arises
- Long-term financial plan – annual review of the 20-year plan as it correlates with investment; review and make changes to the existing policy, if necessary

B. Planning

- Financial objectives – setting financial and investment policies and asset allocation strategies
- Funding strategies and annual allocation plan– financial implications and risks associated with funding strategies and the annual allocation plan
- Long-term financial plan – same as role under Policy

C. Oversight

- Budget – review the budget prepared by staff taking into consideration that any discrepancies that the Committee sees that staff disagrees with will be pointed out when budget goes to the Commission
- Administrative costs – part of annual review of budget; see if existing numbers are still reasonable by looking at past administrative expenses
- Cash flow – review statements of cash flow
- Investment returns – review returns on investments
- Annual financial audit – review the audit report and make comments before acceptance by the Commission

Sunset Review: ~~November~~ June 2012~~2009~~

Approved:

<u>November 6, 2006</u>	<u>9</u>
Date	Commission Item No.
<u>June 29, 2009</u>	<u>3</u>
Date	Commission Item No.