

Lighthouse Youth & Family Services Finance Committee Charter

“Board” shall refer to the Board of Trustees of Lighthouse Youth Services, Inc. d/b/a Lighthouse Youth & Family Services (“Lighthouse”).

“Boards” shall refer to the various Boards of Trustees of Lighthouse and its Affiliates.

“Affiliates” shall mean Lighthouse Beacon for Youth Foundation, Inc.; New Life Properties, Inc.; IDEAFOR, Inc.; McMillan Street Associates, LLC; EYH IOWA LLC; Iowa Avenue Associates, LLC; and the Sheakley Center for Youth LP. A related party, Lighthouse Community School, Inc. is a separate, public charter school board and is technically not an affiliate.

Membership

The membership of the Committee consists of a minimum of three members from the Lighthouse Board and other Affiliate Boards, as appropriate, ensuring expertise in four major areas: Finance. The Treasurer of the Lighthouse Board will Chair the Committee and report to the Board or Administrative Committee, as appropriate. The Committee Chair may appoint up to three ‘at large’ member to the Committee. The Board may remove any member from the Committee at any time with or without cause.

Operations

The Committee shall meet at least quarterly, with one preceding the financial audit by the independent auditor and one following the audit. Additional meetings shall be held throughout the year to assist the CFO with the responsibilities identified below. A simple majority will constitute a quorum; however, the Committee may act without a meeting upon the unanimous written consent of all of its members. The Committee will keep minutes and make them available on the Board Portal including any action taken by unanimous consent. Members may participate in meetings telephonically as permitted by the Code of Regulations. This Charter may be amended by the Board at any time.

Authority

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. Any decisions materially impacting Lighthouse or its Affiliates shall be approved by the appropriate Boards or, in the case of Lighthouse, the Executive Committee if time sensitive. The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee.

Responsibilities

Subject to the provisions of the Code of Regulations, the principal responsibilities and functions of the Finance Committee are as follows:

- a. Oversee the integrity and adequacy of the Agency's financial statements and related disclosures. Review the Form 990s by entity as prepared by the independent auditor and CFO prior to submission to the IRS.
- b. Assist CFO in developing and monitoring a formal Long Range Financial Strategy for the Agency, to be adopted by the Board.
- c. Oversee the annual budgeting budget process and strategic programmatic decisions.
- d. Annually review and assess the performance of the independent auditor.
- e. Periodically consider taking the external auditor function out to bid and make any recommendations for change.
- f. Meet with the independent auditors *before* the audit to discuss scope and timing of the audit. Adjourn to executive session without staff to discuss any sensitive matters that the Committee wishes the auditors to investigate.
- g. Meet with the independent auditors *after* the audit to discuss the results, report and any findings. Adjourn to executive session to discuss any sensitive matters.
- h. Review the SAS 114 Management Letter for any material weaknesses in internal control, as reported by the most recent audit.
- i. Resolve any disagreements between management and the auditor regarding financial reporting.
- j. Report a summary of any audit findings to the Board.
- k. Review any significant accounting changes (principles, GAAP methods, estimates, etc.) made in connection with the Agency's financial statements.
- l. Non-audit Services – Approval. The Committee shall review the nature and cost of all non-audit services performed by its independent auditor for the prior year. The Committee shall assess the adequacy of the work and the amount of fees charged, as well as ensure that the auditor's independence is not impaired.

Revised 03/02/2020