
DEXCOM Standing Committee on Finance Terms of Reference

General Terms of Reference

The Standing Committee on Finance has a dual role. It is both a standing committee established by the District Executive Committee (DEXCOM) required by District Bylaws as well as a financial advisory and decision-making committee working under the authority of the District Director of Finance.

Terms of Reference as a DEXCOM Standing Committee

As a standing committee established by DEXCOM, the Committee on Finance assists DEXCOM in fulfilling its fiduciary and general financial responsibilities as an incorporated Society in BC and as a constituted part of The Christian and Missionary Alliance (C&MA) in Canada. Accordingly, the Committee should address matters specifically referred to it by DEXCOM and take initiative to advise DEXCOM on matters it believes important for their consideration. The Committee may provide informal counsel to District management, but such counsel cannot be considered binding on operations as that is DEXCOM's role with management.

Responsibilities

1. Policy Development

To draft appropriate policies for DEXCOM to consider (including such things as investment policies, church capital projects and financing, District grants and loans programs, etc.), and once approved, to monitor compliance with the policy.

2. Financial Reporting

To ensure that both the Committee and DEXCOM receive timely, accurate, and relevant information on the financial aspects and condition of the District.

3. Financial Management

To periodically review the adequacy of internal controls established by management, and to monitor the compliance with approved budgets (including the District Employee Benefits Plan).

4. Responsibilities to The Christian & Missionary Alliance (C&MA) in Canada

To monitor the contribution of District churches to Global Advance, Canadian Ministries, and other programs established by the C&MA in Canada, and to recommend actions to DEXCOM as may be required.

Terms of Reference as a Financial Advisory and Decision-Making Committee

As an advisory and decision-making committee working under the authority of the Director of Finance, the Committee on Finance participates in financial decisions for the District. The Director of Finance will set the responsibilities of the Committee in this role.

Responsibilities

1. Financial Planning

To ensure that appropriate financial assumptions guide short and long-term financial planning/budgeting, and that the financial plan is linked to the strategic plan. This would also include anticipating financial problems or environmental factors that could adversely affect the financial health of the District.

2. Available Funds

To ensure there are sufficient available funds for ongoing operations and satisfactory reserves for crises that may arise.

As it relates to the Employee Benefits Plan, the Committee will:

- 2.1 Monitor benefits income and expense claims and ensure that there are sufficient funds in deferred revenue.
- 2.2 Annually review and recommend any increases to benefits premiums.
- 2.3 Review all substantive proposed changes to the Employee Benefits Plan that are expected to increase benefits claims by \$25,000 or more. A recommendation will be made to DEXCOM for any such proposed changes.

3. Risk Management

To ensure there is appropriate insurance coverage to protect assets and insuring against liability risks through appropriate insurance or other means.

4. Capital Projects and Church Loans

Since the District is the legal owner of the property of most churches in the District, the management of this asset is of strategic importance to the District.

Accordingly, the Committee will:

- 4.1. Review all church requests for loans or lines of credit from a financial institution. The Committee may approve a maximum amount of indebtedness of \$250,000 as set by DEXCOM.¹
- 4.2. Review all proposed capital projects and financing for those projects for District churches/ministries. The Committee will **may** approve projects and levels of indebtedness within parameters set by DEXCOM¹:
 - for a church building expansion or improvement project, a loan of up to 100% of the total project cost or 75% of the total equity of existing church properties plus the project costs, whichever is lower
 - for a church that does not own real property at the time of loan application, a loan of up to 75% of the proposed project cost
 - a maximum amortization period of 15 years
 - a maximum church building loan amount of \$1,000,000

DEXCOM may also make a recommendation to DEXCOM for action it should take with respect to:

- a) approval of the project,
- b) maximum level of total church indebtedness to complete the project,
- c) loans exceeding the approval limits for the Committee set by DEXCOM, and
- d) necessary controls to ensure both compliance and risk management of projects.

¹ Per the *DEXCOM Policy Governance Manual*, 4.4.12.1 and 4.4.12.2. In the case of any conflict or difference between the *DEXCOM Policy Governance Manual* and this document, the Manual shall be considered the correct version.

- 4.3 For legal reasons, DEXCOM must ratify decisions made by the Committee (even those within its delegated authority) to incur debt, so the Committee shall ensure that decision profiles, with appropriate motions, are produced as necessary for DEXCOM's approval.
- 4.4 Establish its own policies and procedures for effective review of project and project financing.
- 4.5 Monitor management of capital indebtedness for all churches.

General Duties

1. To maintain minutes of all meetings and submit these to DEXCOM for its review.
2. To meet no less than quarterly in the performance of these duties.
3. To assist the District Superintendent in proactive succession planning by finding suitable candidates for Committee membership with appropriate expertise and experience.
4. All members shall annually complete the *Declaration of Conflict of Interest* in compliance with the District's Conflict of Interest Policy.
5. All members shall sign the *District Finance Committee Confidentiality Agreement* upon becoming a member of the Committee.

Committee Functioning

1. The District Superintendent, District Treasurer, and the Director of Finance shall be ex-officio, voting members of the Committee.
2. The Committee shall consist of no fewer than five (5) and no more than eight (8) members including the District Superintendent, District Treasurer, and the Director of Finance.
3. Any nominees for the District Finance Committee will be prayerfully vetted by the Finance Committee and Lead Team and presented to DEXCOM for appointment.
4. Appointments will normally be for a two (2) year term beginning November 1st. There is no limitation on the number of consecutive terms a person may serve.

5. If DEXCOM does not appoint the Chair of the Committee, the District Superintendent shall function as the Chair or appoint another member of the Committee after consultation with the District Treasurer. The Chair shall have a single vote.
6. A recording secretary will take minutes at every Finance Committee meeting.
7. The quorum for the transaction of business at a Committee meeting is a simple majority of the Committee members.
8. When a quorum is present at a meeting, a resolution will require a simple majority vote of those members present to be passed.
9. Voting by mail or another means of communication, including by fax, email or other electronic means is authorized in principle. All Finance Committee members must agree to handle a matter by an email ballot, or the item reverts to a meeting, virtual or face-to-face.
10. Committee members shall be reimbursed for reasonable expenses incurred for Committee work (e.g., mileage).

Qualifications

It is expected that the members of the Finance Committee as a group will generally provide expertise through their training and experience in a wide area of disciplines such as banking, finance, land development, real estate, legal, accounting, business, ministry, construction, and negotiation. Some of the specific qualifications that each member should have are as follows:

- Be a member of a Canadian Pacific District church in good standing with the endorsement of their Lead Pastor, or if the member is a Lead Pastor, endorsement from the church's Board of Elders
- Be able to read and generally understand financial statements
- Be willing to offer their comments regarding a variety of decisions within a commitment to make and support group decisions
- Be willing to provide personal expertise on issues and discussions
- Be familiar with the governance structure of the C&MA

Amendments

February 2014

March 2016

October 2019

April 2021

October 2021

October 2022

DRAFT