

Council on Dairy Cattle Breeding (CDCB)

Finance Committee Terms of Reference

1. Purpose

The Finance Committee (FC) of the Council on Dairy Cattle Breeding (CDCB) is established to oversee the financial affairs of the organization. This includes the review and recommendation of the annual budget, monitoring of financial statements, oversight of financial reporting, and ensuring the organization's financial stability and sustainability.

2. Composition

The FC shall be composed of four members, appointed by the CDCB Board of Directors. The composition of the committee shall include one representative from each of the following member sectors:

- Dairy Records Providers
- Dairy Records Processing Centers
- Purebred Dairy Breeds Association
- National Animal Breeders Association

The elected treasurer of the CDCB will serve as the chair of the FC and will represent their respective sector on the committee.

3. Term of Office

Members of the FC shall serve terms of two years, which will coincide with the terms of the elected officers of the CDCB. There shall be no limit on the number of consecutive terms a person can serve on the FC.

4. Responsibilities

The FC is responsible for the following:

1. **Reviewing and Recommending the Annual Budget:** Review the proposed annual budget and recommend it for approval by the CDCB Board of Directors, ensuring alignment with the organization's strategic goals and financial health.
2. **Monitoring Monthly Financial Statements:** Regularly review monthly financial statements to track the organization's financial performance and identify any areas of concern.
3. **Overseeing Financial Reporting:** Ensure accurate and timely financial reporting, including the preparation and submission of the annual IRS Form 990 and all other required tax filings.

4. **Ensuring Financial Stability:** Assess and ensure the organization has adequate cash reserves and investments necessary for long-term success and sustainability.
5. **Maintaining Open Communication:** Maintain open communication with CDCB's accountants, financial advisors, and managerial staff to facilitate effective financial oversight and decision-making.
6. **Interacting with External Auditors:** Engage with external auditors before the annual audit is presented to the CDCB Board of Directors to discuss audit plans, findings, and recommendations.

5. Meetings

The FC shall meet three times a year, the month before the CDCB Board of Directors' face-to-face meetings. Additional meetings may be called by the chair as necessary.

6. Reporting

The FC shall report to the CDCB Board of Directors on a regular basis, providing updates on the organization's financial status and any recommendations for action.

7. Authority

The FC is empowered to:

- Access all necessary financial records and information.
- Engage external financial consultants or auditors as deemed necessary, within the limits of the approved budget.
- Recommend financial policies and procedures to the Board of Directors.

8. Member Replacement and Removal

Replacement: In the event that a FC member leaves the CDCB Board of Directors before their term on the FC is complete, a new member from the same sector shall be appointed by the CDCB Board of Directors to serve the remainder of the term.

Removal: A member may be removed from the FC due to lack of participation, conflict of interest, or misbehavior. Such removal shall require a majority vote by the CDCB Board of Directors.

9. Review of Terms

These Terms of Reference shall be reviewed annually by the FC and any proposed amendments shall be submitted to the CDCB Board of Directors for approval.