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## Finance Committee

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### 1. Purpose

The **Finance Committee** is responsible for the investments of the Kutztown Community Library (KCL). It provides financial analysis, advice, and oversight of the organization's budget. They must ensure the organization is operating with the financial resources it needs to provide programs and services to the community.

### 2. Composition

- a. The Committee consists of 3 members appointed by the Board. The chair is the Treasurer of the KCL Board of Trustees. Members should have knowledge of good business practices, including budgeting, accounting, and reporting. Each member shall be appointed by the Board to serve a three-year term. Terms shall run from January 1 to December 31. No member may serve for more than two full consecutive terms. The terms of the members shall be staggered to the extent practical.
- b. Resignations from the Committee shall be made in writing. Otherwise any member missing three or more consecutive regularly scheduled meetings without reasonable cause may be subject to removal by Board action. Any member may be removed with or without cause with a two-thirds vote. Vacancies shall be filled for the length of the term vacated.

### 3. Organization

- a. The Committee shall hold regular quarterly meetings and meet more frequently if needed. The Committee shall keep minutes of the meetings and provide annual reports to the Library Board. The Chair shall set the agenda for and preside at the meetings. A quorum for the transaction of business shall consist of a majority of Committee members. Members may participate in meetings and vote on matters by electronic means.
- b. The committee may obtain advice and assistance from the Library Director. The Committee may also retain independent consultants to assist it and determine the compensation for such consultants.

### 4. Scope of work for the Finance Committee

- a. **Ensure that accurate and complete financial records are maintained**
  - i. Monitor income and expenditures against projections
  - ii. Review and recommend financial policies to the Board, including ensuring adequate internal controls and maintaining financial records in accordance with standard accounting practices
- b. **Investment duties**

- i. Understand KCL's investment goals and how these objectives support the library's mission
- ii. Adopting, periodically reviewing, and revising an Investment Policy Statement
- iii. Monitoring the performance of investment funds in accordance with the Investment Policy Statement
- iv. Retaining or replacing Investment managers and/or investment funds for the Portfolio
- v. Reviewing the backgrounds of Committee members to assure no conflicts of interest exist
- vi. Review Investment reports provided by the investment manager on a quarterly basis or as more frequently requested by the Committee

**c. Administrative duties**

- i. Determining the amount of contributions necessary for the Portfolio
- ii. Furnishing notices and reports to the KCL Board
- iii. Reviewing all fees incurred by or on behalf of the Portfolio for reasonableness
- iv. Preparing and filing forms as required by government entities
- v. Reviewing the audited and unaudited financial statements of the Portfolio and audit reports of the Portfolio's service providers
- vi. Ensure that an annual audit or financial review is completed, correctly, and on time

**d. Safeguard the organization's assets**

- i. Review proposed new funding for ongoing financial implications, recommending approval or disapproval to the Board
- ii. Ensure that the organization has the proper risk-management provisions in place

**5. Compensation**

- a. All members shall serve without compensation for the performance of their duties as members of the Committee.

Adopted: 11/12/2020

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