

FINANCE COMMITTEE CHARTER

Columbia Economic Development Corporation

This Finance Committee Charter was adopted by the Board of Directors of the Columbia Economic Development Committee, a public benefit corporation established under the laws of the State of New York, on this 27 day of August, 2024.

Purpose

Pursuant to Article IV, Section 1 of the Corporation's bylaws, the purpose of the Finance committee is to assist the Board by:

- Reviewing the profit and loss statements, balance sheets, financial statements and other written reports of the Corporation;
- Reviewing any proposals for the issuance of debt by the Corporation and its subsidiaries, if any, and make recommendations relative to same;
- Oversee the corporation's debt and debt practices and to recommend policies concerning the corporation's issuance and management of debt.

Powers of the Finance Committee

It shall be the responsibility of the Finance committee to:

- Recommend and oversee the work of any public accounting firm employed by the Corporation.
- Meet with Corporation staff, independent auditors or outside counsel, as necessary.
- Review proposals for the issuance of debt by the corporation and its subsidiaries and to make recommendations concerning those proposals to the board.
- Make recommendations concerning the appointment and compensation of investment advisors and underwriting firms used by the corporation, and to oversee the work performed by these individuals and firms on behalf of the corporation.
- Review proposals relating to the repayment of debt or other long-term financing arrangements by the corporation and its subsidiaries.
- Report annually to the corporation's board how it discharged its duties and met its responsibilities as outlined in the charter.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request board approval of any proposed changes to said charter.
- Annually review by the CEDC and SBA loan funds, including loan policies, lending limits and reserves.

The CEDC Board of Directors will ensure that the Finance committee has sufficient resources to carry out its duties.

Composition of Committee and Selection of Members

The membership of the committee shall be as set forth in accordance with and pursuant to Article IV, Section 1 of the Corporation's bylaws. The Finance committee shall consist of at least five (5) independent Directors of the Corporation. The Chairperson of the Finance Committee shall be the Treasurer of the corporation.

Finance committee members shall be prohibited from being an employee of the Corporation or an immediate family member of an employee of the Corporation. In addition, Finance committee members shall not engage in any private business transactions with the Corporation or receive compensation from any private entity that has material business relationships with the Corporation, or be an immediate family member of an individual that engages in private business transactions with the Corporation or receives compensation from an entity that has material business relationships with the Corporation.

Ideally, all members on the Finance committee shall possess or obtain a basic understanding of governmental financial reporting.

Meetings

The Finance committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

Members of the Finance committee are expected to attend each committee meeting, in accordance with the provisions of Article 7 of the Public Officers Law. The Finance committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

The Finance committee will meet with the Corporation's independent auditor at least annually to discuss the financial statements of the Corporation.

The Chairperson shall preside over Committee meetings, which shall be open to the public in accordance with the salient provisions of the Open Meeting Law of the State of New York, as set forth within Article 7 of the Public Officers Law. Meeting agendas shall be prepared prior to every meeting and provided to the Committee members along with any other relevant materials at least five (5) business days before the scheduled Audit and Finance Committee meeting.

Minutes of these meetings shall be recorded and a report of the Committee's meeting shall be prepared and presented to the Board of Directors at its next scheduled meeting following the meeting of the Committee.

Responsibilities

The Finance committee shall have responsibilities related to: (a) the annual financial statements; (b) oversight of management's internal controls, compliance and risk assessment practices; (c) miscellaneous issues related to the financial practices of the Corporation.

A. Review Financial Statements

The Finance committee shall:

- Review and approve the Corporation's audited financial statements, associated management letter, report on internal controls and any other auditor communications.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

B. Review Corporation's Annual Budget

The Finance Committee shall:

- Review, amend, and recommend the corporation's annual operating budget as presented by corporate management for the upcoming fiscal year.
- Recommend the annual budget to the Board of Directors for approval after incorporating necessary amendments.
- Monitor and report to the Board of Directors on the corporation's compliance with its adopted budget during the fiscal year (actual v. estimated budget) on a monthly/quarterly basis.

C. Review Financial and Procurement Thresholds

The Finance Committee shall:

- Review and make recommendations to the Board of Directors regarding any proposed procurements submitted to the committee.
- Review and recommend changes to the corporation's thresholds for procuring goods and services and procurement policy.
- Review and recommend changes to the corporation's fee schedules.

- Review the scope and terms of the corporation's insurance policies and liability coverage on an annual basis.

D. Other Responsibilities of the Finance Committee

The Finance committee shall:

- Present annually to the Corporation's board a written report of how it has discharged its duties and met its responsibilities as outlined in the charter.
- Obtain any information and training needed to enhance the committee members' in financial reporting standards and processes.
- Review the committee's charter annually, reassess its adequacy, and recommend any proposed changes to the board of the Corporation.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.