
IOA Committee and Task Force Description

Mission Statement

The mission of the International Ombudsman Association is to support and advance the global Organizational Ombudsman profession and ensure that practitioners work to the highest professional standards by:

- Setting standards of practice, regulatory platform and code of ethics for the Organizational Ombudsman profession;
- Assisting in the establishment of Organizational Ombudsman offices;
- Providing excellent professional development resources, research and information;
- Increasing awareness and understanding of Organizational Ombudsman value among key stakeholders and the general public;
- Creating strategic alliances or direct communications with other key organizations and professionals involved in dispute resolution, governance, ethics and risk mitigation.

1. **Name of Committee or Task Force**

Finance Committee

2. **Purpose of Committee or Task Force (scope of responsibilities)**

The purpose of the Finance Committee is prudent financial and investment management and oversight for IOA with a focus on revenue generation, compliance with tax and reporting requirements. The scope of Committee responsibilities include:

- Budgeting (annual and long-term)
- Financial reporting
- Creation and monitoring of internal controls and financial policies, for the board's approval
- Creation and monitoring of investment policies, for the board's approval
- Education and feedback to the IOA board on fiscal issues
- periodic updates to IOA membership on fiscal issues
- compiling and updating financial policies, practices and documenting any exceptions

3. **How the Charge of the Work Group Relates to the Strategic Plan**

The Finance Committee relates to the Strategic Plan in many ways, but specifically to Goal 3: **Ensure Financial Sustainability and Growth of IOA** -- Ensure IOA has the financial means to accomplish its goals through revenue generation and judicious use of resources. The Finance Committee should be working with the Executive Director on a "Long term Financial Plan" for the Organization, which would work in conjunction with the Organization's Strategic Plan.

4. **Chair Reporting Relationships (where group fits within the organizational structure)**

Committee chair(s) report(s) to the Board of Directors through the Board liaison. The Chair of the Finance Committee is the IOA Treasurer and member of the Board of Directors. The Chair therefore serves as the liaison with the Finance Committee and the Board of Directors. Another Board Member may also serve on the Finance Committee as required.

5. **Chair Appointment and Term (how appointed, length of term, term limits)**

The IOA Treasurer is the chair of the Finance Committee for a two year term. The Treasurer may be elected for a second term, not to exceed a maximum of four years. If the Assistant Treasurer position is filled, that person will serve as the Finance Committee co-chair.

6. Committee Composition (by position or other qualifications rather than name: number of members)

One chair/co-chairs and committee members of the association (regardless of category) who are knowledgeable about the association's mission and vision, are able to devote adequate time to the responsibilities involved in meeting the committee's goals. Committee membership should represent all sectors and global regions, as well as a balance of newer and more experienced members, all of whom should be knowledgeable about IOA.

In order to effectively pursue the IOA's international objectives, including opening channels of communication with, and mutually supporting, professionals and organizations outside of the United States, and promoting the role of the Organizational Ombudsman in all regions, the committee will ensure that its criteria for membership and leadership functions promote participation and perspectives from all global regions.

7. Committee Member Appointment and Term (how appointed, length of term, term limits)

Chair(s) will collaborate with the Volunteer Coordination Committee to recruit potential members. The chair(s) shall appoint the committee members to a 3-year term. Committee members have the opportunity to reapply for a consecutive term, subject to approval by the Chair(s).

There should be 8-11 members of the Finance Committee, with varying terms. The Committee members include: Treasurer, Assistant Treasurer (or other Board Member), and remaining members who also serve as liaisons to Committees such as Conference, PDC, Membership, JIOA, CO-OP, Communications, and Research & Assessment.

8. Subcommittees (if any)

Other subcommittees may be created by committee chair to assist with the performance of committee's responsibilities. The membership of subcommittee may also include IOA members who are not current members of the committee. Subcommittees will be chaired by current committee members.

The subcommittees and workgroups will change from time to time.

