



**Denver School of Science and Technology Public Schools  
Finance Committee Charter  
September 10, 2014**

**Role**

The finance committee will assist the DSST Public Schools board of directors in providing financial oversight for the organization. Areas of oversight include annual budgeting, long term financial planning, investment planning and oversight, and financial reporting. The finance committee will annually review and assess the adequacy of its charter, develop an annual task schedule and request board approval.

**Authority**

The finance committee is empowered to:

1. Assist in the development of an annual operating budget with staff,
2. Discuss the budget within the finance committee and present the budget to the board of directors for final approval,
3. Monitor adherence to the budget and highlight any significant known or expected variances for the board,
4. Assist in the development of long-range financial plans with staff and keep the board informed about the long-term financial health of DSST.
5. Develop, recommend, implement and monitor compliance with an Investment Policy Statement. Hire and supervise the investment manager.

Effective finance committees fully engage in the annual budgeting process in cooperation with the Director of Finance and senior staff. In addition to developing an annual budget, the committee should also review long-term financial goals. These goals might include, for example, the creation of a board designated reserve fund. The finance committee will work with the Director of Finance to determine the financial implications of the DSST Vision plans and will oversee the creation and maintenance of a long-term financial plan that will support it.

The finance committee is responsible for working with management to maintain a current understanding of the long range forecast, the sensitivity of that forecast to changes in assumptions, and assessing the likelihood of uncertain future events that would affect cash needs, both positively and negatively, so that they may guide the advisor on the investment and reinvestment of the assets committed to the investment program in a manner consistent with the Investment Policy Statement.

## **Membership**

The finance committee will consist of the board treasurer and at least two additional members of the board of directors. Outside financial experts may also be included. The board will appoint finance committee members and the board treasurer will serve as the committee chair. The committee members will be representative of the board of directors.

## **Operational Principles**

The finance committee will operate under the following principles.

## **Reporting**

Effective finance committees require the Director of Finance to provide highly contextual reports clearly communicating the organization's financial and cash position, its adherence to the budget, its allocation of resources toward the accomplishment of its mission, and its support of any donor-imposed restrictions on contributions. Having a predetermined list of reporting expectations permits staff to allocate enough time to produce accurate, high quality reports and not be caught off guard by ad hoc requests. In addition, these reports should help to focus the board's discussion about expected outcomes and potential strategies for overcoming setbacks or changes in the financial environment

The finance committee shall report to the entire board on the status of the investments not less than quarterly, also confirming that the investments are in compliance with the Investment Policy Statement.

## **Internal Controls and Accountability Policies**

Although the entire board carries fiduciary responsibility for the organization, the finance and audit committees serve a leadership role in this area, making sure management establishes and follows appropriate internal control procedures for all financial transactions. The finance committee is charged with ensuring management's compliance with policies that protect the organization and manage its exposure to risk. These policies may include but are not limited to:

1. Personnel policies,
2. Asset protection policies,
3. Insurance requirements and reviews, and
4. Record retention.

The committee works with management to determine bank account signatories as well as overseeing all financial legal and governmental filing deadlines are met.

## **Role of the Chair**

The board treasurer, whose specific duties are described in the organization's bylaws, will be the finance committee chair. In practice these duties require an overview role and the Director of Finance largely handles daily transactions.

Specific duties of the chair include:

1. Serving as the principal liaison between the committee and the full board,
2. Working with the committee members and the Director of Finance to set an agenda for each finance committee meeting,
3. Notifying members about the meeting,
4. Members will be provided handouts and reports in a timely manner. The Director of Finance will ensure that minutes are prepared and the Chair will approve them after any input from committee members.
5. Together with a member of DSST management, approving investments made pursuant to the Investment Policy Statement.

### **Annual Task Schedule**

1. Establish budgeting and financial planning deadlines,
2. Monitor governmental and legal filing deadlines for financial reports,
3. Establish Internal financial reporting deadlines,
4. Meet with the investment manager periodically to review investments.

### **Members 2014-2015**

Teresa Berryman, Chair  
Norwood Robb, Vice Chair  
Don Kirkpatrick, Member

### **Financial Committee Goals for 2014 – 2015**

1. Revisit dashboard and determine how best to report out to the board
2. Work with Peter Fritzinger and investment manager to develop better investment reporting and reinvestment strategy
3. Examine and test assumptions in the long-term forecast and seek consensus with CEO and finance personnel on the 2014-2015 model
4. Recruit new board members to join finance committee
5. Discuss enterprise risk management

### **Schedule 2014 – 2015**

1. Finance committee meetings will usually be held starting 1 hour and 30 minutes prior to the board of directors meeting.
2. The Director of Finance will schedule the Annual Budget setting-working meeting in April of 2015.