

FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS OF
THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE

CHARTER

I. PURPOSE

The primary function of the Finance Committee is to assist the Board of Directors (the “Board”) of The University Foundation at Sacramento State (the “Foundation”) in fulfilling its oversight responsibility for the financial activities of the Foundation by:

- Formulating the overall investment policies of the Foundation, subject to the approval of the Board, and establishing investment guidelines in furtherance of those policies;
- Monitoring the management of the portfolio for compliance with the investment policies and guidelines and for meeting performance objectives over time.
- Periodic review and selection of Investment Advisor
- Budgeting and financial planning and financial reporting;
- Review of staff reporting of accurate, timely and meaningful quarterly financial statements to the Board;
- Helping the Board to understand the Foundation’s finances;
- Monitoring of internal controls and accountability policies of the University Accounting Staff;
- Ensure the liquid assets of the Foundation are properly maintained through a custodian and the University Accounting Staff;
- Compliance with Federal, State and other reporting requirements;

II. COMPOSITION

(a) Qualifications and Appointment of Finance Committee Members. The Board appoints the Chair and members of the Finance Committee. Members of the Finance Committee shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

(b) Committee Membership. The Finance Committee shall consist of no fewer than three (3) members, and each member shall be a member of the Board. The Chair of the Audit Committee may not serve on the Finance Committee.

(c) Delegation. When appropriate, the Finance Committee may designate one or more of its members to perform certain of its duties on its behalf, subject to such reporting to or ratification by the Committee as the Committee may direct.

III. MEETINGS

The Finance Committee shall meet as frequently as circumstances dictate, but in no event less than [e.g. four (4) times] per year, and shall make a report to the Board at each Board meeting about the Committee's activities.

IV. RESPONSIBILITIES AND DUTIES

The Finance Committee shall, among other things:

1. Subject to the approval of the Board, set investment policies and guidelines, including policies and guidelines regarding asset classes, asset allocation ranges, and prohibited investments.
2. Oversee investment and reinvestment of the funds of the Foundation. The Committee may delegate investment functions to external investment managers.
3. Monitor the management of the funds by reviewing reports from investment advisors and by discussions with investment advisors at Committee meetings that focus on the primary determinants of returns, including asset allocation and investment strategy.
4. Evaluate investment performance of the fund based on a comparison of actual returns with the Foundation's absolute return objective, and with such other benchmarks as the Board or Committee may from time to time select with the assistance of the investment advisors. Compare the Foundation returns and composition of the investment portfolio with comparative sized educational institutions in the annual NACUBO investment reporting. The evaluation will take into account compliance with investment policies and guidelines and risk levels.
3. Review and make recommendations to the Board regarding the Foundation's budget, including the process used in developing the budget.
4. Review quarterly financial reports, including budget to actual reports and monitor performance against budget and projections.
5. Review and make recommendations to the Board regarding the establishment and termination of banking, investment advisory and custodial relationships.
5. Periodically review and assess the adequacy of this Charter and make recommendations to the Management and Governance Committee regarding changes.

6. Conduct an annual performance evaluation of the Committee and report its findings to the Chair of the Board.

Nothing in the foregoing list is intended to be, or shall, limit the scope of activities the Committee may undertake in the fulfillment of its purposes, as noted above. The Committee may perform such other or additional activities as it deems necessary or desirable consistent with this Charter and the Foundation's bylaws and governing law, or as may be delegated to it by the Board of Directors of the Foundation.