Audit and Finance Committee Charter Guidelines[1]

Audit and Finance Committees

Committee Composition and Structure	1. Each member shall be a **member** of the Board of Directors, **in good standing**, and shall be **independent** in order to serve on either committee.
	2. At least one member of each committee shall be designated as a **financial expert**
	3. **Review the Committee's charter annually**. Reassess its adequacy, and recommend proposed changes to the Board of Directors. Consider changes that are necessary as a result of new laws or regulations
	4. **Meet at least XX times per year**. The Audit Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.

	Audit Committee	Finance Committee
Committee Duties	1. **Appoint the independent auditors**, establish the audit fees, and pre-approve any non-audit services. Evaluate the performance of the independent auditor, ensuring continued independence.	1. Advise the Board with respect to making **significant financial decisions.**
	2. **Hire outside counsel** or other consultants as necessary.	2. Regularly **review financial results**.
	3. Conduct **executive sessions** with the outside auditors.	3. Develop a **financial reporting package** that provides financial reports with sufficient detail to support the Board's fiscal oversight responsibilities.
	4. Review all **material written communications** between the independent auditors and management, such as the management letter.	4. Ensure that **accurate and timely financial information** is presented to and understood by the Board.
	5. Review the **financial statements**, audit of the financial statements, judgments about the quality of accounting principles, significant changes required in the audit plan, and serious difficulties with management during the audit.	5. Ensure that all Board members **receive required statements** before each Board meeting, allowing sufficient time for Board members to review.
	6. Inquire about **significant risks or exposures** facing the organization; assess the steps management has taken or proposes to take to minimize such risks; and periodically review compliance with such steps.	6. Ensure management has **mechanisms in place** to monitor the budget on a monthly basis.
	7. Review **legal and regulatory matters** that may have a material impact on the financial statements.	7. Perform **ongoing monitoring of the budget**, including re-estimates, if necessary.
	8. Review the IRS **Form 990** annually, prior to submission.	8. Ensure the budget allows management to make **spending decisions** within pre-authorized guidelines.
	9. Ensure that **accounting policies and procedures** and related **internal controls** are adequate, documented and reviewed with the committee.	9. Set **investment** objective, strategy and policy.

[1] Adopted from the American Institute of Certified Public Accountant's (AICPA) "Audit Committee Charter Matrix" in the *Audit Committee Toolkit,* 2010.

	10. Review procedures for **receipt, retention and treatment of complaints** regarding accounting, internal controls, or auditing matters by any party internal or external to the organization.	10. Oversee the management of organization-wide **financial assets**.
	11. Annually review the organization's **document retention and destruction policy** with the chief audit executive, management, external auditors and the Board of Directors.	11. Oversee the preparation and implementation of the **governance policies** referenced in Form 990: conflict of interest, document retention and destruction, whistle-blower, review of executive compensation, endowments, investments, and so on.