

# EASTERN MAINE HEALTHCARE SYSTEMS GOVERNANCE POLICY

**Title:** EMHS Finance Committee Charter

Modifiable

Non-Modifiable

**No:** 26

**Supersedes No:** 26

**Approved by the Board:** 10/8/14

**Dated:** 10/5/10

**Applicable to:**  EMHS Home Office  
 All EMHS Entities  
 EMHS Provider Entities

EMHS For-Profit Entities  
 EMHS Hospitals  
 EMHS Tax-Exempt Entities

**Responsible Executive:** M. Michelle Hood  
President & CEO

**Approved by:** \_\_\_\_\_  
**Signatures on file** M. Michelle Hood  
President & CEO

**Approved by:** \_\_\_\_\_  
Evelyn S. Silver, PhD  
EMHS Board Chair

## **Related Policies**

EMHS Bylaws, Article VI, Section 13.

## **Purpose**

The Finance Committee (the "Committee") works to ensure that the Board meets its duty of care and fulfills its responsibility for the financial integrity of the organization.

The Committee recommends appropriate financial and investment policies and procedures to the Board and monitors compliance with those policies and procedures to safeguard and preserve the assets of the organization. The scope of work includes all entities for which EMHS has fiduciary responsibility (collectively the "System").

## **Responsibilities**

In meeting its responsibilities, the Finance Committee shall:

- Review and submit to the Board an annual consolidated capital and operating budget including anticipated revenues, expenses, and capital expenditures for the ensuing fiscal year;
- Review the annual operating and capital budgets of member organizations (MOs) of the System, as authorized by applicable bylaws, and make recommendations to the Board;
- Review consolidated financial statements of the System on a regular basis, and make recommendations to the Board;

- Monitor and evaluate management of the System's funds by the Investment Function Team and make recommendations to the Board;
- Analyze, and recommend methods of financing for EMHS business ventures;
- Monitor the bond rating and debt structure of the System, analyze EMHS borrowing proposals, and make appropriate recommendations to management and the Board;
- Make recommendations to management and the Board relative to the System's strategic financial plan;
- Assess opportunities to strengthen the System's consolidated balance sheet and make recommendations to the Board;
- Review charitable care policies for the MOs of the System and make appropriate recommendations to the Board;
- Review all proposed transfers of funds among members of the System and make appropriate recommendations to the Board;
- Appoint such task forces as needed to address specific issues, e.g. MaineCare.

### **Composition**

The Finance Committee shall consist of at least three Directors appointed by the EMHS Chair, plus the chair of the Investment Function Team, and the EMHS President and CEO. The EMHS Chief Financial Officer shall serve as staff to the Committee. In addition, up to two non-Director members may be appointed if specific skill sets are desired.

### **Meeting Schedule**

The Committee shall meet at least quarterly.