

# **CINCO RANCH PROPERTY ASSOCIATION, Inc**

## **Finance and Audit Committee (FAC) Charter**

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**Purpose:** The purpose of the FAC is to (1) Provide recommendations and requested assistance to the CRPA Board on financial and audit related matters, including procedures, administration, budgets, and major projects; and, to (2) Communicate between the Board and NRC routinely on finance and audit related matters.

### **Guidelines and Responsibilities:**

#### **The FAC:**

- 1. Serves at the pleasure of the Board and has the primary responsibility of providing resident expertise to the Board on finance and audit related matters.**
- 2. Has no fiduciary responsibilities.**
- 3. Primarily reviews reports and information prepared by the Community Manager and consultants as a basis for developing recommendations.**
- 4. Observes and complies with the General Guidelines established for all CRPA committees and provides appropriate feedback to the Board and NRC.**
- 5. Periodically monitors and reviews the status of current financial conditions, evaluating income / expenditures against budget and advises the Board on possible means to correct any problems. This review to be performed at a minimum of once per quarter.**
- 6. Monitors short-term and long-term investments of CRPA funds and advises the Board.**
- 7. Recommends to the Board policies and procedures to assure sound and effective financial management and fiscal policies.**
- 8. Reviews and evaluates the proposed annual operating budget and capital requirements as prepared by the Community Manager, and submits recommendations to the Board with input from the NRC.**
- 9. Assists the Board, other committees, and Community Manager in reviewing a schedule of repair and replacement and establishing the reserve funding required to achieve such requirements.**
- 10. Reviews proposals for the selection of audit services and make recommendations**

to the Board for audit scope. Additionally, monitors accepted audit recommendations and close-out of outstanding audit recommendations.

11. Members of the FAC will maintain full confidentiality as directed by the Board.

### **Manner of Operations:**

#### **Committee Operations:**

- a. The FAC will define goals and objectives and priorities with the Board when the FAC is approved, and periodically thereafter, and communicate these items to the NRC.
- b. The FAC will meet as necessary to pursue objectives, with a minimum of at least one meeting per quarter. Minutes of meetings will be presented to the Board, followed by a summary presentation to the NRC.

#### **Functions of FAC Chair:**

- a. Coordinate and supervise FAC activities and meetings and requests for information to assure FAC responsibilities are met.
- b. Review FAC reports prepared for submission to the Board and NRC.
- c. Appoint members to help on various projects as appropriate.

### **Qualifications for membership:**

The FAC will be comprised of at least three (3) and no more than seven (7) members of the CRPA who will be in good standing with the CRPA while being a member of the FAC. Preferences will be given to candidates whose background, education and professional experience reflects:

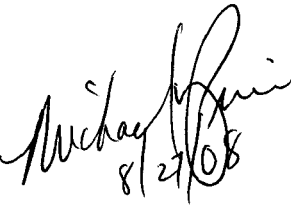
1. Accounting / auditing
2. Economics
3. Business Management
4. Financial management / analysis

The Community Manager shall be an ex officio, non-voting member and will act as an advisor to the FAC.

**Terms:**

1. The FAC Chair will be appointed by the Board for a term expiring on March 31, 2010, and may be appointed for consecutive two (2) year terms without limit.
2. FAC members will be members of the CRPA appointed by the FAC Chair for an initial term expiring at the annual NRC meeting in October, 2009, and may be appointed for consecutive one (1) year terms without limit.
3. The Board may remove the Chair or any member of the FAC, with or without cause, by a majority vote of the Board in an open meeting where a quorum is present.

Approved: CRPA Board



Michael P. Quinn  
8/27/08

Date: July 30, 2008

CRPA Board President: