Audit Committee Purpose

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Audit Committee’s primary duties and responsibilities are to:

1) Confer with external auditors regarding the quality and integrity of the Foundation’s financial statements and the accounting process and systems of internal controls regarding finance, accounting, and use of assets;
2) Provide an avenue of communication among the external auditors, management, the appropriate internal staff, and the Board of Directors.
3) Oversee the independence and performance of the Foundation’s external auditors

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as to anyone in the Foundation. The Audit 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. The Audit Committee has access to funding for the payment of any registered public accounting firm engaged for the purpose of rendering or issuing an audit report or related services.

Audit Committee Composition and Meetings

The Audit Committee shall be comprised as outlined in the by-laws of the Foundation: Audit Committee members shall be appointed by the Board of Directors, and may include both directors and non-directors, subject to the following limitations: (a) members of the finance committee, if any, shall constitute less than one-half of the membership of the Audit Committee; (b) the chair of the Audit Committee may not be a member of the Finance Committee, if any; (c) the Audit Committee may not include any member of the staff, including the President or Chief Executive Officer and Treasurer or Chief Financial Officer; (d) the Audit Committee may not include any person who has a material financial interest in any entity doing business with this corporation; and (e) Audit Committee members who are not directors may not receive compensation greater than the compensation paid to directors for their Board service.

All members of the Audit Committee shall have a basic understanding of finance and be able to read and understand financial statements, and at least one member of the Audit Committee shall have a working familiarity with accounting and Audit Committee responsibilities.

The Audit Committee shall regularly consult with appropriate staff and meet at least once annually, or more frequently as circumstances dictate. The Committee shall meet privately in executive session at least annually with the external auditors to discuss any matters that the committee, Board of Directors, or President and Chief Executive Officer believes should be discussed.
Audit Committee Responsibilities and Duties

Review Procedures

The Audit Committee shall:

1) Review and reassess the adequacy of this Charter biannually

2) Review the Foundation’s audited financial statements prior to their distribution to the Board of Directors prior to its filing and any management letter issued, or proposed to be issued, by the external auditors of the Foundation. This review shall include discussion with the Chief Financial Officer, and external auditors of significant issues regarding accounting principles, practices, and judgments.

3) Consult with the Chief Financial Officer and the independent auditors to review the integrity of the Foundation’s financial accounting system and controls. In the course of this review the Committee shall-
   o Discuss whether management is setting the appropriate tone by communicating the importance of internal controls and working to ensure that appropriate staff members understand their roles and responsibilities;
   o Discuss significant financial risk exposures and the next steps management has taken to monitor, control, and report such exposures;
   o Discuss with management and the external auditors critical accounting policies and practices used by the Foundation, alternative treatment of financial information and the ramifications of the use of alternative disclosures and treatments.
   o Discuss with management and the external auditors major issues as to the adequacy of the Foundation’s internal controls and any audit steps taken to address deficiencies.

4) Provide a copy of the 990-PF either prior to or subsequent to filing

External Auditors

The external auditors report to and consult with the Audit Committee. To ensure this accountability, the Audit Committee shall annually:

1) Review the independence and performance of the auditors and appoint, reappoint, or discharge the external auditors as circumstances warrant.

2) Approve the retention, fees, and other significant compensation to be paid to the external auditors for audit and non-audit services.

3) Review and discuss with the external auditors any relationships that could impair the auditors’ independence.

4) Direct the external auditors promptly to notify the Audit Committee of any misappropriation of Foundation income or assets, illegal acts, or significant break-downs in the internal controls.

5) Review the external auditors’ audit plan prior to commencement of the audit.

6) Prior to distribution to the Board of Directors of the year-end financial statements, discuss the results of the audit with the external auditors, including all matters required to be communicated under standard practice by the auditors to audit committees in accordance with generally accepted auditing standards.

7) Ask for the external auditors’ judgment about the quality and appropriateness of the Foundation’s accounting principles, systems, and practices and review these judgments.
8) Discuss with the external auditors the Foundation’s compliance with restrictions on the use of its assets.
9) Discuss with external auditors any major issues as to the adequacy of the Foundation’s internal controls and specific audit steps adopted in light of material control deficiencies.
10) Review with the external auditors any audit problems or difficulties encountered by the external auditors in the course of the audit process, including any restrictions on the scope of the external auditor’s activities or access to requested information, any significant disagreements with management and management’s responses to such matters.
11) Consider the rotation of the lead audit partner and the audit partner responsible for conducting the audit, at least every seven years.

Notwithstanding the foregoing, the Audit Committee is not responsible for guaranteeing the external auditor’s report. The fundamental responsibility for the Foundation’s financial statements rests with management and the external auditors.

**Treatment of Complaints**

The Audit Committee shall:

1) Establish procedures for receipt, retention and treatment of complaints received by the Foundation regarding accounting, internal controls, or auditing matters.
2) Establish procedures for the confidential, anonymous submission by employees of the Foundation of concerns regarding questionable accounting or auditing matters.
3) Notify the President and Chief Financial Officer promptly of any reported misappropriation of Foundation income or assets, illegal acts, or significant breakdowns in internal controls.

**Other Audit Committee Responsibilities**

1) Perform any other activities consistent with this Charter, the Foundation’s Bylaws, and governing law, as the Audit Committee or the Board deems necessary or appropriate.
2) Maintain minutes of meetings and periodically report to the Board of Directors on significant results of the foregoing activities.