

## SSR Finance Committee (FC) SOP

Approved by SSR Board March 28, 2013

**Committee Structure:** The SSR Finance Committee (FC) is a subcommittee of the Board as defined in the SSR Governance document. The FC is chaired by the Treasurer, and includes the Executive Committee, i.e., the President, Past President, Vice President, Vice President-Elect, Secretary, the Immediate Past Treasurer, and the Executive Director (*ex officio*). It may include *ad hoc* members invited by the chair such as relevant committee chairs or board liaisons and a financial advisor.

**Goal of FC:** To maintain the financial health of the Society.

**Roles and Responsibilities:** Review the SSR budget over time, analyzing and anticipating changes in expenses and revenues; develop draft annual budgets for approval by the Board of Directors at the Winter Board meeting; review the SSR Investment Policy Statement (IPS) and investment account, and recommend changes, as needed, to the Board of Directors. The roles and responsibilities with respect to investments are further defined in the SSR IPS (last approved by the Board in 2013).

The IPS defines three investment pools:

1. SSR Operating Accounts – managed by the SSR Executive Director;
2. SSR Unrestricted Investments; and,
3. SSR Endowments (Note: these are either Board designated or Temporally Restricted by Donor designations, or both).

For investment purposes, the monies in the SSR Unrestricted Investments and the SSR Endowments are combined into a single account currently managed by Ann Marie Etergino, SSR Account Manager at RBC Wealth Management.

The SSR IPS describes the primary responsibilities of the FC as fiduciaries under the portfolio, as follows:

- Prepare and maintain the IPS. Review it semi-annually ahead of summer and winter Board meetings and recommend changes (if needed) to the Board for approval.
- Prudently diversify the portfolio's assets to meet an agreed-upon risk/return profile.
- Control and account for all expenses associated with the portfolio.
- Review the overall portfolio on a quarterly basis to insure it is consistent with the IPS. This includes bringing the investment portfolio within the target allocation ranges as necessary (i.e. rebalancing the portfolio). The Treasurer and Executive Director monitor the investment account on a monthly basis.
- Avoid prohibited transactions and conflicts of interest.
- The Executive Director and the Treasurer, in consultation with the FC, will recommend bi-annually to the Board any changes in distribution of monies among the three pools, all the time respecting any donor- or Board-defined restrictions on endowment funds.
- As needed, review candidates for a Registered Investment Advisor and recommend appointment to the Board

Moreover, in overall budget planning and implementation, the Finance Committee, Treasurer and Executive Director share responsibilities as follows:

- The Treasurer delegates the management of Society financial operations and accounting to the Executive Director (as permitted in the SSR By-Laws). The Executive Director arranges for an annual audit of the SSR accounts by an independent auditor for review by the Treasurer and Board of Directors. As recommended by the auditor, the Treasurer also conducts a monthly review of SSR account balances and financial statements and verifies selected checks in order to document regular oversight of the accounting procedures by the Society.
- The Executive Director disperses Operating Funds in accordance with the annual budget approved by the Board of Directors. Use of Investment Funds to meet unanticipated needs beyond those provided by the budget shall require approval of the Treasurer.
- The Executive Director and the Treasurer monitor and report the movement of donations into the appropriate categories of the SSR Endowments on at least an annual basis.
- The Treasurer works with the Executive Director to track the budget from year to year, develop the next year's budget, and recommend changes or initiatives for FC consideration. The FC then makes recommendations for Board consideration and approval.

#### **Timeline for FC and Treasurer:**

- **Quarterly (quarterly reports become available at end of March, June, Sept, and Dec): Review income and expenses year-to-date** with respect to targets in the proposed annual budget. Provide input upon request regarding investment portfolio adjustments, and movement of funds from investments if needed.
- **Semi-annually:** Review report from RBC Wealth Management to confirm that asset allocation classes conform to IPS.
- **Annually.** December - January time frame: Reconcile budget for prior year and establish proposed budget for upcoming year for approval at Winter Board meeting (February). Review IPS and recommend adjustments as needed. Transfer endowment contributions into endowment funds in RBC account.
  - ✓ **Prior to Winter Board meeting:** Conduct analyses needed to determine Dues and Institutional Subscription Rates for following calendar year at Winter Board meeting (i.e. in 2013, determine these for 2014).
  - ✓ **Prior to Summer Board meeting:** Advise regarding registration fees for following year's meeting at Summer Board meeting (i.e. in Summer 2013, determine rates for 2014 meeting).
  - ✓ **March:** Confirm January 1<sup>st</sup> CPI-U (typically available in late February) and adjust management services fee in budget to update FC at end of first quarter.
  - ✓ **Fall:** Assist with annual review of Management Services Agreement in consultation with JES