

**Finance and Audit Committee Charter**

**Purposes.**

1. This Charter implements the Bylaws of **NAME OF ORGANIZATION** with regard to a Finance and Audit Committee.

2. The Finance and Audit Committee is delegated the authority to act for the Board in fulfilling the Board’s fiduciary duties by engaging in the activities identified in this Charter and by engaging in other activities assigned to the Committee by the Board, within the limits established in this Charter and the Bylaws.

3. The basic responsibility of the Finance and Audit Committee is to oversee the activities of **NAME OF ORGANIZATION** to ensure its fiscal stability and long-term economic health. Board responsibility for the budget, financial reporting, audits, investments, and financial relationships such as banking shall be addressed by the Finance and Audit Committee.

**Membership.**

The members of the Committee shall be able to read and understand basic financial statements, including a balance sheet, income statement and cash flow statement, and an external audit or financial review report and shall otherwise possess the skills to fulfill the duties established in the Bylaws and this Charter. The Committee is authorized to provide education to committee members in order to meet the requirements of this section.

**Meetings and Procedures**

1. The Committee shall hold meetings at the call of the Committee chair, Executive Director, or any two members.

2. The Committee shall either maintain minutes of its meetings and provide them to the full Board at regularly scheduled meetings or shall report to the Board (or, upon request, the Executive Committee of the Board), which shall incorporate the report of the Finance and Audit Committee into its written minutes.

**Ex Officio Members.** The Executive Director shall be an ex officio member without vote, invited to attend meetings of the Finance and Audit Committee, unless requested not to attend by the person acting as Chair. If the Board at any time appoints a person to act in the capacity of Financial Officer of MNA, that person shall be an ex officio member without vote, invited to attend meetings of the Finance and Audit Committee, unless requested not to attend by the person acting as Chair.

**Powers.**

The duties and responsibilities of the Finance and Audit Committee shall include, at a minimum, the following:

1. **Auditor or Financial Reviewer.** The Finance and Audit Committee shall select an auditor or financial reviewer and assure that the audit or financial review of the organization is conducted by an independent person. The Committee shall oversee the audit/financial review process. The Executive Director and any other member of management shall not be present during the portion of at least one meeting at which the audit or financial review are discussed with the auditor or financial reviewer. The committee shall present the results of the audit or financial review and any recommendations to the Board.

2. **Internal Controls**. The Finance and Audit Committee shall recommend internal control policies to the Board, consistent with sound financial practices recognized by the accounting industry for organizations of the size of MNA, and shall oversee the implementation of sound internal controls by management.

3. **Financial Statements and Records.** The Finance and Audit Committee shall oversee preparation and maintenance of the financial records of the organization and ensure that appropriate financial statements, including an account of major transactions and the financial condition of the organization, are made available to the Board of Directors on a timely basis.

4. **Budget.** The Finance and Audit Committee shall annually present a budget for approval by the Board of Directors prior to the annual Membership meeting, and shall monitor performance against the approved budget, developing remedial action recommendations as required.

5. **Oversight of Investments, Grants, and Restricted Funds.** The Committee shall recommend to the Board policies and procedures to make certain that MNA manages investments, grants, and restricted funds in accordance with contractual requirements, legally enforceable donor restrictions, accepted accounting practices, and applicable law. The Committee shall be responsible for overseeing management’s compliance with such board policies and procedures and applicable enforceable obligations of the organization.

6. **Financial Policies.** The Finance and Audit Committee shall recommend and oversee financial policies and other policies within the scope of its responsibilities under this Charter to the Board. Any policy within the scope of its authority under this Charter that is approved by the Finance and Audit Committee shall go into effect immediately, but shall be presented to the full Board for its information and consideration.

**Report to Board.** Any action taken by the Finance and Audit Committee between meetings of the Board shall be reported to the Board at the next meeting.