

FINANCE COMMITTEE

Current Chair: Michael Hendricks, PhD, ABPP

Responsibilities of the Finance Committee:

Finance Committee (FC) membership provides the opportunity to assist in protecting the financial strength and stability of the Association and in supporting the availability of resources to accomplish our mission. This includes:

1. Defining and monitoring the metrics to protect the long-term financial health of APA;
2. Assisting the association in moving forward with important program objectives within the context of our long-term financial health;
3. Contributing to major decisions regarding our investments, our real estate properties, and our operating budget;
4. Providing advice to the BOD and COR *prior* to major commitments being made; and
5. Helping to formulate responses to unanticipated/emergency events.

Association Rule 210.1 – Finance Committee

The Finance Committee shall be composed of seven voting members and up to seven nonvoting members. Of the voting members, two shall be elected each year for terms of three years, one slate shall be drawn from current Council members or Finance Committee members who have served within the previous seven years (including outgoing members of the Finance Committee); the second slate shall be drawn from APA members who have demonstrated interest and expertise in organizational financial policies and operations. No member may serve more than two consecutive terms. The seventh voting member of the Committee is the APA Treasurer, who shall serve as its Chair.

The non-voting members shall be representatives from the investment community (up to four) and the accounting/financial community (up to three) and are not usually psychologists. The non-voting members will be recommended by the Finance Committee and approved by the Board of Directors for terms of three years, which may be renewed at the recommendation of the Finance Committee and approval of the Board of Directors.

Consistent with the Finance Committee duties set forth in Article XI, Section 3 of the APA Bylaws, the Finance Committee shall review and make recommendations on all new business and any old business coming before Council having financial implications that have not already been provided for in the budget (authority over certain financial matters has been delegated by Council to the Board of Directors for a three-year trial period beginning March 1, 2014). It is the responsibility of the Committee to (a) review audit scope and approach; (b) monitor issues raised during the audit and management letter; (c) understand the major components of the consolidated financial statements; (d) ensure compliance with legal and regulatory requirements; and, (e) monitor major financial risk exposures and steps taken to control such exposures.

General Responsibilities

The Finance Committee members work collaboratively within task-oriented on topics noted above. These sub-groups may contain other FC members or members from the APA Audit Sub-Committee, the APA Investment Sub-Committee, or the Board Finance Sub-Committee. The work of these sub-groups may require a time commitment beyond the normal meeting schedule noted below.

Finance Committee Meetings:

The Finance Committee holds two 2-day face-to-face meetings each year, breakfast meetings on the first day of the February and August Council meetings as needed, and 18 regular conference calls. The Finance Committee meetings are held (separate from the APA consolidated meetings) in the spring and winter of each year (usually June and December). The 2021 meeting and conference call dates are noted on the next page. The topics/agendas of the calls are dependent on current circumstances but typically include the following:

- The topic of the January conference call provides an orientation call for new members.
- The topic of the April conference call will be to select and vote for the following year nominations for the FC.
- The quarterly Investment Subcommittee conference calls are held to review the performance of the long-term investment portfolio. The calls held prior to each face-to-face meeting include an interview/evaluation of chosen investment managers.
- The calls in October and November address the preliminary and final budget review.

Finance Committee members are asked to read and review e-mail communications to keep up to date on issues throughout the year.

The Finance Committee typically provides financial training calls for Finance Committee members and Board members, as well as training for Council and other governance members. These dates are not included in the 18 regular conference calls noted above.

APA is engaged in a process of transformation in accordance with the APA Strategic Plan. To achieve significant impacts in priority areas, contributions across APA are needed - including those of APA boards and committees. Given the importance of this approach, APA encourages nominees to review the Strategic Plan <https://www.apa.org/about/apa/strategic-plan/impact-apa-strategic-plan.pdf> to become familiar with the larger context in which their expertise and interests will contribute to APA's success.

FC, AC, and IC
Example 2022 Schedule of calls and meetings

| Month | Date | Time | Committee | Topic |
|--------------|--|-------------|------------------|---|
| January | Thursday, January 20th | 6:00 PM ET | Finance | Orientation |
| February | Thursday, February 17th | 6:00 PM ET | Finance | Budget Approval/Council preparation |
| | Friday, February 25th | TBD AM | Finance | Breakfast meeting before COR |
| | TBD | TBD | FC, IC | IC Quarterly Performance Call |
| March | Thursday, March 24th | 6:00 PM ET | Finance | TBD |
| April | Thursday, April 28th | 6:00 PM ET | Finance | Finance Committee nominations |
| May | Thursday, May 19th | 6:00 PM ET | Finance | TBD |
| | TBD | TBD | FC, IC | IC Quarterly Performance Call |
| | TBD | TBD | Audit | Audit review |
| June | Thursday, June 2nd (evening) Friday, June 3rd Saturday, June 4th | 6:00 PM ET | FC, AC, IC | TBD - Virtual All-day/In-person meeting |
| | Thursday, June 16th | TBD | Finance | TBD |
| July | Thursday, July 21st | 6:00 PM ET | Finance | COR preparation |
| August | Wednesday, August 3rd | TBD AM | Finance | Breakfast meeting before COR |
| | Thursday, August 25th | 6:00 PM ET | Finance | TBD |
| | TBD | TBD | FC, IC | IC Quarterly Performance Call |
| September | Thursday, September 22nd | 6:00 PM ET | Finance | TBD |
| October | Thursday, October 20th | 6:00 PM ET | Finance | Preliminary budget review |
| November | Thursday, November 17th | 6:00 PM ET | Finance | Final budget review |
| | TBD | TBD | FC, IC | IC Quarterly Performance Call |
| | TBD | TBD | Audit | Engagement letter and audit planning |
| December | Thursday, December 1st (evening) Friday, December 2nd Saturday, December 3rd | TBD | FC, AC, IC | TBD - Virtual All-day/In-person meeting |
| | Thursday, December 15th | 6:00 PM ET | Finance | BoD Update/Other topic TBD |