



DRAFT

Charge for the Finance Oversight and Review Committee (FORC)

Overview

District 97 has historically managed its finances with input from the community. It established two advisory committees—the Finance Task Force (2002) and the Finance Advisory Committee (2005-2006)—to enhance its ability to effectively reach out to residents and solicit feedback. Both committees had limited time commitments and specific reporting dates.

In fiscal years 2006 and 2007, there were several personnel changes in the district's business office. The office also assumed the cash and investment management responsibilities formerly handled by the Cicero Township Treasurer's Office.

In response to the changes in the business office, and in keeping with the district's commitment to seek community input on financial matters, the Board of Education will establish a standing Finance Oversight and Review Committee (FORC) that will be comprised primarily of individuals from the community.

Purpose

FORC will provide the Board of Education and administration with ongoing expertise, oversight and guidance on the district's fiscal operations. FORC will also review the district's financial performance, which will include activities such as monitoring budget projections in comparison to actual experience, examining rolling five-year projections, and reviewing and commenting on investments, budget development and the district's annual audit. The committee may take on additional activities as authorized by the board, and its actions will be governed by the board's finance and investment policies.

Charge

FORC will:

- Review budget to actual reports and budget variance reports.
- Review investment portfolio, strategy and performance on a quarterly basis; and identify and compare appropriate investment benchmarks against performance.
- Examine, at the board's request, specific issues related to budget development.
- Review the periodic selection of the audit firm and the scope of audit; read and note salient issues in the audit report; and provide guidance to the administration and board when necessary.
- Examine rolling five-year financial projections semi-annually; vet projection model assumptions annually; and notify the board of any significant changes.
- Provide guidance on improving communication about the district's finances and budget.
- Provide the board with a brief quarterly report on any material issues or trends; and an annual report summarizing FORC's activities, noting any significant issues or trends, including bond ratings and Illinois Financial Profile Scores, during the preceding and succeeding fiscal years.

Authority

FORC shall be a standing committee of the Board of Education.

Composition

FORC will consist of two board members, the assistant superintendent of finance and operations, the fiscal services administrator and seven board-appointed community members who possess relevant experience and knowledge. The board will ensure that the community members' participation on the committee will not create a conflict of interest.

One of the community members will serve as chair of the committee. For the first two-year term, the board will appoint the chair after which the committee will select its chair. With the exception of fiscal year 2008 when two of the community members will serve on the committee for one year, board and community members will serve on FORC for a two-year term with a maximum limit of four terms. FORC will meet at least quarterly.

Open Meetings

All FORC meetings will be subject to the Illinois Open Meetings Act.