



Finance Committee Charter

Purpose

The Finance Committee shall assist the Covered California Board of Directors in fulfilling its fiduciary responsibilities to oversee the financial activities and financial condition of Covered California.

Composition of the Finance Committee

The Finance Committee will consist of two Board members that are independent of the organization. The members should collectively possess sufficient knowledge of finance and accounting. The Board will appoint committee members who shall serve on the committee until replacement, with or without cause, by the Board. The members appointed should be free of any relationship that, in the opinion of the Board, would conflict or interfere with their exercise of independent judgement.

Meetings

The Finance Committee will meet quarterly, or more frequently as determined by the committee. The committee may invite members of management, staff, internal or external auditors, or others to attend the meeting and provide pertinent information. Board members who are not members of the committee may attend the committee's meetings as observers.

Responsibilities

The Finance Committee shall:

- a. Review and make recommendations to the Board with respect to long range financial planning.
- b. Review and make recommendations to the Board regarding Covered California's budget.
- c. Periodically review operating cash flows, the enterprise fund's liquidity position, and performance against budget and projections.
- d. Assess Covered California's annual revenue and expenditure levels for interperiod equity.
- e. Make recommendations to the Board on approved operating expenditures and capital expenditures.
- f. Monitor actual spending against approved budgets and capital plans.
- g. Review financial aspects of major proposed transactions.
- h. Review annual financial statements prepared in conformity with Generally Accepted Accounting Principles (GAAP) and the independent financial statement audit.

- i. Recommend and monitor any corrective actions taken to bring Covered California into compliance with financial goals.
- j. Review long-term infrastructure needs of Covered California, including operating systems and facilities.

Approval

Approved by the Covered California Board on _____, 20__