

Santa Fe Conservation Trust

FINANCE & AUDIT COMMITTEE CHARTER

Section I—PURPOSE:

The responsibility of the Finance & Audit Committee (hereafter referred to as the “Committee”) is to ensure the financial integrity of the Trust. This encompasses the protection of the assets of the Trust and the development of plans to ensure that ongoing revenues are sufficient to support the systemic level of expenditures. This committee will assist the Board of Directors and the Executive Committee in fulfilling their oversight responsibilities by monitoring: internal control and risk mitigation, financial statements, budget review, legal and regulatory compliance, independent auditor engagement, and the review of select policies and procedures, as enumerated below in Section IV: Responsibilities and Duties.

Section II—COMPOSITION:

Committee members shall have a basic understanding of finance, accounting and fundamental financial statements, and at least one member of the Committee shall be a financial expert as determined by the Executive Committee. The Treasurer is the chair of the Finance & Audit Committee, which includes at least one other member of the Board of Directors and up to two outside members, with a minimum of three members. The Finance and Audit Committee reports to the Board. The fiscal year of the Trust is the calendar year. The Committee may appoint a Compliance Officer who is a non-Board member. The Chair of the Board and the Executive Director are *ex-officio* members of the Committee.

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate.

Section III—MEETINGS:

The Finance & Audit Committee shall meet as frequently as circumstances dictate. Meetings of the Committee may be held at any time in person or by such electronic means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. The Committee shall meet periodically but a minimum of two times per year with the internal financial staff. At least once each year the Treasurer will consult with the independent Auditor to provide the opportunity for full and frank discussions without members of staff present.

Section IV—RESPONSIBILITIES AND DUTIES:

The following responsibilities and duties shall be the common recurring activities of the Committee in carrying out its responsibilities as outlined in the Purpose statement. These responsibilities and duties should serve as a guide, with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board Chair as related to the purposes outlined in the Purpose statement of this Committee Charter.

To fulfill its responsibilities and duties, the Committee shall:

1) **Internal Control & Risk Mitigation**

Review major financial risk exposures and evaluate steps to monitor and minimize such exposures; monitor the effectiveness of the Trust's internal control systems, including reviewing and implementing recommendations identified by the independent Auditor.

2) **Financial Statement & Budget Review**

Review and critique internal financial reports at each meeting. Annually prepare a functional operating budget, including recommendations on employee compensation and benefits, to be presented to the Board of Directors, preferably by the first meeting of the year.

3) **Legal & Regulatory Compliance**

Assure that SFCT has adequate Property, Corporate General Liability and Directors & Officers liability insurance. Assure that SFCT is in compliance with all applicable laws and regulations, including, but not limited to maintaining: Business License; Good standing with the NM Secretary of State, NM Attorney General, IRS & other tax entities and regulatory bodies.

4) **Independent Auditor Engagement**

Annually engage the services of an independent auditor to review the finances of SFCT and assist in the preparation and filing of the IRS form 990. Review the Audit, Letter to Management and prepare any necessary response, and ensure compliance with recommendations or solutions found therein.

5) **Review of Policies & Procedures**

Annually review and recommend changes to policies and procedures related to finances, including, but not limited to: this Finance Committee Charter, Investment Policy Statement, Compensation Policy, Gift Acceptance Policy and procedures for cash receipts and disbursement. Also review the Trust's disaster recovery and data recovery plans with the Executive Director.

6) **Recordkeeping**

Maintain minutes or other records of meetings and activities of the Committee.

7) **Conflict of Interest**

The Committee seeks to avoid conflicts of interest and breaches of confidentiality, and so each member shall review and sign the Conflict of Interest Policy annually.

Adopted: **April 12, 2019**

Updated: **January 19, 2021**

Brant Goodman, Secretary

Date