

Launch Federal Credit Union Finance Committee Charter and Membership Standards

Committee Purpose and Scope

The Finance Committee (the “Committee”) was formed to manage the assets and liabilities of the credit union in support of the strategic plan, and to achieve satisfactory and consistent earnings, capital, liquidity, and safety. Areas within scope include:

- Budgeting, financial plan approval;
- Asset/liability, treasury, and liquidity management oversight;
- Loan/loan trends;
- Risk management and compliance;
- Investments, dividend rates; and
- Treasurer’s report review.

Key Responsibilities

1. Establishment of a monitoring and financial reporting process and system.
2. Oversee development of ALM, Liquidity and Investment policies for board approval.
3. Keep abreast of current ALM topics/techniques.
4. Submit monthly committee minutes to the board.
5. Review with staff the annual budget.
6. Work with staff to develop list of desired reports to be included in the board packet.
7. Understand the implications of the reports.
8. Provide financial, rate and fee recommendations to the board.
9. Committee will receive prior knowledge from staff or other committees any possible expenses to the credit union of \$50K or greater.
10. All contracts for new service or products
 - Inform committee the need
 - How many vendors contacted to bid
 - Cost to credit union

In carrying out the Committee’s responsibilities, each member shall be entitled to rely on the integrity and expertise of those persons providing information to the Committee and on the accuracy and completeness of such information, absent actual knowledge of inaccuracy.

The Committee will have the resources and authority appropriate to discharge its responsibilities.

Composition, Meetings and Procedures

The Committee is comprised of a Committee Chair and at least two (2) board members. Management staff (e.g., CEO, CFO, CLO, etc.), may be asked to participate in meetings as guests. Members shall be appointed based on the relevance of their responsibilities related to the Committee’s purpose. The Committee may request any employee of the credit union, or any special counsel or advisor, to attend a meeting of the Committee or to meet with any members of, or serve as a consultant to, the Committee.

The Committee may form sub-committees or working groups for any purpose that it deems appropriate and may delegate to such sub-committees or to members of the credit union's management such power and authority as it deems appropriate.

The Committee shall meet as frequently as necessary to fulfill its duties and responsibilities, but no less than quarterly. Meeting agendas will be prepared in consultation with the Committee Chair and provided in advance to members, along with appropriate briefing materials.

Committee meetings will be recorded in written minutes. The Committee shall report its activities to the board of directors on a regular basis.

Key Measurements of Success:

1. Development of a Committee Agenda.
2. Use of charts and graphs for setting financial goals and monitoring these goals.
3. Measurement of variances.
4. Creation and use of strategic assessment tools.

Membership Standards and Specific Duties:

1. Knowledge of finance; analytical skills.
2. Willing to challenge assumptions and make recommendations.
3. Apply critical and strategic thinking and acting competencies.
4. Regularly attend and actively participate in meetings; be prepared for meetings.
5. Participate in the annual review of the Committee's performance and take steps to improve performance.
6. Stay abreast with respect to current issues impacting areas of responsibility (e.g., interest rate risk developments, compliance and risk management trends, etc.).
7. Ask questions and seek explanations to problems.
8. Exercise independent judgment.
9. Committee will receive prior knowledge from staff or committees of proposals that may affect the credit union in any financial manner.

Voting and Quorum

Quorum. A majority of Committee members shall constitute a quorum.

Voting. Voting on Committee matters shall be on a one member-one vote basis. When a quorum is present, the vote of a majority of the members present shall constitute the action or decision of the Committee. The Committee may conduct its prescribed tasks and take all appropriate action by written consent (including via electronic mail) of the members that would constitute a quorum based on the current composition of the Committee.