

# Finance Committee Charter

## 1. Purpose

The Finance Committee (the “Committee”) will assist the Board of Directors (the “Board”) of the Humane Society of the United States (the “HSUS”) in discharging its oversight responsibility relating to the budget and finances of the HSUS. The Committee will review the HSUS’s financial performance against its goals and review, from a financial perspective, commitments and transactions having a significant financial impact on the HSUS. The Committee will also provide oversight over investment policies and performance.

## 2. Composition

The Committee will consist of at least three members appointed by the Board. The Board will appoint one of the Committee members to serve as Chair after nomination by the Chair of the Board. The Board may remove a member from the Committee at any time, with or without cause.

## 3. Responsibilities

The Committee’s specific responsibilities include:

- a. Recommending policies to the Board that maintain and improve the financial health and integrity of the HSUS, including policies regarding spending authority, reserves, and credit arrangements;
- b. Reviewing and recommending to the Board an annual operating budget and material revisions to the annual budget and affiliate budgets as appropriate;
- c. Reviewing and approving unbudgeted capital expenditures and unbudgeted operating expenses that are above management’s spending authority but below the threshold required for Board approval;
- d. Reviewing the financial aspects of proposed transactions, new programs and services, and proposals to discontinue programs or services, that would have a significant financial impact on the HSUS;
- e. Monitoring the financial performance of the HSUS as a whole and its major program areas against approved budgets, long-term trends, and relevant benchmarks;
- f. Liaising with affiliate boards of directors on matters involving the financial health and financial performance of the HSUS’s affiliates that are relevant to the HSUS as a whole;
- g. Requiring and monitoring corrective actions to bring the HSUS into compliance with its budget and other financial targets;

- h. (i) Recommending to the Board policies governing investments, including spending of reserves, (ii) hiring, reviewing the fees and performance of, and terminating (if appropriate) investment managers, and (iii) periodically reviewing investment objectives, investment performance, and asset allocation among investment funds;
- i. (i) Reviewing and approving policies governing the HSUS's mission-related investments, and (ii) reviewing and approving actions related to mission-related investments, including purchasing, modifying, or terminating such investments, in accordance with established policies;
- j. Overseeing annuities and charitable remainder funds, including the day-to-day operations of the HSUS's gift annuity program in the State of California; and
- k. Performing such other duties and responsibilities as the Board may determine from time to time.

#### **4. Meetings and Operation of the Committee**

The Treasurer and Chief Financial Officer is the Committee's principal point of contact with management. The Corporate Secretary will schedule meetings, prepare agendas, and take minutes for the Committee. The Committee may request that the President and Chief Executive Officer provide additional staff support.

The Committee will meet as often as may be deemed necessary or appropriate in its judgment, either in person or telephonically, and at such times and places as determined by the Chair of the Committee.

The majority of the members of the Committee will constitute a quorum, and the vote of the majority of the members of the Committee present at a meeting at which a quorum is present will be the act of the Committee.

Minutes of Committee meetings will be prepared, furnished to Committee members for review, and approved by the Committee, all in a timely manner. The Committee will report regularly to the full Board with respect to its activities.

#### **5. Subcommittees**

The Committee may delegate its duties and responsibilities to one or more subcommittees, consisting of one or more members of the Committee, as it determines appropriate.

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**6. Annual Self-Evaluation and Charter Review**

The Committee will annually evaluate its performance and the adequacy of this charter and recommend changes to the Board as appropriate.

*Adopted by the Board March 19, 2019*

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