

La Montañita Coop Financial Committee Charter – 2025

Approved January 21, 2025

Overall Roles and Responsibilities

The Finance Committee is responsible for recommending to the Board, financial policies, goals, and Board and GM budgets that support the mission, values, and strategic planning of La Montañita Co-op (LMC). The Finance Committee will rigorously monitor operational performance in the areas of Ends and Executive Limitations. The Finance Committee may recommend new programs or processes to be considered by the full 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 the OD Executive Limitations policies of General Management.
- 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.
- 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 and all other reports from CPA firm.
- Reviewing and recommending actions on LMC lease negotiations (negotiations to be initiated 2 years prior to lease expiration).

Meetings

Meetings will be held at least monthly with additional special topic meetings as necessary.

Members

The members of the Finance Committee shall consist of the following:

- La Montañita Co-op Finance Director
- La Montañita Co-op General Manager
- Board Treasurer
- Finance Committee Board members
- Other Finance Committee members of La Montañita Co-op as appointed by the Committee
- This committee is not open to general membership

Reports

The committee will receive and review the following reports:

- Monthly, quarterly, and annual financial statements, including tables and charts
- Annual budgets for the board and La Montañita Co-op

- Key financial indicators (as determined by the Finance Committee)
- Key operating benchmarks
- CPA reports including audits, annual reviews, agreed upon procedures and others
- Other reports as determined necessary

This Committee will review and recommend to the Board Quarterly Financial reports and charts, and 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 – 2025

- Review and recommend to the full board the GM-provided authorization package for investment of funds for the Avanyu Plaza store.
- Review individual store and distribution center (collectively called “revenue centers”) performance/profitability and make recommendations on any changes as required.
- Financial Education Resource collection creation and growth, specifically board education on Federal, State, and LMFC Bylaws legal framework and Board responsibilities
- Review and revise as necessary the key performance indicators and benchmarks for the finance committee and recommend updates as needed to indicators used for full board documents and policies by end of Q3.
- Review the 2025/2026 budget assumptions from management in June, draft of budget in July, and final budgeting August for recommendation to Board.
- Review financial management policies and bylaws (including patronage dividend bylaws).
- Monitoring implementation of a long-range capital plan integrated with the organization’s strategic vision plan.
- Review and analyze leases.

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 Finance Committee. Subject to final Board approval.