**Financial Roles Grounding**

**What is the role of the Finance Committee?**

The Finance Committee (FC) will meet a week in advance of the monthly board meeting. This will

allow the accountant (Liesbeth at Macbooks) and Joule Growth Partners to prepare financial documents that need to be distributed to the FC for review. The FC will review all materials and serve as an internal control mechanism.

As FC members expertise is financial and business focused, they will take point on reviewing materials, asking questions fielded by Joule and the HOS, checking for compliance, and preparing recommendations for the Board. Recommendations will be outlined in the FC Committee minutes and will need to be reviewed by Trustees prior to the board meeting. All necessary items to review will be included in meeting packets.

**Role of the FC: What this translates to for the board**

The formal FC’s responsibilities are outlined [HERE](https://mypcm21.box.com/s/rfqmxhmnch4fpbgxolooks4frhyxz2zy).

**A note on financial reports and training:** Joule Growth Partners has worked diligently to create usable and readable financial documents for Charter school boards. There is a high level of inefficiency and confusion ingrained in adapting the presentation format of financial materials to the individual preferences of a FC or individual board members. This can be particularly true if members decide not to renew their 2-year terms. For this reason, with our core values “we are LEADERS” and norms in mind, PCM will work with Joule to train all FC and board members to read the financial reports as presented. We ask that all committee and Board members stretched their cognitive limits and comfort zones to adapt to learn potentially new ways of examining materials. These formats have been field tested by Joule and will only be adapted if there is overwhelming evidence there is a more functional format for the collective Board.

**What financial documents will the Board generally be presented with:**

1. **Dashboard** (high level view of main metrics)

2. **Balance Sheet:** Balance Sheet → Assets = Liabilities + Equity. Provides a single point in time view of the

PCM’s financial position while presenting what the school owns versus owes.

3. **Profit & Loss Statement/Income Statement:** Provides a view over time of the revenues, costs, and

expenses incurred.

4. **Budget vs. Actual Report:** Provides viewers a snapshot of how well management is doing at meeting

the original budget goals for the year.

**HW BEFORE our February board meeting:**

To orient yourself examples of good governor questions please reference [this questions document](https://mypcm21.box.com/s/ma4w48j4tom9vowz0q5xihn9zkdiyrz8).

**By February 9th** please email me and indicate which one of the questions you do not know (if you don’t know any that is fine). This will help me identify how to structure the training for the board.