

## The David and Lucile Packard Foundation

### FINANCE COMMITTEE CHARTER

**Finance Committee Purpose:** The Finance Committee (Committee) is established to assist the Board with all financial policies and strategy, including review of the annual operating budget. The Finance Committee is established by the Foundation's Amended and Restated Bylaws ("Bylaws") as a standing Committee of the Board.

**Membership:** The Committee shall be composed of at least two (2) members, with the President and CEO being an additional ex officio voting member. The Chairman of the Committee and all members will also be members of the Board of Trustees. If the Chairman of the Board is not a member of the Finance Committee, the Chairman may attend Committee meetings and vote on Committee actions.

**Authority and Responsibilities:** In carrying out the duties and powers described in the Bylaws, the Board grants the Committee authority and responsibility to:

- (1) Review and recommend banking and other similar financial relationship selection and retention or termination for approval by the Board. Employ banks or financial institutions to handle the Foundation's financial transactions other than investments. Review and recommend any changes in signature and wire transfer authority resolutions concerning financial and investment matters for approval by the Board.
- (2) Review and recommend the annual operating budget, grant awards budget, and capital budget, including any necessary augmentations during the year.
- (3) Review and recommend major capital expenditures or disposals, including review of strategy for real estate.
- (4) In coordination with the Investment Committee, review and recommend payout policy and other issues including the appropriate level for the annual grants budget in view of the annual 5% distribution requirement, actual and projected investment returns, and the current goal of the Foundation to operate in perpetuity.
- (5) Review and recommend policies governing the Mission Investments program.
- (6) Consider other finance and administrative issues delegated by the Board and not specifically handled by the Audit, Compensation, or Investment Committees.

- (7) Review the Foundation's Annual Tax Return (IRS Form 990-PF).
- (8) Review retrospectively on an annual basis expense reports and Foundation credit card activity for officers and other staff whose compensation is specifically disclosed in the 990-PF, Trustees, and other "disqualified persons" (family members).
- (9) Advise 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.
- (10) Advise on other finance matters as appropriate, whether delegated by the Board or submitted by the staff.
- (11) Report to the Board on Committee activities.
- (12) Review annually the Finance Committee Charter and recommend any changes to the Board.

**Operations of the Finance Committee:** The Committee Chairman, who shall be a member, shall preside at all meetings. Meetings may be in person or telephonic and the Chairman shall present any findings or recommendations to the Board. The Committee shall have the authority to delegate to subcommittees and to Foundation staff, consistent with the provisions of the Bylaws. A quorum shall consist of a majority of the members. Minutes shall be kept of each Committee meeting and shall be filed with the corporate records. The Committee shall conduct a performance self-evaluation that considers matters related to its responsibilities every two years after, and with input from, the Board self-evaluation process.