9. Authority (what committee/task force has authority to do)

Finance Committee has the authority specified in the Financial Policies document.

The primary fiduciary responsibilities of the Committee with respect to the oversight of the investment portfolio are:

- Establish and approve an investment policy statement and periodically review that statement for continued accuracy and completeness;
- Prudently diversify, or oversee the diversification of, the portfolio assets to meet an agreed upon risk/return profile;
- Prudently select investment options, including the selection of one or more investment managers;
- Monitor the investment managers and the performance of the accounts under management;
- Consider the information provided by the consultant and other professional advisors and act accordingly;
- Control and oversee all investment, record keeping and administrative expenses associated with the accounts; and

- Review and deal prudently with conflicts of interest.

10. Limitations on Authority (what committee/task force does not have authority to do)

The authority of the Finance Committee is limited to financial, investment and audit policy recommendations to the board. In the event that unbudgeted expense are identified, it is the role of the Finance Committee, time permitting, to review the unbudgeted expense and make a (non-binding) recommendation to the board on whether the expense should be incurred or not.

11. Association Policies Impacting Committee/Task Force Function (relevant votes the Board of Directors has taken)

Include information or citations to Board policy manual.

12. Interactions, Influences & Interdependencies with Other Committees

The global priorities of the IOA apply to all committees, and the scope of work for each committee has an international scope. To integrate international perspectives into the goals, operations and substantive work of the committee, each committee will collaborate with the International (Outreach) Committee and the Regional Advisory Communities to develop needed processes that enable them to seek guidance, have dialog, and receive feedback and recommendations from the International (Outreach) Committee on international opportunities, and may directly engage with the Regional Advisory Communities with regard to needs and interests of the regions and the IOA and committee.

The Finance Committee interacts with all of the Committees and Task Forces on topics related to the annual budget process. In addition, members of the Finance Committee are the liaison with the Conference, PDC, Membership, JIOA, CO-OP, Communications, and Research & Assessment Committees, to make sure there is an effective communication channel between the committees.

13. Job Products (what output work committee/task force delivers during a year)

The Finance Committee is responsible for providing direction and review of the Investment Policy, Annual Budget, Management Contract, Audit Report, Tax filings, and IOA Annual Report summary information. At the Board's discretion, the Finance Committee can be asked to put forth a review and (non-binding) recommendation of the Management Agreement.

In addition to developing an annual budget, the committee should also set long-term financial goals. The Committee should review the staff's determination of the financial implications of the Strategic Plan and provide a long term (5-year) Financial Plan for the organization, including a multi-year organizational budget that will financially support the implementation of the strategic plan. The Finance Committee's role in revenue generating ideas is to review and suggest ideas for the Committees to pursue, in accordance with the strategic plan and direction from the board.

14. Timelines (deadlines committee/task force is expected to meet)

The Finance Committee has monthly meetings. On occasion, there may be additional meetings for special work and projects or changes to meeting times. The Committee will also consider whether the meeting agendas require a meeting, and if not, the Financial Statements will be available for Committee members on the IOA website, in lieu of a meeting. Committee members are expected to review the monthly financial reports in advance of the meetings and come prepared to raise issues and concerns. The Finance Committee is also expected to review the proposed budget materials, as presented by IOA Committees and prepared by the Executive Director. The

Committee members are also expected to review the investment strategy, portfolio, and make recommendations to the committee and Executive Director.

15. Description of Operations (how committee/task force gets its work done)

The Finance Committee Chair delegates work to the committee volunteers. The Executive Director prepares and distributes a monthly update prior to the Finance Committee meetings. The committee members are expected to review the materials in advance of the meetings.

