



Chicago Chapter Finance Committee Guidelines (Approved by the Executive Committee February 2026)

Purpose of the Committee

The Finance Committee (the "Committee") is a volunteer working committee of the Chicago Chapter (the "Chapter") of the Private Directors Association, NFP (the "PDA"). The Committee's purpose is to:

- assist the Executive Committee of the Chapter in fulfilling its oversight responsibilities related to the Chapter's financial resources, financial planning, and fiscal sustainability;
- review and recommend approval of annual budgets and monitor financial performance to ensure alignment with the Chapter's strategic objectives and mission;
- and
- establish and maintain financial policies, internal controls, and risk management practices that support the long-term financial health and integrity of the Chapter.

Committee Membership, Organization and Meetings

The Committee shall meet on a regular basis as determined by the Chair of the Committee (the "Committee Chair"). The Committee may meet in person, by telephone or by electronic means at times and places to be determined by the Chair. A majority of the members of the Committee shall constitute a quorum for Committee action at any meeting of the Committee, and the act of the majority of Committee members present and voting at a meeting at which a quorum is present shall be the act of the Committee.

- Each member of the Committee shall be a member in good standing of PDA and the Chapter and shall continue as a member until the end of the PDA fiscal year (currently December 31st. Committee members are generally expected to serve a minimum 2-3 year term.
- The Committee should consist of at least three members who possess skills and experience in accounting, finance, business management, investment oversight, or related financial disciplines. The board should seek to include members with diverse financial expertise relevant to the Chapter's needs.
- Each member of the Committee shall:
 - strive to attend not less than 75 percent of Committee meetings scheduled for the year;
 - work in a collaborative manner with other committees and the PDA;
 - agree to and abide by the PDA Code of Conduct; and
 - maintain confidentiality regarding sensitive financial information discussed in Committee meetings.

Members shall not receive compensation for the performance of their duties on the Committee.

- The Chair shall:

- be recommended by the Committee to the Chapter President and approved by the Executive Committee;
- commit, prior to becoming Chair, to (i) serve a term of at least two years as Chair and an additional one year term as immediate past chair to facilitate a smooth transition, (ii) assist in identifying a successor Chair, and (iii) communicate periodically to current and incoming Committee members the Committee's and such members' expectations, responsibilities and priorities;
- set the agenda and, when present, preside over Committee meetings;
- participate in Chicago Chapter Executive Committee meetings; and
- as needed, report orally or in writing to the Executive Committee on relevant matters discussed at the most recent Committee meeting and prepare reports or summaries of each meeting.

Duties and Responsibilities

Budget Development and Oversight

- Prepare and analyze the annual operating budget including revenue projections, program expenses, administrative costs, and capital expenditures.
- Recommend the annual operating budget to the Executive Committee for approval prior to the beginning of each fiscal year.
- Monitor actual financial performance against the approved budget on a regular basis (at minimum quarterly), identifying and analyzing material variances.
- Recommend budget modifications to the Executive Committee when circumstances warrant adjustments to revenues, expenses, or program spending.
- Review and recommend for approval any significant unbudgeted expenditures or financial commitments that exceed authority delegated to management.

Financial Monitoring and Reporting

- Review quarterly financial statements, including the statement of financial position (balance sheet), statement of activities (income statement), statement of cash flows, and any supplemental financial reports.
- Ensure that financial reports prepared for the Committee, Executive Committee, and membership are accurate, timely, clear, and provide meaningful information for decision-making.

Financial Planning and Strategy

- Assess the financial implications of new programs, initiatives, partnerships, or changes to Chapter operations, providing financial analysis and recommendations to the Executive Committee.
- Review the Chapter's capital needs and provide recommendations regarding capital expenditures.
- Provide financial analysis and recommendations to support the Chapter's strategic planning process, ensuring that strategic goals are achievable within financial constraints.

Financial Policies and Internal Controls

- Develop and recommend to the Executive Committee financial policies and procedures that promote sound financial management, including policies related to signatory authority for financial transactions and contracts
- Review the adequacy and effectiveness of the Chapter's internal financial controls to safeguard assets, prevent fraud, and ensure accurate financial reporting.

Related-Party Transactions

- Review and evaluate any proposed related-party transactions involving Committee members, Executive Committee members, officers, or other members of the Chapter to ensure they are appropriate, fair, and in the best interest of the Chapter.
- Ensure that related-party transactions are properly disclosed and documented in accordance with the Chapter's conflict of interest policy and applicable laws.

General

- Communicate regularly with the Executive Committee regarding the Chapter's financial condition, significant financial matters, emerging risks, and recommendations for financial strategy.
- Review annually the performance of the Committee against its stated responsibilities and identify opportunities for improvement.
- Review these Guidelines annually and seek approval of any proposed changes by the Executive Committee.
- Coordinate and communicate with other Chapter committees when financial matters intersect with their areas of responsibility, such as program committees (regarding program budgets) or membership committees (regarding dues structure and revenue projections).
- Actively recruit, assimilate, engage members of the Committee and maintain an updated roster of active Committee members.