

# UNIVERSITY SYSTEM OF MARYLAND FOUNDATION, INC.

## Budget & Finance Committee Charter

### Mission Statement

The Budget/ Finance Committee (“Committee”) of the University System of Maryland Foundation, Inc. (Foundation) assists the Board of Directors (“Board”) in fulfilling its oversight responsibilities of Foundation financial policy and budget matters. This Committee reports to the Board on a regular basis regarding the overall financial status of the Foundation, including its budget and reserves.

In performing its duties, the Committee maintains effective working relationships with senior management of the Foundation and with other committees with responsibilities that impact the Foundation’s financial status and budget.

### Roles and Responsibilities

- ❑ In general, the Committee shall concern itself with fiscal policy, budgets, reserves, spending and revenue sources of the Foundation, with a view to ensuring its effective operation and long term fiscal health.
- ❑ The Committee shall review and consider the annual operating and capital budgets of the Foundation so as to ensure its funds are administered in accordance with the policies of the Board of Directors. It shall then recommend the budgets for approval to the Executive Committee.
- ❑ The Committee shall receive from management and review quarterly a report comparing actual revenues and expenditures to budget estimates accompanied by an explanation of variances.
- ❑ The Committee shall receive from management and review quarterly the statement of financial position.
- ❑ The Committee may be called upon from time to time by the Executive Committee or senior management to perform other functions related to the effective operation and long term fiscal health of the Foundation.
- ❑ To effectively perform his or her role, each Committee member must develop an understanding of the Foundation’s business operations and risks.

### Organization

- The Committee will be comprised of no more than **ten** members, and shall meet in person or via conference call at least four times a year. New members shall receive a copy of this charter upon appointment, and shall receive appropriate orientation from management and the Board

- Members of the Committee should be financially literate, and should possess the ability to read and understand budgets and the budget process. The Committee Chairperson should have financial management experience.
- All Committee members must be independent in that they have no relationship to the Foundation, its management, affiliated entities or any other organization that may interfere with such members' ability to fulfill their responsibilities. The Chairperson and other members of the Committee shall be appointed by the Board for three year terms as long as they remain a member of the Board.

### **Communications**

The Committee may, at its discretion, meet separately with the Foundation's external auditor, internal auditor, management, outside or inside counsel or others to discuss any matter that the Committee believes should be addressed in such an executive session.

The Committee shall formally report its activities to the full Board at least annually.