



SUBJECT: Finance Committee Charter

PAGE 1 of 3

REVISED: 03.26.24

EFFECTIVE: 06.06.24

PURPOSE:

This charter sets forth the duties and responsibilities and governs the operations of the Finance Committee (“FC”) of the Board of Directors (“BOD”) of Sonoma Valley Health Care District (“SVHCD”), a nonprofit corporation organized and existing under the California Law.

The FC’s purpose is to assist the BOD in its oversight of the SVHCD’s financial affairs, including SVHCD’s financial condition, financial planning, operational, and capital budgeting, debt structure, debt financing and refinancing and other significant financial matters involving the SVHCD. The FC is the body which makes recommendations to the BOD on all financial decisions.

RESPONSIBILITIES:

Review Monthly Financial Operating Performance

- Review the SVHCD’s monthly financial operating performance. The FC will review the monthly financial statements, including but not limited to the Statement of Revenues and Expenses, Balance Sheet, Statement of Cash Flows, and Operating Indicator Report, prepared by management. The FC will also review other financial indicators as warranted.
- Review management’s plan for improved financial and operational performance including but not limited to new patient care programs, cost management plans, and new financial arrangements. The FC will make recommendations to the BOD when necessary.

Budgets

- Review and recommend to the BOD for approval an annual operating budget for the SVHCD.
- Review management’s budget assumptions including volume, growth, inflation, and other budget assumptions.
- Review and recommend to the BOD for approval an annual capital expenditures budget, and unbudgeted capital expenditures for SVHCD. If deemed appropriate by the FC, review and recommend to the BOD for approval projected capital expenditures budgets for one or more succeeding years.

Debt, Financing, and Refinancing

- Evaluate and monitor SVHCD’s long and short-term indebtedness, debt structure, collateral or security, therefore, cash flows, and uses and applications of funds.
- Evaluate and recommend to the BOD for approval proposed new debt financing, including lines of credit, financings and refinancing, including (i) interest rate and whether the rate will be fixed or floating rate; (ii) collateral or security, if any; (iii) issuance



SUBJECT: Finance Committee Charter

PAGE 2 of 3

REVISED: 03.26.24

EFFECTIVE: 06.06.24

costs; (iv) banks, investment banks, and underwriters retained or compensated by SVHCD in connection with any financing or refinancing.

- Review and recommend to the BOD all guarantees or other obligations for the indebtedness of any third party.

Insurance

- Review on an annual basis all insurance coverage, including (i) identity and rating of carriers; (ii) premiums; (iii) retentions; (iv) self-insurance; (v) stop-loss policies; and (vi) all other aspects of insurance coverage for healthcare institutions.

Investment Policies

- Review and recommend to the BOD, SVHCD's cash management and cash investment policies, utilizing the advice of financial consultants as the FC deems necessary or desirable.
- Review and recommend to the BOD, SVHCD's investment policies relating to assets of any employee benefit plans maintained and controlled by SVHCD, utilizing the advice of financial consultants as the FC deems necessary or desirable.

General

- Review and recommend the services of all outside financial advisors, financial consultants, banks, investment banks, and underwriters for SVHCD. Review annually SVHCD's significant commercial and investment bank relationships.
- Review and recommend consideration of any acquisition, merger, combination, or affiliation with another healthcare enterprise.
- Perform any other duties and responsibilities as the BOD may deem necessary, advisable or appropriate for the FC to perform.
- Perform such other duties and responsibilities as the FC deems appropriate to carry out its purpose as provided in this Charter.
- The FC will be invited to attend the presentation by SVHCD's independent auditors.
- The FC shall report to the BOD on the status of its prior fiscal year's work plan accomplishments by after the completion of the Financial Statement Audit.



SUBJECT: Finance Committee Charter

PAGE 3 of 3

REVISED: 03.26.24

EFFECTIVE: 06.06.24

Rules

Charter Review:	Will be reviewed/revise, at a minimum, every three years. Changes will be submitted to the BOD of Directors for approval.
Authority to Act:	In compliance with the Charter and as directed by Executive Leadership and the BOD
Meeting Schedule:	At least ten meetings per year
Voting Members:	The FC shall have at least seven and no more than nine voting members. <ul style="list-style-type: none">• 2 BOD members, one being the Treasurer<ul style="list-style-type: none">○ One of whom shall be the FC chair, the other the vice-chair• 4-6 SVHCD Citizens• At least one (1) member of the Medical Staff of Sonoma Valley Hospital (SVH)
Quorum Requirement:	Half plus one member present
Chair:	One of the appointed BOD Members
Composition:	Voting FC Members, Presenters, SVH Chief Executive Officer, and SVH Chief Financial Officer

FC Membership

The FC's membership is subject to the Approval of the BOD. The BOD shall recruit members of the FC that are representative of the diverse constituencies of SVHCD.

Public Participation

All FC meetings shall be announced and conducted pursuant to the Brown Act. The general public, patients, and their families and friends, Medical and SVH Staff are always welcome to attend and provide input. Other BOD members may attend but only as "observers" as defined in the Brown Act.