

Proposal for PSFC Financial Advisory Committee

Rev 9-3-25

Background

The aim of this proposal is to create a delegated work committee of members with financial expertise in collaboration with the Coop's financial team. The Committee will provide professional advice on all aspects of the Coop's finances, strengthen financial knowledge, and enhance financial management and administration.

Purpose

The Financial Advisory Committee will, on a regular basis, and in collaboration with the General Manager (GM), General Coordinator of Finance, and/or the current Treasurer, review the financial performance of, and economic conditions facing, the Coop and provide advice to the financial manager(s) on potential issues or concerns through its regular reports. Additionally, the Committee will adopt clear financial benchmarks to help the broader understanding of the financial health of the Coop.

This is not a decision-making committee. This committee is advisory only, intended to provide guidance on financial issues to the General Manager, GC-Finance, and/or the current Treasurer of the Coop. This committee will serve to advise these persons and be a font of expertise on which to draw.

Responsibilities

The Committee's core responsibilities will be to:

- Meet with the General Manager, GC-Finance and/or Treasurer at least four times a year to discuss the Coop's financial position.
- Conduct any economic studies, surveys or other activities required to perform its duties.
- Advise on the draft audit review process.
- Report to the General Meeting three times per year in collaboration with the GC-Finance and/or Treasurer. The committee will also publish their reports in the Gazette.

Additionally, the Committee will advise the General Manager, GC-Finance, and/or the current Treasurer on:

- Financial forecasting for the Coop, including financial benchmarks;
- The Coop's revenue strategy & markup levels;
- Investment strategies for the Coop's cash reserves;
- Economic conditions affecting the grocery industry and the Coop's economic environment;
- Short and long-term financial risk management;
- Issues posed by the Coop's audit and management letter;
- Other financial issues as relevant to the Coop's current situation; and,
- Other issues include the types of coverage and the amount of coverage of our business insurance policies.

The Committee will be provided data from the Coop's financial and membership systems to fulfill its duties on a reasonable or necessary basis.

The General Manager, GC-Finance, GCs, and/or the current Treasurer may assign additional tasks to the Committee as needed.

Membership

Committee members should have a well-developed understanding of financial reporting, accounting, and audits. They should represent the diversity of the Coop membership. Highly desirable skills include knowledge of the grocery industry's economics, advanced spreadsheet skills, economic forecasting, and knowledge of the fixed-income investment markets. Members should have a problem-solving orientation and be prepared to bring a professional and cooperative attitude toward solving disagreements.

Committee composition will include:

- No more than 5 non-staff Coop members including a member of the Pension Education Committee;
- The General Manager, CFO, and/or Treasurer of the Coop; and
- One additional GC

A Conflict of Interest Policy adopted by the PSFC applicable to members serving on special committees will apply to the membership of this Committee.

Members will receive work-slot credit for meeting time and conducting assignments outside of meetings up to 13 shifts per year.

Selection

A small selection committee of one or two GCs and two members will publicly solicit applications through the General Meeting, the Linewaiters' Gazette, and other methods. The committee will review applications according to an evaluation rubric based on the above membership criteria and conduct an interview process for highly-ranked candidates.

The selection committee will then recommend a slate of candidates for the committee to the General Meeting for their appointment.

Structure

The Committee will:

- Have a chair and secretary, who will be elected by the committee members annually.
- Meet at the PSFC or virtually no less than a quarterly basis.
- Take voting actions only at meetings that have a quorum of a simple majority of all voting members in good standing.
- Keep minutes of its meetings maintained by the Secretary.

The GC-Finance will serve as the primary point of staff contact for the committee; if that position is vacant, it will be the General Manager, and/or Treasurer of the Coop.

The committee may:

- Appoint up to 2 non-voting members who may receive work slot credit;

- Invite relevant member, staff, and non-member experts to attend meetings as observers or presenters;

The Committee will be formed for an initial two-year period beginning from the approval of the slate of candidates at the General Meeting. Participating members will be noted in the appointment resolution presented to the GM. The committee may temporarily replace members if openings occur.

After the initial two years, the Committee may seek approval from the General Meeting to continue as a permanent committee.

If approved to continue after the initial two-year period, the Committee's members will be elected by the General Meeting. If the Committee has submitted an agenda item that has been outstanding for more than three months for the GM to appoint vacant seats, the Committee may appoint those members until the GM takes action.