

# Finance Committee Charter

## Section 1: Purpose

The Finance Committee (“Committee”) shall be a committee of the Gamma Phi Beta Foundation (“Foundation”). Its purpose shall be to provide advice and counsel to the Foundation Board of Trustees (BOT) regarding, and oversight of, financial matters of the organization.

## Section 2: Relationship to the BOT

The Foundation Finance Committee chair shall serve as a liaison between the BOT and the Committee. Providing a majority of the members of the Finance Committee are Trustees, the BOT may, by BOT resolution, authorize it or any of its subcommittees to act on behalf of the BOT in overseeing the financial operations of the Foundation.

## Section 3: Finance Committee Composition

The Finance Committee shall be composed of at least five, and no more than seven members, including the chair, at least three of whom shall be BOT members. In ongoing efforts to advance belonging, equity, diversity and inclusion across the Foundation, the Committee will use its best efforts to recruit members to reflect that commitment.

The Foundation chair, chief executive officer (CEO) and chief financial officer (CFO) shall serve as ex officio, non-voting members of the Committee.

If needed and appropriate, and approved by the BOT, the CEO may assign one member of the staff to the Committee and/or any of its subcommittees as an ex officio, non-voting member to serve as a liaison among the Committee and subcommittee members and Foundation staff.

## Section 4: Appointments and Terms of Office

**Committee chair:** The Committee chair shall be elected by the BOT for a two-year term. She may serve no more than two terms or four consecutive years. The chair serves as an ex officio, voting member of the Committee and all subcommittees.

**Finance Committee members:** The Committee chair shall be responsible for appointing and likewise removing all Finance Committee members. The members shall be approved by the BOT and shall be appointed for a term of three years; provided, however, that Trustees appointed to the Committee shall be appointed for a term of one year, which term may be renewed on an annual basis up to a maximum of six consecutive years. Committee members who have met the maximum consecutive term can be reappointed after a three-year break.

Terms commence August 1 and conclude July 31.

## Section 5: Expectations

**Good standing:** Gamma Phi Beta members who serve on the Committee and subcommittees shall be in good standing with Gamma Phi Beta Sorority.

Confidentiality Statement and Conflict-of-Interest Policy: The Committee chair and its subcommittee members shall be required to sign a Confidentiality Statement and a Conflict-of-Interest Policy annually.

## Section 6: Job Descriptions

### Finance Committee Chair

The Finance Committee Chair shall work with the Foundation chair and Foundation staff to:

- Lead the Finance Committee in its responsibilities pursuant to this charter.
- Develop an annual calendar of financial oversight work for the Committee and the Foundation.
- Working with the Foundation's CFO, maintain the financial files for the Foundation, including final versions of all governing documents, policies and procedures.
- Review financial statements of the Foundation monthly, providing input to the Foundation staff, as appropriate.
- Review investment statements of the Foundation monthly, providing input to the Foundation staff and investment advisor, as appropriate.
- Oversee request for proposal process for investment advisor no less than every five years.
- Provide input on the request for proposal process for the external auditor no less than every five years.
- Develop presentations to the BOT and Committee and facilitate open communication.
- Schedule and chair all Finance Committee meetings.
- Establish the agenda for each Committee and subcommittee meeting.
- Ensure training for new Committee members.
- Solicit input from Finance Committee members on possible amendments to the finance charter at least annually. As appropriate, submit any proposed amendment(s) to the BOT for approval.
- Provide leadership and direction to the Committee and any subcommittee in setting priorities, making assignments, establishing timelines, reviewing data and distributing information.
- Report periodically to the BOT on activities of the Committee and its subcommittees, with written reports provided in accordance with the meeting homework schedule.

### Vice Chair

The chair, with the approval of the Governance Committee, may appoint a vice chair of the Committee. The vice chair does not need to be a member of the BOT. In the absence of the chair, the vice chair shall perform all duties of the chair. In addition, the chair may delegate to the vice chair any of the chair duties set forth in Section 6 (a) of this charter.

### Finance Committee

The Committee shall work with the Finance chair, Foundation chair and the Foundation staff to:

- Review and approve annual operating budget.
- Monitor adherence to the budget.
- Review financial statements of the Foundation monthly and provide input, as appropriate.
- Review liquidity status on a regular basis.
- Review and recommend major capital expenditures or disposals.
- Set long-range financial goals along with finding strategies to achieve them.
- Develop multi-year operating budgets that integrate strategic plan objectives and initiatives.

