Audit Committee Charter
Adopted February 25, 2021

1. Audit Committee Purpose

The Audit Committee is appointed to assist the Executive Board (Board) in fulfilling its oversight responsibilities.

The Audit Committee’s duties and responsibilities are to:
- Oversee the integrity of the Foundation’s financial reporting process and systems of internal controls regarding finance, accounting, and certain compliance functions.
- Oversee and review the independence and performance of the Foundation’s external and internal auditors.
- Provide an avenue of communication among the external auditors, management, and the Board.
- Oversee management’s execution of the Advancement risk management program.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities.

2. Functions of the Audit Committee

Review the Foundation’s annual audited financial statements prior to distribution. Review shall include discussing with management and external auditors’ significant issues regarding accounting principles, practices, judgments, and estimates and ensuring that financial statements are understandable to the Committee and to others who will have a reason to rely on them.

In consultation with management and internal or external auditors, consider the integrity of the Foundation’s financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. Review significant findings prepared by the external and internal auditors together with management’s responses.

The Audit Committee is responsible for engaging the external and internal auditors. The external and internal auditors are ultimately accountable to the Audit Committee and the Board. The Audit Committee shall review the independence and performance of the external and internal auditors and discharge auditors or engage other auditors when circumstances warrant.

The Audit Committee shall approve the fees, as appropriate, to be paid to the external auditors.

On an annual basis, the Audit Committee shall review and discuss with the external auditors all significant relationships they have with the Foundation that could impair the auditors’ independence. The Committee has the authority to engage independent counsel or other advisors, as deemed necessary, to enable them to carry out their duties.

The Audit Committee is responsible for the appointment, dismissal, compensation, and oversight of the Foundation’s external auditor, subject to review by the entire Board.

Authority to change a fund’s purpose is delegated to the Audit Committee by the Board when the purpose becomes unlawful, impracticable, impossible to achieve, or wasteful, if the fund has a total value not more than $250,000 and is more than 20 years old. The new purpose must be consistent with the charitable
purposes expressed in the original gift documentation. In addition, this authority is often granted to the Board in the donor gift agreement.

In all cases, this authority is exercised only after extensive due diligence to locate the original donor or the donor’s family members. The new purpose is determined in close association with the University and with the original donor intent as the guiding principle.

Management is responsible for developing and maintaining an effective risk management program. The Audit Committee will have oversight responsibility to ensure that management is executing its plan. The program consists of risks that map to risk categories, and then further map to nine risk groups. Oversight of the risk groups will be assigned to individual committees of the board based on relevant areas of expertise. Each committee will be responsible for reviewing the categories and appetite scores within their assigned group(s); ensuring that management has implemented sufficient and effective mitigation strategies; and discussing emerging risks not yet represented within their expertise and assigned group(s).

The Audit Committee shall:

- Approve Audit Committee workplan annually.
- Prior to releasing the audited financial statements, discuss the results of the audit with the external auditors. Discuss certain matters required to be communicated to audit committees in accordance with AICPA rules.
- Work with internal auditors to determine areas for review and review engagement results with internal auditors.
- Report the results of the audit and the Audit Committee’s reviews to the Board.
- Review and discuss the audit plan, audit report, findings, and follow-up actions of the Foundation’s internal auditors.
- Review and approve the IRS Form 990 for the Foundation and the Alumni Association.
- Annually, the Audit Committee will provide a report of actions taken, with regard to fund purposes, to the Board.
- Review internal financial reports.
- Review composition of Finance & Accounting staff.
- Review results of risk-based disbursement review program.
- Review and approve accounting policies.
- Review complaints from the university’s whistleblower’s hotline reported by the university’s internal audit.
- Consider changes to the charter that are necessary as a result of the new laws, regulations and best practices.

3. Composition of the Audit Committee

The Audit Committee consists of approximately 12 members. Members of the Audit Committee are appointed by the Board Chair. Members shall have a high level of familiarity with financial management and accounting practices.

4. Meetings

The Audit Committee shall meet four times a year, including a meeting each fall to review the results of the external auditor. The Audit Committee shall review and approve the audit plan for the internal and external audits. The Audit Committee shall also meet as necessary to review matters relating to the Audit Committee’s functions.
 Portions of all meetings with external auditors and internal auditors shall be held without any other members of management present in executive session. When necessary, meetings may be held by telephone or video conference.

5. Conflicts of Interest

Each member of the Committee must be free from any financial, family, or other personal relationship that would interfere with the exercise of his or her independent judgment in carrying out the member’s duties.

In addition to complying with the Foundation’s policy on Conflicts of Interest as set forth in the bylaws, each member of the Audit Committee is subject to the following criteria. Members of the Audit Committee may not:

- accept directly or indirectly any consulting, advisory, or other compensatory fee from the Foundation; or
- be an affiliate of the Foundation or any subsidiary.