

ROLES OF THE ALA FINANCE COMMITTEE

The role of the finance committee of any nonprofit organization is that of fiscal conscience of the board of directors or, as in the American Legion Auxiliary's case, the national executive committee (NEC).

Additionally the ALA finance committee:

- Assists the governing body (NEC) in maintaining public confidence and support
- Recommends financial policies that protect the organization's assets
- Reviews and recommends the annual budget to the governing body for approval
- Monitors financial reports prepared by the staff
- Ensures financial health of the organization through proper resource expenditures
- Clearly communicates the organization's financial condition to the NEC
- Recommends policies that govern the management of investments

Essential Knowledge and Specialized Skill Requirements

- General knowledge of the National Constitution & Bylaws, Standing Rules, Policy and Procedures, and parliamentary procedures.
- Nonprofit financial management laws and procedures knowledge.
- Working knowledge and experience of budget development and oversight for a large business.
- Maintain confidentiality of individuals and organizational issues.
- General knowledge of investment strategies.
- Interpersonal communication skills that enable partnering with staff, leadership, and volunteers to support and implement goals of the strategic plan.

Proper Committee Composition and Training

- Ensures incoming officers understand the experience and background required for appointees to be effective in their role on the finance committee
- Requires that they receive regular training in the areas of their responsibilities as finance committee members

Overview of Required Activities

- Prepare for each committee meeting by reviewing meeting packet materials distributed approximately two weeks prior to meeting.
- Actively participate in discussion and support majority positions once decision made.
- Review past decisions of committee using historical records distributed.
- Review minutes and follow-up on action items from committee meeting.

Measurements of Success

- Budget oversight completed every quarter with deviation explanations reviewed with staff.
- Fiscal year end budget-to-actual report provides information to develop assessment of control by staff and committee.
- Absence of any significant negative findings on external auditor's annual management letter.

