# FINANCE AND COMMERCIAL committee

TERMS OF REFERENCE

September 2023

The finance and commercial committee is a sub committee of the board of trustees of NCVO.

These terms of reference are subject to the approval of the board and will be reviewed by the committee once a year and by the board every three years.

## Responsibilities

* Oversight of all commercial activity across NCVO including a quarterly review of progress against the key performance indicators identified when setting the annual business plan.
* Review of quarterly financial reports including cashflow and forecasts, and recommendation to the board.
* Oversight and monitoring of investments and recommending investment policy and approach to the board.
* Review of annual budget, business plan and longer term financial plans and recommendation to the board. This will include a review of pay proposals in liaison with the people, culture and inclusion committee to make a recommendation to the board.
* Review and recommendation to the board of a reserves policy on an annual basis.
* Receive reports from the trading board on the elements of activity which sit within their remit.
* Annual review of bad and doubtful debt.
* Oversight of defined benefit pension scheme and triannual valuations.
* Oversight of digital and technology activities.
* Review of any financing requirements and recommendation to the board.

## Membership

The committee is made up of:

* the honorary treasurer who will act as chair
* two other trustees
* three independent committee members.

The committees requires four people to be quorate of whom two people should be independent members.

All members of the committee are appointed by the board following recommendations from the governance and nominations committee.

## Term

Trustee membership shall finish in line with their term on the board or before if the board elects to change the members of the committee.

Independent members are appointed for terms of up to three years by the board and can be reappointed once.

## Attendance

Committee meetings can also be attended by the chief executive, the chief operating officer, the director of services and partnerships and the senior governance and planning officer.

Our investment managers will attend at least one meeting per year to review the performance of the investment portfolio.

The pension scheme trustee can be invited to attend meetings if and as required.

The chair can also co-opt active observers for a set period of time following a discussion with the committee which identifies the skills required from the additional attendee.

The committee may have in camera sessions without any members of staff as required.

## Meetings

The committee is likely to meet four times a year unless the committee decides differently.

The committee will keep minutes of each business meeting including the names of members present at a meeting and all resolutions and proceedings of the committee

The minutes of meeting will be circulated to the board.

The committee will decide on the appropriate format (virtual or face to face) for meetings though generally a hybrid option will always be available.