- Present all financial goals and proposals to the BOT for approval.
- Develop useful and readable report formats with staff.
- Develop a list of desired reports noting the level of detail, frequency, deadlines and recipients of these reports.
- Work with staff to understand the implications of the reports.
- Present the financial reports to the full BOT.
- Evaluate the need for an audit of internal controls. If necessary, create, approve and update policies and ensure policies and procedures are reviewed annually.
- Ensure policies and procedures for financial transactions are documented and reviewed at least annually. Ensure updates occur, as necessary.
- Ensure approved financial policies and procedures are being followed.
- Review and recommend any changes in signature and wire transfer authority resolutions concerning financial and investment matters for approval by the BOT.
- Recruit and select the auditor, including on a periodic basis, a third- party internal auditor.
- Review the draft audit and 990 before submitting to the BOT for review. The Committee's review shall include discussion with management of significant issues recording accounting principles, practices and judgments, including any matters required to be communicated to the Committee by the independent public accountants under applicable professional standards.
- Coordinate the presentation of the audit report to the BOT.
- Review the management recommendation letter, if applicable, from the auditor and ensure follow-up on any issues mentioned.
- Review the Foundation's financial reporting policies and recommend appropriate revisions to the BOT; periodically review the Foundation's compliance with such policies and report results to the BOT.
- Approve the fees appropriately to be paid to external auditors.
- Review the investment, endowment distribution and administrative fees policies at least annually and recommend changes, if any, to the BOT for approval.
- Review investment statements of the Foundation monthly to determine compliance with the investment policy and provide input, as appropriate.
- Review on an annual basis the ending year balances of all endowments.
- Ensure provisions of the investment, endowment distribution and administrative fees policies are followed.
- Recruit and select the investment advisor, including engagement in the request for proposal process no less than every five years.
- Evaluate the performance of the investment advisor on an annual basis.
- When necessary, review business risks, including insurance coverage, pending or threatened litigation and public policy matters affecting the Foundation, including IRS and state attorney general activities not covered by other Committees.
- Set annual goals and objectives of the Committee.
- Perform other functions within the scope of the foregoing, which the Committee deems appropriate to undertake from time to time.
- Evaluate Committee progress toward achieving its goals.
- Set new goals based on the areas of focus in the Foundation strategic plan.
- Develop plans of action and assign responsibilities and timelines for completion of work.
- Develop recommendations for the BOT to consider.

- Annually review this charter and recommend appropriate changes to the BOT.
- Recommend an appropriate custodian of the Foundation's assets, including bank relationships, to the BOT.

### **Section 7: Committee Meetings**

The Committee shall meet at a minimum quarterly, and as often as it deems necessary to perform its responsibilities. A majority of the voting members of the Committee shall constitute a quorum. The Committee's actions shall be determined by a majority vote of its members present at a meeting with a quorum. When the Committee does not meet in person, its business shall be conducted via email, conference calls or other communication means.

The Committee shall deliver a report to the BOT when requested, including a description of all actions taken and recommendations made by the Committee at the meeting, for review and consideration by the Board and subject to such further action by the Board as the Board deems necessary and appropriate.

The Committee shall keep written notes of its meetings.

### **Expense Reimbursement and Tax-Deductible Donation**

Travel and other expenses on behalf of the Foundation shall be undertaken in accordance with the Foundation's administrative policy. The chair and Committee members are encouraged to cover as many of their meetings and other expenses as possible.

The Committee members may designate the Foundation as the recipient of any approved reimbursable and/or non-reimbursable expenses and receive credit for a tax-deductible donation. This gift shall be considered an unrestricted gift and credited toward her annual unrestricted recognition giving levels.

### **Section 8: Finance Committee Subcommittees**

The Finance Committee may form additional subcommittees to perform specific tasks. Any subcommittees shall follow the Committee meeting guidance in Section 7.

### **Section 9: Amendments to the Finance Committee Charter**

Absent a conflict with the Foundation Articles of Incorporation and Bylaws, the Finance Committee charter may be adopted, amended or repealed by a two-thirds vote of the BOT.