

UNIVERSITY OF THE SCIENCES IN PHILADELPHIA
FINANCE COMMITTEE CHARTER

Purpose

There shall be a committee of the board of trustees (the “Board”) of University of the Sciences in Philadelphia (the “University”) to be known as the Finance Committee of the University (the “Committee”). The Committee shall assist the Board in its oversight of the University’s operating budget, financial statements, banking activities and relationships, capital allocation initiatives, cash management, disclosures and financial policies, debt management, investments, property, and the other responsibilities set out in this charter.

Membership

The Finance Committee shall be a standing committee of the Board of Trustees and shall consist of not fewer than four members of the Board of Trustees one of whom shall be designated as Chair of the Committee. All Committee members shall meet the independence requirements established by the Board and applicable laws, regulations, and listing requirements. Each member shall in the judgment of the Board have the ability to read and understand financial statements and investment reports. The Board appoints the members of the Committee and the chairperson. The Board may remove any member from the Committee at any time with or without cause.

The Senior Vice President for Finance and Assistant Vice President of Finance shall be an ex-officio member of this Committee.

Meetings and Procedures

- The Finance Committee shall fix its own rules of procedure, which shall be consistent with the Bylaws of the University and this Charter.
- The Finance Committee shall meet at least four times a year and more frequently as circumstances require.
- The chairperson of the Finance Committee or a majority of the members of the Finance Committee may call special meetings of the Finance Committee.
- If a chairperson is not elected by the Board, the members of the Finance Committee may designate a chairperson by majority vote of the full committee.
- The Finance Committee may request that any trustees, officers or employees of the University, or other persons whose advice and counsel are sought by the Finance Committee, attend any meeting of the Finance Committee and/or provide such pertinent information as the Finance Committee requests.
- The Finance Committee shall apprise the Board of Trustees on a regular basis regarding Finance Committee meetings and include a description of all actions taken by the Finance Committee.
- The Finance Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the University.

Authority and Functions

The Committee shall oversee and report to the Board of Trustees concerning the financial and business affairs of the University, shall ensure that a viable long-range fiscal plan is in place, and shall recommend financial policies to the Board.

The Committee shall have the resources and authority necessary to discharge its duties and responsibilities. The Committee shall have authority to retain and terminate investment manager and outside consultants, as it deems appropriate, including sole authority to approve the firms' fees and other retention terms. In discharging its oversight role, the Committee shall be empowered to investigate any matter brought to its attention. The Committee shall have access to the University's books, records, facilities, and personnel. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the University, and the Committee shall take all necessary steps to preserve the privileged nature of those communications.

The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee.

The Committee shall review, recommend, and submit to the Board of Trustees for adoption at its annual meeting an annual operating budget which will include a tuition and fees schedule.

The Committee shall be responsible for the investment and management of the University's investments by determining, overseeing, and assessing the policies and processes by which the funds are invested, and shall keep the Board informed as to the policies, processes, and performance of these investments. The Committee shall use an Investment Sub-Committee to perform detailed evaluation of the University's investment advisor, managers, policies and performance.

The Committee shall maintain an appropriate level of skepticism regarding management's assertions and judgments affecting financial reporting, asking probing and challenging questions of management.

Education

The University shall provide new members with appropriate orientation briefings and educational opportunities, and the full Committee with educational resources related to accounting principles and procedures, current accounting and financial topics pertinent to the University, and other material as may be requested by the Committee. The University will assist the Committee in maintaining appropriate financial literacy.

Responsibilities

Management shall review with the Committee:

- (i) budgeting,
- (ii) debt issuances,
- (iii) investments,
- (iv) working capital and cash flow management,
- (v) policies for managing interest rate, foreign exchange, and investment risk,
- (vi) the financial aspects of insurance and risk management,
- (vii) tax planning,
- (viii) proposed mergers, acquisitions, divestitures and strategic investments and relationships,
- (ix) significant capital projects,
- (x) significant outsourcing and in-sourcing of services, and
- (xi) other transactions or financial issues that management desires to have reviewed by the Committee.

Delegation

Any responsibility or authority of the Finance Committee may be delegated to one or more members of the committee. The decisions of any member of the Finance Committee to whom authority to grant pre-approval has been delegated shall be presented to the full Finance Committee at the next scheduled meeting.

Limitations

The Finance Committee is responsible for the duties set forth in this Charter but is not responsible for the preparation of the financial statements. Management has the responsibility for preparing the financial statements. In carrying out its responsibilities, the Finance Committee believes its policies and procedures should remain flexible in order to best react to a changing environment.