16. Role of Board Liaison

Operations associated with committee oversight responsibilities include the following:

- Service as liaison between oversight committees and the Board
- Overseeing the process of appointing committee chairs (in collaboration with president) and committee members as needed
- Assuming the responsibility of acting committee chair if there is a temporary vacancy
- Educating committee chairs about the roles and responsibilities of the Board oversight and the committee chair
- Active participation in scheduled committee meetings, including providing a report of relevant Board discussion/decisions relating to the work and interests of the assigned committee and assisting in clarifying common issues and interests between IOA committees
- Proposing motions for inclusion to the Board agenda associated with oversight area
- Work with committee chairs on the timely completion and submission of Board reports
- Insuring that Board decisions are communicated and followed-up upon with committee leadership.
- Monitoring and encouraging progress of committee in carrying out assignments.
- Bringing to the attention of the IOA Board and officers situations related to committee activities requiring attention.
- Mentoring the Board member who will assume oversight responsibilities when Board term ends or upon reassignment

17. Role of IOA Staff

The IOA Staff Accountant is responsible for providing the monthly Financial Statements to the Finance Committee members in advance of the monthly Finance Committee Conference call meetings. The IOA Executive Director provides detailed analysis of the financial reports, budget projections and related topics. The ED also serves as the primary interface with the Investment Advisor and the Finance Committee. Presently, the IOA Treasurer and Chair of the Finance Committee schedule the Finance Committee Meetings, provide the toll free phone lines, prepare the meeting agenda and provide minutes from the meetings.

18. Resources required (funds, equipment, other)

Auditor Fees, Kellen Fees, Investment Fees

19. Report Back Process to Board

The Treasurer, who also serves as the Finance Committee Board Liaison, provides periodic updates to the Board.

20. Questions & Open Issues

Confirm the role of the finance committee:

- Management Agreement negotiations are managed by the Board
- Budget approval
- Revenue generating ideas

21. Person Completing Form

Janet Hill

22. Date:

Revised 5/4/2016

Additional Information:

Budgeting and Financial Planning

1. Develop an annual operating budget with staff.
2. Approve the budget within the finance committee, refer the approved budget to the Board.
3. Monitor adherence to the budget.
4. Set long-range financial goals along with funding strategies to achieve them.
5. Develop multi-year operating budgets that integrate strategic plan objectives and initiatives.
6. Present all financial goals and proposals to the board of directors for approval.
7. Suggest changes for more useful and readable report formats with staff.
8. Work with staff to develop a list of desired reports noting the, frequency, deadlines, and recipients of these reports. --for example, the Finance Committee receives a full set of statements each month; the Board, quarterly; program only reports committee chairs, semi- annually; the annual report to the members, annually, etc.
9. Work with staff to understand the implications of the reports.
10. Present the financial reports to the full board and educate the board on the reports.

Internal Controls and Accountability Policies

1. Create, approve, and update (as necessary) policies that help ensure the assets of the organization are protected.
2. Ensure policies and procedures for financial transactions are documented in a manual, and the manual is reviewed annually, and updated as necessary.
3. Ensure approved financial policies and procedures are being followed.
4. The committee should also be involved with determining and updating bank account signatories as well as overseeing all legal and governmental filing deadlines are met.
5. Other possible related activities include:
 - Review and recommended approval for Long-term contracts.
 - Review and recommended approval for Loans or lines of credit
 - Review and recommended approval for Capital purchases
 - Review of insurance requirements
 - Establishment of a gift policy for recommendation to the Board.

Audit Responsibilities

1. Recommend selected auditor to the board.
2. Review the draft audit and 990 as presented by the auditor.
3. Review the management recommendation letter from the auditor and ensure follow up on any issues mentioned.

Investment Committee

1. Recommend to the Board an investment policy detailing the objectives of the investment portfolio, guidelines on the asset allocation of the portfolio based on a predetermined level of risk tolerance, authorizations for executing transactions, disposition of earned income, etc.
2. Ensure provisions of the policy are followed.
3. Review the policy at least annually and update if necessary.
4. Recommend to the Board the investment managers/advisors.
5. Ensuring handouts and reports are prepared and sent to committee members in advance.