

SAN DIEGO STATE UNIVERSITY RESEARCH FOUNDATION FINANCE AND INVESTMENT COMMITTEE CHARTER

I. Overall purpose/objectives

The Finance and Investment Committee is appointed by the Board of Directors of San Diego State University Foundation (dba San Diego State University Research Foundation) to assist the Board in discharging its oversight responsibilities. The Committee will review and approve investment policies and objectives, labor agreements and business operations to ensure the balance, transparency and integrity of these activities. The Finance and Investment Committee will also review:

- Financial policies and strategies not under the auspices of the Audit Committee
- Annual and mid-year general fund budgets
- Primary banking relationships
- Real property expenditures or disposals
- Other financial and stewardship matters

The Committee shall maintain free and open communication and effective working relationships among the Committee members, investment managers and management of SDSU Research Foundation. To perform his or her role effectively, each Committee member will need to develop and maintain his or her skills and knowledge, including an understanding of the Committee's responsibilities and of SDSU Research Foundation's activities, operations and risks.

The Committee will take all appropriate actions to set the overall tone at SDSU Research Foundation for quality business processes, sound risk practices and ethical behavior.

II. Authority

The Board authorizes the Finance and Investment Committee, within the scope of its responsibilities, to:

- Perform activities within the scope of its charter.
- Consult independent counsel, consultants, and other advisers, as it deems necessary to carry out its duties; SDSU Research Foundation will fund such costs.
- Have unrestricted access to members of management, faculty and employees as well as to all books, records and facilities of SDSU Research Foundation.
- Establish procedures for the receipt, retention and treatment of complaints received regarding investment and operational policies or other matters falling within the scope of the Committee.

- Designate representatives to serve on the negotiation team as representatives of SDSU Research Foundation in collective bargaining with any bargaining unit and authorize said representatives to enter into tentative agreements, memoranda of understanding and other collective bargaining contracts or agreements, subject to Finance and Investment Committee approval.
- Approve any tentative agreements, memoranda of understanding and other collective bargaining contracts or agreements resulting from negotiations with any bargaining unit.

III. Organization

Membership

- The Board elects Finance and Investment Committee members and selects the chairperson of the Committee from its members.
- The Committee will consist of at least three and no more than five members and all members shall be independent. Members will be considered independent as long as they do not accept any consulting, advisory, or other compensatory fee from SDSU Research Foundation and are not affiliated persons of SDSU Research Foundation or management.
- Composition of the Finance and Investment Committee cannot have more than a 50% overlap of members with the SDSU Research Foundation Audit Committee.
- Each member should have skills and experience appropriate to the not-for-profit sector.

Meetings

- A majority of the voting members of the Committee will constitute a quorum for the transaction of business.
- Meetings shall be scheduled as needed throughout the year.
- The chair of the Committee shall develop, in consultation with management, the meeting agendas.
- The Committee shall maintain written minutes of its meetings.
- The Committee may invite others to its meetings, as it deems appropriate.
- Meetings of the Committee are subject to the requirements of California Education Code Section 89920 *et seq.*

IV. Roles and Responsibilities

- a. The Committee is responsible to see that the SDSU Research Foundation's Investment Policy is followed, modified and executed appropriately so that the long-term goals of the corporation are supported. This includes:
 - i. Setting investment policies (subject to approval of the Board) and guidelines, including policies and guidelines regarding asset classes, asset allocation ranges, and prohibited investments.
 - ii. Approving investment and reinvestment of the funds of the corporation. The Committee may delegate investment functions to officers and employees of the corporation, and to external investment managers.

- iii. Monitoring the management of the funds by reviewing written reports from investment managers and consultants and by discussions with investment managers and consultants at Committee meetings that focus on the primary determinants of returns, including asset allocation and investment strategy.
 - iv. Evaluating investment performance of the corporate funds based on a comparison of actual returns with the corporation's absolute return objective, and with such other benchmarks as the Board or Committee may from time to time select. The evaluation will take into account compliance with investment policies, guidelines and risk levels.
 - v. Attending to such matters as the Board may from time to time determine.
- b. Review the investments and allocations for the Retiree Medical Voluntary Employees' Beneficiary Association Trust (VEBA) to ensure compliance with SDSU Research Foundation's Investment Policy.
 - c. Review and recommend the primary depository banking relationship selection and retention or termination for approval by the Board. Annually review financial and investment transaction signature authority for the corporation and recommend any changes to be submitted to the Board for approval.
 - d. Review and recommend to the Board all long-term debt issuances.
 - e. Review and recommend annual and mid-year general fund budgets.
 - f. Review and recommend real property expenditures or disposals.
 - g. Consider other financial, operational or administrative issues delegated by the Board and not specifically handled by the Audit Committee. Issues considered may be identified by any member of the Committee.
 - h. Review the corporation's annual tax return.
 - i. Advise the Board on other financial and stewardship matters such as: business risk, including insurance coverage; pending, ongoing or threatened litigation; and public policy matters affecting the corporation, including federal or state activities not covered by the Audit Committee.
 - j. Advise on other matters as appropriate, whether delegated by the Board or submitted by staff of the corporation.
 - k. Provide oversight to ensure that negotiations and collective bargaining activity are conducted within the scope of authority delegated by the Board, including:
 - i. Establish policy and objectives for collective bargaining
 - ii. Establish a framework for management in negotiations with any collective bargaining unit
 - iii. Meet with Chief Negotiator as needed
 - iv. Report periodically to the Board on activities relating to collective bargaining
 - l. Review periodically the Finance and Investment Committee Charter and recommend any changes to the Board.