
**BOISE STATE UNIVERSITY FOUNDATION, INC.
FINANCE & AUDIT COMMITTEE CHARTER**

Effective Date: November 10, 2023

MISSION:

The Finance and Audit Committee (“Committee”) is responsible for providing assistance to the Foundation and the Board in fulfilling its financial oversight responsibilities.

COMPOSITION:

The Board shall appoint a Finance and Audit Committee comprised of at least five (5) Directors, including the Committee Chair, as mandated by the Bylaws.

Independent members of the Board:

- Are not members of the Foundation management team;
- Do not receive any compensation (either directly or indirectly) from the Foundation as a consultant for other professional services; and
- Are free from any relationship that would interfere with the exercise of his/her independent judgment or cause the appearance of a conflict of interest.
- The Board Chair will appoint a member of the Committee as Committee Chairperson who may serve in such position for no more than two consecutive two-year terms.
- Members of the Committee will have the financial competency to understand financial statements, evaluate proposals for the annual audit and make sound financial decisions as part of their fiduciary responsibilities.

MEETINGS:

The Committee will meet as needed to address matters on its agenda, but not less frequently than four times each year.

COMMITTEE OBJECTIVES:

1. Oversee the integrity of the Foundation’s financial accounting and reporting processes, systems of internal controls and use of assets.
2. Oversee the engagement and performance of the independent auditors and the staff with accounting and finance responsibilities.
3. Oversee the Foundation’s compliance with legal and regulatory requirements.
4. Oversee the operation of designated policies, including conflicts of interest and code of ethics.
5. Provide an avenue of communication among the Foundation’s independent auditors, management, staff and the Board of Directors.

ROLES & RESPONSIBILITIES:

General:

Keep minutes of each Committee meeting.

Perform an evaluation of its performance on a periodic basis to determine whether it is functioning effectively, whether its charter is adequate, and recommend any proposed changes to the board for approval.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as to anyone in the Foundation. The Committee has the authority to retain, at the Foundation's expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties, however the Committee will be prudent with any and all expenditures.

In carrying out its responsibilities, the Committee's policies and procedures should remain flexible in order to react to changing conditions and to ensure to the Board and public that the accounting and reporting practices of the Foundation are of the highest quality.

Audit:

Conduct executive sessions with the outside auditors and Executive Director. Provide sufficient opportunity for the independent auditors to meet privately with the members of the Committee.

The Committee will recommend to the Board the appointment of independent auditors, establish audit fees, and approve any non-audit services provided by the independent auditors, including tax services, before the services are rendered.

Evaluate the independent auditors, and consider changing auditors (partner or firm) every five years at a minimum.

Inquire of management and the independent auditors about significant risks or exposures facing the Foundation; assess the steps management has taken or proposes to take to minimize such risks; and periodically review compliance with such steps.

Establish and review with the independent auditors and Executive Director the audit scope and plan of the independent auditors.

Inquire as to the independence of the outside auditors and obtain from the outside auditors (at least annually) a formal written statement delineating all relationships between the outside auditors and the Foundation and University.

Review with the independent auditors and the Executive Director the adequacy of the Foundation's internal controls and any related significant findings and recommendations of the independent auditors, together with management's responses thereto. Obtain annually from the independent auditors a letter regarding the adequacy of internal controls.

Review with management and the independent auditors the effect of any regulatory and accounting initiatives as well as other unique transactions and financial relationships, if any.

Review with independent auditors:

- All critical accounting policies and practices used by the Foundation.
- All significant alternative treatments of financial information within generally accepted accounting principles that have been discussed with management of the Foundation, ramifications of each alternative and the treatment preferred by the Foundation.
- The quality and performance of the Foundation's finance and accounting personnel.

Review all material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.

Review with management and the independent auditors:

- The Foundation's annual financial statements and related footnotes.
- The independent auditors' audit of the financial statements and their report thereon.

- The independent auditors' judgments about the quality, not just the acceptability, of the Foundation's accounting principles as applied in its financial reporting.
- Any significant changes required in the independent auditors' audit plan.
- Any serious difficulties or disputes with management during the audit.

Assure that the audit is presented to the full Board of Directors with a recommendation by the Committee for or against acceptance by the full Board.

While the Committee has the responsibilities and powers set forth in this document, it is not the duty of the Committee to plan or conduct audits or to determine that the Foundation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Management is responsible for the preparation, presentation, and integrity of the Foundation's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Foundation. The independent auditors are responsible for auditing the Foundation's financial statements.

Budget:

The Committee will review the annual budget prepared by staff and recommend a final budget to the Executive Committee and Board.

Financial:

Review interim financial statements with the Executive Director. Be briefed on how management develops and summarizes interim financial information. Inquire about any unusual items.

Risk Management:

Review with management, independent auditors and legal counsel (as needed) the legal and regulatory matters that, in the opinion, of management, may have a material impact on the financial statements and related Foundation compliance policies.

Review the Foundation's risk management procedures and policies, ongoing and potential litigation matters and legal exposures, and insurance coverage for the Foundation.

Review the following Foundation policies at least once every three years:

- Conflict of Interest Policy
- Whistleblower Policy
- Document Retention Policy

Review the procedures for the receipt, retention, and treatment of complaints received by the Foundation regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the Foundation. Review any complaints that have been received, current status and resolution.

Review procedures for the confidential, anonymous submission by employees of the Foundation of concerns regarding questionable accounting or auditing matters.

STAFF:

Primary staff support for the Committee is provided by the Executive Director, Finance Manager, and Director for Foundation and Board Operations.