

UNIVERSITY OF FLORIDA FOUNDATION, INC.
Audit Committee Charter

1. Audit Committee Purpose

The Audit Committee is appointed to assist the Board of Directors 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 legal compliance.

Oversee and review the independence and performance of the Foundation's independent and internal auditors.

Provide an avenue of communication among the independent auditors, management, and the Board of Directors.

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 should include discussing with management and independent 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 independent 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 independent and internal auditors together with management's responses.

The independent auditors are ultimately accountable to the Audit Committee and the Board of Directors. The Audit Committee shall review the independence and performance of the auditors and recommend to the Board of Directors the appointment of the independent auditors or approve any discharge of auditors when circumstances warrant.

Approve the fees and other significant compensation to be paid to the independent auditors.

On an annual basis, the Audit Committee should review and discuss with the independent 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 independent auditor, subject to review by the entire Board.

Authority to change a fund's purpose is delegated to the Audit Committee by the Board of Directors 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.

The Audit Committee shall:

Prior to releasing the audited financial statements, discuss the results of the audit with the independent auditors. Discuss certain matters required to be communicated to audit committees in accordance with AICPA rules.

Select areas for internal audit review and review the results with the internal auditors.

Report the results of the audit and the Audit Committee's reviews to the Board of Directors.

Consider changes to the charter that are necessary as a result of the new laws, regulations, and best practices.

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.

3. Composition of the Audit Committee

Members of the Audit Committee are appointed by the Chair. Members should have a high level of familiarity with financial management and accounting practices.

4. Meetings

The Audit Committee shall meet at least three times a year, including a meeting each fall to review the results of the independent auditor. The Audit Committee shall review and approve the audit plan for the internal and independent audits. The Audit Committee shall also meet as necessary to review matters relating to the Audit Committee's functions.

Portions of all meetings with independent accountants and internal audit officials shall be held without any other members of management present. When necessary, meetings may be held by telephone at the discretion of the Chair of the Audit Committee.

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:

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

Approved by the Audit Committee on December 12, 2019