



THE RESEARCH FOUNDATION FOR THE STATE UNIVERSITY OF NEW YORK AUDIT & FINANCE COMMITTEE CHARTER

PURPOSE

The purpose of the Audit and Finance Committee (the "Committee") is to support the Board of Directors (the "Board") in fulfilling its responsibility to oversee The Research Foundation for The State University of New York's (the "Corporation") financial reporting, internal control processes, the effectiveness of the internal and external audit functions, the effectiveness of the compliance program, and fulfilling the Corporation's responsibility with respect to the supervision, care, and custody of all corporate assets.

COMMUNICATIONS

Any and all communications or inquiries by or on behalf of the Committee shall be made by the Committee as a whole through its Chair, the Secretary, the President of the Corporation, or the President's Delegate(s) to the Committee and not by individual Committee members.

COMMITTEE MEMBERSHIP AND MEETINGS

At least two-thirds of the Committee's membership must be comprised of Directors who are independent as defined by the New York Not-for-Profit Corporation Law, and, who are not Elected Officers, as defined in the Bylaws of the Corporation. The Committee shall be comprised of not less than five (5) nor more than nine (9) Directors. The Committee may invite experts to advise the Committee and have non-fiduciary non-voting advisory members on the Committee. Advisory members do not attend Board meetings and are not voting members. The Committee's composition will meet the following requirements:

1. The Independent Members shall have no relationship to the Corporation that may interfere with the exercise of their independence from the Corporation and the Corporation's management ("Management"). To be considered as an Independent Member, an individual cannot be currently employed by the State University of New York or a constituent campus or organization, i.e. SUNY Construction Fund;
2. Members shall be financially literate or shall gain a reasonable level of financial literacy sufficient for the Corporation's needs within a reasonable period of time after appointment to the Committee;
3. At least one member of the Committee must have accounting or related financial expertise; and
4. At least one member of the Committee must have experience as an internal auditor or an external auditor experienced in financial statements or public auditing.

The Committee shall meet at least three (3) times annually in conjunction with the Corporation's

Board meetings or at other times consistent with the Bylaws. Additional meetings may be held at the call of the Committee Chair or a quorum of the Committee members. Meetings may, at the discretion of the Committee, include members of Management, independent consultants, and such other persons as the Committee shall determine.

The Committee shall fix its own rules of procedure, which shall be consistent with the Bylaws of the Corporation.

DUTIES AND RESPONSIBILITIES

The Committee will perform its duties in accordance with the Corporation's mission. The Committee's responsibilities shall be limited to reasonably undertaking the following:

1. Financial statements and federally sponsored funds:
 - a. Review the scope of the audits of the Corporation's financial statements, including those related to the retiree health benefit trust of which the Corporation is the "Named Fiduciary," and the required Single Audit of federally sponsored funds pursuant to the Uniform Guidance to be performed by the independent auditors; and
 - b. Discuss the results of the annual audits with the independent auditors, including review of the plan of implementation for any recommendations provided by the independent auditors in a management letter and report these results to the Board.
2. Independent external audits:
 - a. Approve the selection, compensation, other terms of engagement, and termination of the Corporation's independent auditors performing external audits of the Corporation's financial statements, including those related to the retiree health benefit trust of which the Corporation is the "Named Fiduciary," the Single Audit, and other audits; and
 - b. Review the agreements with external auditors for terms or potential conflicts that might impair the auditor's independence.
3. Internal audits:
 - a. Approve Management's appointment, replacement, or dismissal of the Corporation's Vice President of Internal Audit Services;
 - b. Approve the Internal Audit Charter;
 - c. Review and approve the Internal Audit Budget; and
 - d. Approve and monitor progress and outcomes of the Internal Audit Plan.
4. Compliance:
 - a. Maintain oversight of the Office of Compliance Services and review the Corporation's compliance and enterprise risk management programs for consistency with industry norms and standards and regulatory requirements;
 - b. Review the Corporation's program for effectively managing policies and procedures related to ethics, conflicts of interest, and fraud;
 - c. Reasonably ascertain that the Corporation has the appropriate confidential mechanisms for individuals to report suspected fraud, waste, abuse, criminal activity, conflicts of interest, breaches of internal controls, or breaches of policy by directors, officers, employees, or any other persons having business dealings with the Corporation;

- d. Reasonably ascertain that the Corporation has procedures for the receipt, retention, investigation and/ or referral of complaints or concerns such as those described in (c) above;
- e. Review the management and coordination of special investigations conducted by the Corporation's Compliance, Internal Audit, or Legal staff and provide reasonable oversight as needed; and
- f. Maintain oversight of the policies governing conflicts of interest and related party transactions and review and oversee the management of potential conflicts of interest or related party transactions by members of the Board and the corporation.

5. Material Litigation and Legal Matters:

Review reports of material litigation and other material legal issues presented by the Corporation's General Counsel or Management and assess whether these matters are being managed reasonably and effectively.

6. Finance, Budget and Investments:

- a. Review the annual budget to ensure it complies with policies;
- b. Review management quarterly financial reports and assessment of financial risk annually;
- c. Periodically review financial policies used by management in carrying out the operations off the Corporation;
- d. Provide oversight of the financial impact of the employee benefit plans; and
- e. Review and Recommend to the Corporation's Board of Directors an investment policy (ies) which include the investments of the retiree health benefit trust of which the Corporation is the "Named Fiduciary."

7. The Ad-Hoc Independent Committee:

When required by New York Law or RF Policy, or at the request of an elected officer, Chief Compliance Officer, or VP of Internal Audit, or at the direction of the Chair or Vice Chair of the Board, the Chair of the Committee or a majority of Committee members, the Independent Members of the Committee shall convene in executive session as the Independent Committee of the Board to consider any matter requiring action or review by the Independent Committee.

8. Other:

- a. Review the Corporation's annual IRS Form 990 and 990T before its filing with the Internal Revenue Service;
- b. Annually assess the adequacy of the Committee charter and recommend changes to the Board as appropriate; and
- c. Have authority to retain consultants and other professionals and experts to assist in carrying out the Committee's duties and responsibilities, including authority to approve the associated fees and other retention terms; provided, however, that prior to any such retainer, the Committee shall provide to the Chief Financial Officer and General Counsel or their designees written notification of the intended terms and any associated contracts or agreements for review and approval of the form of the agreement.

Approved: September 1, 2020

Date: September 1, 2020

Replaces version dated: