

Rose Community Foundation Audit and Finance Committee Charter

Committee Role

The Audit and Finance Committee of Rose Community Foundation acts on behalf of the Board of Trustees and oversees all material aspects of the organization's financial reporting, internal control and audit functions. Committee members also serve as members of the Gift Acceptance Committee (see separate charter for responsibilities.)

Committee Membership

The Committee consists of independent, non-executive Board members. Committee members shall have knowledge of the primary activities of the Foundation, the ability to read and understand nonprofit financial statements, and the ability to understand key operational and financial risks and related controls. The Committee shall have access to its own counsel and other advisors at the Committee's sole discretion.

Committee Responsibilities

Financial Reporting

- *Review and assess the financial statements before they are released to the public or filed with regulators.*
- *Review and assess the key financial statement issues and risks, their impact or potential effect on reported financial information, management and auditors' views on these issues and the basis for their conclusions.*
- *Approve changes in important accounting principles and the application thereof in both interim and annual financial reports.*

Risks and Controls

- *Review and assess the organization's operating and financial risk management process, including the adequacy of the overall control environment and controls in areas representing significant risk.*
- *Review and assess the organization's system of internal controls for detecting accounting and financial reporting errors, fraud, and noncompliance with regulations. Review the related findings and recommendations of the external auditors, together with management's responses.*

- ❑ *Discuss with legal counsel any matters that may have a material impact on the financial statements.*
- ❑ *Provide a process for confidential handling of employee complaints concerning accounting.*
- ❑ *Review potential conflict of interest situations and determine if action or approval by the full Board is appropriate.*
- ❑ *Review the annual budget and make recommendations to the Board regarding the ongoing financial management of the Foundation's assets.*

External Auditors

- ❑ *Recommend the selection of the external auditors for approval by the Board of Trustees*
- ❑ *Meet with the external auditors, without management present, to review the results of the annual audit and related comments.*
- ❑ *Provide a medium for external auditors to discuss with the Committee their judgments about the quality, not just the acceptability, of accounting principles and financial disclosure practices of the Foundation*
- ❑ *Review and pre-approve any non-audit services to be provided by external auditors*

Executive Compensation

- ❑ *On an annual basis, review the compensation of the President and Chief Executive Officer of the Foundation (and of any other officers determined by the Committee to be included) to ensure that such compensation is reasonable as compared to peers in other community or private foundations*
- ❑ *Meet with the President and Chief Executive Officer of the Foundation to establish performance goals and objectives for the upcoming year. These goals and objectives and the degree to which they have been accomplished will be reviewed annually during the compensation review.*

Committee Operating Principles

The Committee shall meet at least twice a year. Additional meetings may be scheduled as considered necessary. The Committee shall report at least twice a year to the full Board of Trustees.