

**Society of American Archivists Foundation
Board of Directors Meeting
January 22 - 23, 2013
Chicago, Illinois**

**Appointment of a Foundation Finance Committee
(Prepared by Executive Director Nancy Beaumont)**

BACKGROUND

The SAA Foundation does not have a Finance Committee. Prior to adoption of the current bylaws and creation of a Board of Directors separate from the SAA Council, the SAA Finance Committee provided oversight for the (501[c]3) Special Funds.

Best practice for association foundations suggests that the SAA Foundation would be wise to appoint a Finance Committee to provide oversight of the Foundation's investment portfolio. This function cannot be assigned to the SAA Finance Committee.

Following is the current description of the SAA Finance Committee:

Society of American Archivists Finance Committee

I. Purpose

The Finance Committee is responsible for assisting the Council in meeting its fiduciary responsibilities by: monitoring the financial health of the organization, ensuring that its assets are protected, and providing advice and counsel to the SAA Treasurer and the Council on financial matters, including the investment program.

II. Size, Composition, Selection, and Length of Terms

The Finance Committee consists of six members: the SAA Treasurer (who serves as chair), the Executive Director, the Finance/Administration Director, and three SAA members appointed by the Vice President in consultation with the current Finance Committee members to determine what expertise is needed as appointments are made. The three appointed members of the Committee serve for staggered three-year terms, so that one individual is appointed by the Vice President each year. The Vice President may appoint a seventh member (as needed or appropriate) an individual who is not an SAA member or archivist, but who has special expertise in one or more aspects of financial management.

III. Reporting Procedures

The Finance Committee reports to each full meeting of the Council, typically via the Treasurer's formal written report, and also reports to the Council on special initiatives as necessary or requested.

IV. Duties and Responsibilities

- Review the Society's financial policies and make recommendations to the Council as appropriate.
- Review and monitor the Society's income and expenditures, annually review SAA dues and dues revenue to assure SAA's long-term financial stability, and report to the Council on SAA's financial needs and stability.
- Ensure preparation of accurate, timely, and meaningful financial statements.
- Meet (via conference call) with the independent auditor annually and review the Annual Audit Report. Review bids, interview, and recommend to the Executive Committee the selection of the external auditor every three years.
- Review and monitor the Society's investments portfolio and report to the Council on the growth and stability of the investments. Recommend changes to the investment strategy and the Investment Policy as appropriate.
- Review bids, interview, and recommend to the Executive Committee the selection of one or more investment consultants every three years.

V. Meetings

The Committee meets via conference call 1) after receipt of each quarterly report, in order to discuss the Society's financial standing; 2) prior to submission of a draft annual budget for Council review and adoption, in order to ensure that the draft budget is responsible and reasonable; 3) annually with the external auditor, in order to receive and discuss the Annual Audit Report; and 4) as needed with the investment consultant(s), in order to monitor investment performance.

Approved by the SAA Council: August 2009

Revised: May 2010

Because the description of the SAA Finance Committee was recently vetted, it may provide an appropriate model for a Foundation Finance Committee charge. As an example, the Duties and Responsibilities of the Foundation Finance Committee might be:

- Review the Foundation's financial policies and make recommendations to the Board as appropriate.
- Review and monitor the Foundation's income and expenditures to assure the organization's long-term financial stability, and report to the Board on the Foundation's financial needs and stability.
- Ensure preparation of accurate, timely, and meaningful financial statements.
- Meet (via conference call) with the independent auditor annually and review the Annual Audit Report. Review bids, interview, and recommend to the Executive Committee the selection of the external auditor every three years.
- Review and monitor the Foundation's investments portfolio and report to the Board on the growth and stability of the investments. Recommend changes to the investment strategy and the Investment Policy as appropriate.

- Review bids, interview, and recommend to the Board the selection of one or more investment consultants every three years.

Alternatively, the Board may wish to consider a very simple set of duties and responsibilities for a Finance Committee, as, for example:

- Ensure adequate financial controls.
- Ensure accurate tracking, monitoring, and accountability for Foundation funds.
- Oversee development of the budget for Board approval.

DISCUSSION QUESTIONS:

1. Does the Foundation Board wish to create a Foundation Finance Committee?
2. If so, are the suggested duties and responsibilities appropriate and complete?
3. If so, how does the Board wish to go about making appointments to the Finance Committee?