

FINANCE COMMITTEE

DUTIES AND RESPONSIBILITIES

The Finance Committee (Committee) is appointed by the Boxwood Green Home Owners Association (Association) Board of Directors (Board) to provide them with advice and recommendations regarding financial issues affecting the Association. The Committee represents the homeowners but reports directly to the Board.

The Committee consist of a Chairman, a Secretary, and as many members as volunteer to fill committee positions. The Association's Treasurer serves as a non-voting member of the Committee.

Responsibilities

The Committee is responsible for the following:

Budget. Each year, when the Treasurer starts the budget process, the Committee will review the current year's budget and the draft budget previously approved for the upcoming year. After consulting with the Maintenance Committee and other Association committees, as appropriate, regarding their operational and reserve needs, the Committee will assist the Treasurer in revising the draft budget for the next year and preparing the draft budget for the following year. The Treasurer and Committee Chairman will present the new budgets to the Board for approval prior to the start of the new budget year. The Board will approve these budgets or recommend revisions required for approval. At any time, the Board may direct the Committee to review a budget currently in effect and assist the Treasurer in amending the budget. In requesting such a review, the Board will notify the Committee of its intent and, either verbally or in writing, set forth its concerns and establish a timetable for the revision.

Reserves. As part of the budget process and when events warrant a separate review, the Committee will consider the reserve needs of the Association. After consulting with the Treasurer and the appropriate committees, the Committee will determine if the existing reserve plans reflected in the draft Reserve Study prepared by the Treasurer from the last year's study are adequate to meet the Association's needs to repair and replace assets of the Association. This process is intended to look as far as five years into the future to anticipate improvements and repair needs that cannot reasonably be covered by a single year's operating funds but require funds to be set aside in advance. When it is complete, the Committee Chairman and the Treasurer will present the Reserve Study for the coming year to the Board for approval.

Investments. The Committee will annually review policies and procedures for investing the funds of the Association, and will, if appropriate, recommend changes to these policies and procedures to the Board. The review will consider the security of the investment, liquidity

needs of the Association, and the rate of return necessary to meet the goals established by the Board. The Committee will review and endorse the Treasurer recommended investments that fall within the policies and/or guidelines established by the Board.

Internal Controls. The Committee will annually review established internal control policies and procedures. If, appropriate, after consultation with the Treasurer and the auditor/Audit Committee, the Committee will recommend changes to the Board.

Insurance. If requested, the Committee is responsible for assisting the Treasurer and the Board in reviewing the insurance needs of the Association and selecting new insurance policies as necessary.