

HOUSTON COMMUNITY COLLEGE FOUNDATION
FINANCE AND INVESTMENT COMMITTEE CHARTER

This Charter sets forth the responsibilities of the Houston Community College Foundation's Finance and Investment Committee (Committee).

I. Purpose

The Committee of the Houston Community College Foundation's Board of Directors (Board) advises the full Board on policy matters and performance results related to investments, portfolio management, budget, financial management, and capital expenditures for the Houston Community College Foundation (Foundation). The purpose of the Committee is to take those actions judged necessary to optimize the long-term growth of the Foundation's Investment Portfolio while also making available the funds needed to meet its annual distribution requirements. The members will discharge their duties solely on behalf of the Foundation's mission.

The Committee has the overall responsibility for the oversight and administration of the Foundation investment portfolio. The Committee shall assist the Board in fulfilling its responsibilities with respect to the financial reporting process, the system of internal controls, and the Foundation's process for monitoring compliance with laws and regulations.

The Committee will assist the Board in fulfilling its oversight responsibilities relating to (a) the quality, integrity and timely preparation of financial reports and other financial information provided to the Houston Community College Foundation (Foundation) and Houston Community College (HCC) of internal accounting and financial controls; and (b) the evaluation of management's process to assess and manage the Foundation's enterprise risk issues.

II. Responsibilities

- a. Regarding Investment Portfolio Management and related policies, the Committee:
 - i. Develops and recommends the Foundation's Investment Policy Statement (IPS) establishing reasonable and consistent investment objectives, policies, and guidelines – including risk tolerance and time horizon – to direct the investment of the Investment Portfolio. The IPS shall be reviewed at least annually at the beginning of the fiscal year and whenever else deemed necessary;
 - ii. Recommends to the Board qualified investment professionals to manage the Foundation's Investment Portfolio, including managers, consultants, and custodians;

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- iii. Regularly evaluates the Foundation’s investment managers to ensure adherence to policy guidelines and to monitor progress toward investment objectives;
 - iv. Oversees regular investment performance reviews (to be held at least annually), and directs the Foundation President to enact those procedures deemed necessary to correct significant deviations from stated policies, guidelines, or performance objectives;
 - v. Reports regularly to the Board on the degree to which the management of the Investment Portfolio is consistent with stated policies, guidelines, and standards, and to which investment returns are meeting the Board's expectations, recommending changes and revisions to the investment policy as appropriate;
 - vi. Contributes to the ability of all members of the Board to fulfill their fiduciary obligations by providing opportunities for them to learn about the fundamentals of investing; and
 - vii. Recommends for approval by the Board, the designation of the Foundation’s administration who can execute documents and act on behalf of the Foundation in the ordinary course of business pursuant to previously approved banking, borrowing, and other financing arrangements.
- b. Regarding Financial Management, Reporting, and Related Policies, the Committee:
- i. Develops, for approval by the Board, policies, controls, guidelines, and standards governing the management of the Foundation's finances;
 - ii. Oversees the Foundation’s financial operating and reporting systems;
 - iii. Reviews and recommends to the full Board for action, the Foundation’s annual operating budget, and reviews quarterly financial statements;
 - iv. Ensures that the Foundation complies with all relevant federal, state, and other reporting requirements;
 - v. Reviews and recommends banking and other similar financial relationship selection and retention or termination for approval by the Board. Employs banks or financial institutions to handle the Foundation’s financial transactions. Reviews and recommends any changes in signature and wire transfer authority resolutions concerning financial and investment matters for approval by the Board;
 - vi. Reviews and recommends the annual operating budget, grant awards budget, and capital budget, including any necessary augmentations during the year;
 - vii. Reviews and recommends major capital expenditures or disposal thresholds to be codified in the Finance and Investment Policies. Reviews and recommends capital expenditures or disposals above the thresholds, including review of strategy for the disposal or management of donated real estate;
 - viii. Maintains an awareness of the financial condition of the Foundation and its progress in achieving its goals and objectives through a periodic review of the unaudited monthly financial statements. The Foundation’s administration is responsible for the development of a budget for Committee consideration and managing the budget throughout the year. The Foundation’s

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- administration is responsible for ensuring that expenditures are made in compliance with the budget approved by the Board;
- ix. Performs an annual self-assessment relative to the Committee's purpose, duties, and responsibilities outlined herein, reviews and assesses this Charter, and submits to the Foundation's Executive Committee any recommended changes. Upon approval by the Executive Committee, any recommended changes to the Charter will be submitted to the Board for approval;
 - x. Reports all actions taken by the Committee at the next regular meeting of the Board of Directors following the Committee meeting(s);
 - xi. Establishes or reviews and recommends expenditure priorities to support the fundraising goals consistent with the strategic plan of Houston Community College;
 - xii. Considers other finance and administrative issues delegated by the Board and not specifically handled by other Foundation Committees;
 - xiii. Periodically reviews, as deemed appropriate, expense reports and Foundation credit card activity; and
 - xiv. Advises the Board on other financial and stewardship matters such as: business risk, including insurance coverage; pending or threatened litigation; and public policy matters affecting the Foundation, including IRS and State Attorneys General activities not covered in other Committees.

III. Membership

The membership of the Committee shall consist of at least four voting members, all of whom shall be members of the Board of the Foundation. The membership shall be comprised of a Committee Chair, who also functions as the Foundation's Board Treasurer, and three other members of the Board. The Chairman of the Board serves as an additional voting committee member. All committee members shall be independent directors free from any relationship that, in the opinion of the Board, would interfere with his or her exercise of independent judgment as a member of the Committee. Members of the Committee shall be appointed to, and removed from, the Committee by the Board. Committee membership shall include at least one member with a basic understanding of accounting and fundamental financial statements, and/or capital structure/finance and one member with basic understanding of investment portfolio management. Additional committee members can be community volunteers who are not Foundation Board members and have skills and expertise needed to support the purpose of the committee. Members are appointed for one-year terms, commencing September 1. The Chair of the Committee may not serve longer than two (2) consecutive two-year terms. The Foundation President shall also serve on the Committee in a non-voting ex-officio capacity.

No member of the Committee may in the current fiscal year or in the previous fiscal year have been associated in the capacity of a full-time employee or of a compensated officer of Houston Community College or the HCC Foundation. Nor may any member of the Committee accept, either directly or indirectly, any consulting, advisory, or other compensatory fee from the Foundation.

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IV. Authority

The Committee, with approval from the Executive Committee, shall have the resources and authority it deems appropriate to discharge its duties and responsibilities; including, the selection, retention, termination and approval of fees and other retention terms of special or independent counsel, or other experts or consultants.

V. Meetings

The Committee shall hold regular meetings pursuant to the Foundation's governing documents. Special meetings of the committee may be held upon the call of the Committee Chair or Chairman of the Board, at any time that the attendance or consent of at least a majority of the committee can be obtained. Meetings may be in person or virtual.