

**La Montañita Coop
(LMC)
Financial Committee Charter**

Overall Roles and Responsibilities

The Finance Committee is responsible for recommending financial policies, goals, and budgets that support the mission, values, and strategic planning of La Montañita (LAM) Food Co-Op. The Finance Committee will also review the organization's financial performance against its goals and may propose changes to current programs / processes or may introduce new programs / processes to be implemented to the board.

Responsibilities

The finance committee's specific responsibilities include:

- Reviewing and recommending a long-range financial plan for the organization.
- Reviewing and recommending an annual operating budget and annual capital budget consistent with the long-range financial plan and financial policies.
- Reviewing and recommending capital expenditures and unbudgeted operating expenditures that exceed management's spending authority.
- Reviewing and making recommendations on capital expenditures and unbudgeted operating expenses that, per board-approved policy, are above management's authority but below the threshold required for board approval.
- Reviewing the financial aspects of major proposed transactions, new programs and services, as well as proposals to discontinue programs or services, and making action recommendations to the board.
- Recommending policies that maintain and improve the financial health and integrity of the organization
- Requiring and monitoring corrective actions to bring the organization into compliance with its budget and other financial targets.
- Reviewing and reporting results of any independent financial audits.
- Reviewing and reporting to the board annually on LAM investment and human resource benefit plan performance.

Meetings

The Finance Committee meets at least once each quarter, and monthly when operating income is below 0.5% of sales. Monthly meetings shall be maintained for the two

quarters after profitability has been restored. Other meetings may be held when necessary, and at the discretion of the committee chairperson.

Members

The members of the Finance Committee shall consist the following:

- La Montañita CFO
- La Montañita COSO
- La Montañita CRO
- Board Treasurer
- Finance Committee appointed members
- Other Finance Committee members of La Montañita as determined necessary

Reports

The committee will receive and review the following reports:

- Monthly, quarterly, and annual financial statements
- Investment reports
- Key financial ratios
- Key operating benchmarks
- Service line profit and loss
- Other reports as determined necessary

This Committee will generate an Annual Report to the Board and Member-Owners. Other Reports to the Board will be developed by this Committee on an as-needed basis.

This Committee will also develop Feedback Reports to other Board Committees, on an as-needed basis.

Annual Committee Goals

The Finance Committee goals for 2017 will include the following

- Develop and implement a long-range capital plan integrated with the organization's strategic vision that will bring La Montañita back to profitability
- Review individual store performance/profitability and making recommendations on any changes as required.
- Evaluate all job functions and determine if changes are necessary.
- Review 2017/2018 budget and make necessary changes to incentive program.

Charter Expiration Date

This Charter is perpetual, and this Charter may be amended annually (in January of each year) or quarterly by the Committee Chair with input from the Core Team, and with final Board approval.