



## Finance and Audit Committee Charter

1. **Purpose:** The Finance and Audit Committee (“Committee”) is established by the Board (“Board”) of the Foundation for the National Institutes of Health (“FNIH”) to support the Board in fulfilling its oversight responsibilities relating to the FNIH’s financial reporting, investment, and budgeting processes as well as the adequacy of internal controls and the performance of the independent auditors.
2. **Members:** The Finance and Audit Committee shall consist of at least three voting, independent members of the Board of Directors. A majority of the Committee’s voting membership shall constitute a quorum to conduct business.

The Chair of the Board and the President and Executive Director shall serve as *ex officio* members.

3. **Meetings:** The Finance and Audit Committee shall meet at those times and places as determined by the Chair of the Committee, and normally not less than twice per year. It shall meet with the President and Executive Director, and any other Officers or employees the Committee deems appropriate, to discuss and review matters contemplated by this Charter.

Reasonable notice of meetings shall be given to all Committee members or may be waived in the same manner as required for meetings of the Board. Meetings of the Committee may be held by means of conference telephone or other communications equipment that allow all persons participating in the meeting to hear and speak to each other.

In carrying out its role, the Committee may form subcommittees or retain outside consultants so long as it is within a budget approved by the Board for that purpose.

4. **Minutes:** The Finance and Audit Committee shall maintain minutes of its meetings and regularly report to the Board on its findings, recommendations, actions, and any other matters the Committee deems appropriate or the Board requests.
5. **Responsibilities:** The Finance and Audit Committee shall from time to time unless another interval is stated:
  - Each year review the proposed annual budget and recommend its approval to the Board
  - Review intra-year financial performance against approved budgets; Re-forecast budgets
  - Each year recommend to the Board the appointment and/or termination of the independent auditors and independent tax advisor
  - Each year review with management and the independent auditors the FNIH’s audited annual financial statements and management letter and recommend the approval of the financial statements to the Board.
  - Each year review any disagreements among management and the independent auditors in connection with the annual audit and any restrictions on the scope of work or access to required information.

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- Review and discuss with management and the independent auditors the adequacy of the FNIH's financial reporting processes, policies, and internal controls
- Recommend to the Board changes to management's signature authority concerning contractual agreements, checks, wire transfers, and banking and investment accounts.
- Review management's cash management plans and strategies
- Review changes to the FNIH's banking structure
- Ensure proper oversight of the FNIH's investments, including the setting of the investment policy statement, review of the strategic asset allocation, and the appointment and termination of investment managers
- Review potential material financial obligations or encumbrances outside the normal course of business including security interests, asset pledges, and leases
- Oversee management's administration of the employee defined contribution benefit plan
- Ensure there are adequate ethical standards, conflicts of interest, whistleblower, and document retention policies in place.
- Review any legal matter that could have a significant impact on the FNIH's financial statements
- Perform such other duties as are necessary or appropriate to further the Committee's purposes, or as the Board may from time to time assign to it.

Approved by the Board of Directors on May 23, 2019.