

## Audit Committee Charter

The purpose of the Audit Committee is to oversee Foundry's audit processes and ensure that the recommendations from each audit are addressed and implemented by Foundry staff and management. The Audit Committee members shall make recommendations to the Board to ensure fulfillment of the following Board duties:

1. Management of the relationship with independent auditors
  - a. Oversee the hiring, performance, fees, and independence of an external certified public accounting firm (the "Auditors") to conduct an annual audit of Foundry at the close of each fiscal year. The annual audit report and management letter is due jointly to the Audit Committee and the Board within 120 days after each fiscal year end. The audit report will be included in Foundry's annual report to the Baltimore-Washington Conference by the end of June.
  - b. Monitor and advise Foundry management and staff and the Auditors so they (i) provide a timely analysis of significant current financial reporting issues and practices and (ii) proactively report any audit-related or other financial issues to the Audit Committee as they arise.
  - c. Review and approve the Auditors' engagement letter.
2. Oversight of the integrity of Foundry's financial condition
  - a. Ensure an annual audit is conducted by the Auditors at the close of each fiscal year, review any recommendations resulting from the audit and oversee or champion the implementation of such audit recommendations.
  - b. At the completion of each annual audit, together with the Executive Pastor, management, staff and the Auditors, review the results of the audit and related reports and communications.
  - c. Review current and proposed changes to accounting policies and the impact, if any, of Foundry's financial statements/condition, including, as appropriate, by consulting with the Finance Committee regarding current and proposed changes to Foundry's financial practices and principles.
  - d. Design and implement regular internal auditing procedures to ensure that financial reporting and practices are transparent, efficient and meaningful, as called for by Foundry's Financial Policy Manual.
  - e. Conduct (or engage the Auditors or another consultant to conduct) periodic audits of Foundry's internal control process and financial operating systems, in keeping with Foundry's Financial Policy Manual.
3. Other Responsibilities
  - a. Discuss and monitor risk management issues with management and staff.
  - b. Review and reassess the adequacy of the Audit Committee charter annually and submit proposed changes to the Board for approval.

- c. Oversight of regulatory compliance including an annual review of the conflict-of-interest, retention and whistleblower policies, working together with the Governance Committee as appropriate.
- d. Receive from management and/or staff any concerns or complaints regarding Foundry's accounting practices, internal controls or auditing, and work to resolve the matter with management and staff in keeping with Foundry's Whistleblower Policy, as appropriate under the circumstances.\*
- e. Working with the Finance Committee, review the logic used to allocate expenses to the various functions on the Statement of Functional Expenses.
- f. Monitor District of Columbia filings for certificate of good standing, annual incorporated filing and the energy audit.
- g. Such other tasks as the Audit Committee members shall designate that support the purpose of the Audit Committee and the Board.

The function of the Audit Committee is oversight; management and staff are responsible for maintaining appropriate systems for accounting and internal control, and the Auditors are responsible for planning and conducting audits.

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\* As stated in the Foundry Personnel Handbook, Foundry's Whistleblower Protection Policy is intended to encourage and enable employees who have serious concerns about possible violations of law, ethics or Foundry policies occurring in the course of or affecting Foundry's operations to raise those concerns internally so that Foundry can address and correct inappropriate conduct. With respect to account and audit matters, the Policy requires Foundry's Compliance Officer to "immediately notify the Audit Committee of any concerns or complaint regarding corporate accounting practices, internal controls or auditing and work with the Committee until the matter is resolved.