



## **THE RESEARCH FOUNDATION FOR THE STATE UNIVERSITY OF NEW YORK AUDIT COMMITTEE CHARTER**

### **PURPOSE**

The purpose of the Audit Committee (the “Committee”) is to support the Board of Directors (the “Board”) in fulfilling its responsibility to oversee financial reporting, internal controls, material legal, audit and compliance matters, the effectiveness of the internal and external audit functions, and the effectiveness of the compliance program for The Research Foundation for The State University of New York (the “Corporation”).

### **COMMITTEE MEMBERSHIP AND MEETINGS**

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 have at least three (3) 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 full Board meetings. 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 or New York State;
2. At least one member of the Committee must have accounting or related financial expertise;
3. 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; and
4. [Preferred] At least one member must have experience in risk management, information security, corporate compliance or as a practicing attorney.

A single member of the Committee may satisfy two or more of the Committee composition requirements.

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 annually assess the adequacy of the Committee charter and recommend changes to the Board as appropriate.

## **DUTIES AND RESPONSIBILITIES**

The Committee will perform its duties in accordance with the Corporation's mission and shall undertake the following responsibilities:

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 adequacy of disclosures and 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 auditors:
  - a. Approve the selection, compensation, other terms of engagement, and termination of the Corporation's independent external auditors; and
  - b. Review the agreements with external auditors for terms or potential conflicts that might impair the auditor's independence; and
  - c. Review and approve contracts for any non-audit services provided by the external audit firm; and
  - d. Resolve disagreements between the external auditors and management, as necessary.
3. Internal audits:
  - a. Approve Management's appointment, replacement, or dismissal of the Corporation's Vice President of Internal Audit Services; and
  - b. Approve the Internal Audit Charter; and
  - c. Review and approve the Internal Audit Budget; and
  - d. Approve and monitor progress and outcomes of the Internal Audit Plan.
4. Tax filings and compliance:
  - a. Review the Corporation's annual IRS Form 990 and 990T before its filing with the Internal Revenue Service.

5. 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; and
  - b. Review the Corporation's program for effectively managing policies and procedures related to ethics, conflicts of interest, and fraud; and
  - 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; and
  - 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; and
  - e. As determined by Management, review hotline complaints and other internal investigations material to the Corporation's finances or outside the risk tolerance of the Corporation; and
  - f. Maintain oversight of Management's adoption of policies and procedures and other internal controls related to conflicts of interest and related party transactions including the oversight of the process of review and management of potential conflicts of interest or related party transactions by members of the Board and the corporation.
6. Material Litigation and Legal Matters:
  - a. 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.

## **OTHER PROFESSIONALS**

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.

## **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 Delegate(s) to the Committee appointed by the President and not by individual Committee members.

---

Approved: May 23, 2023

Date: May 23, 2023

Replaces version dated: September 1, 2020