

Sierra Club Foundation
Board Committee Descriptions
Revised February 2021

The following guidelines are to be construed as authorizing the actions described below but not as precluding other relevant actions.

Executive Committee

The Executive Committee consists of officers of the Foundation, including Chair, Vice Chair, Secretary, Treasurer, and Member-At-Large. Any three members of the Executive Committee will constitute a quorum. The Board of Directors delegates to the Executive Committee the power to perform the duties set forth below; and further delegates all other powers and authority of the Board in the management of the business and affairs of the corporation in between Board meetings (except the power to adopt, amend, or repeal Bylaws) provided the Executive Committee determines that it would be prejudicial to the Foundation to delay action until a quorum of the Board can be achieved, and gives notice to the Board of any action so taken as soon as reasonably practicable. The Executive Committee takes action in person, by telephone, video conference or by e-mail.

Participation in this committee requires monthly and sometimes weekly involvement in Foundation business. All members of the Board of Directors will be notified of the meetings and any actions taken by the Executive Committee. The Officers of the Board are selected by the full board. In practice, the primary, ongoing duties of the Executive Committee consist of the following:

- Helps set the priorities for the organization. Monitors the organization's progress towards achieving its mission and its ongoing goals and objectives.
- Acts on behalf of the Board of Directors on routine business matters when convening a full quorum of the board is impractical.
- Acts upon recommendations from the Executive Director to accept or reject anonymous gifts of one million dollars or greater on behalf of the Board of Directors.
- Is responsible for monitoring the ongoing performance of the Executive Director and making evaluation and compensation recommendations to the Board of Directors. Also, recommends compensation level of the Chief Financial Officer to the full board based on input from the Executive Director. Works with the Executive Director to establish equitable staff compensation guidelines for the organization.
- Assists in developing board meeting agendas and ensures equity remains centered in each session.
- Ensures that conflicts of interest are disclosed and addressed, prohibited transactions are avoided, and that all activities of the Foundation are protected from theft and embezzlement. Addresses board member conduct concerns (attendance, staff complaints etc.)
- Serves as initial point of contact for any staff whistleblower complaints pursuant to Employee Handbook
- Provides oversight of board recruitment to: identify priority skill sets and knowledge, ensure a diverse candidate pool that considers race, geographic location, and gender identity, ensure an equitable selection process, and recommend Board candidates to the Board for approval.
- Oversees the development and periodic assessment of Board effectiveness and Director experiences via annual surveys
- Recommends Officers and Audit Committee membership on an annual basis for Board approval

Officer Job Descriptions

Chair: The Chair serves as the senior officer of the Foundation and generally oversees the work of the Foundation. The Chair may call meetings, preside at them, enforce the Bylaws, appoint committee members (except for the Executive and Audit Committees), and have such other powers and perform such other duties as the Board or Bylaws may require. The Chair also oversees the work of the Executive Director and, when that post is vacant, sees that duties of that office are fulfilled. Leads the annual performance review process of the Executive Director. Serves as an ex-officio member of all committees.

Vice Chair: Performs all duties of the Chair if the Chair is absent or disabled. Participates closely with the Chair to develop and implement officer transition plans.

Secretary: The Secretary approves and maintains a book of minutes of all meetings, proceedings, and actions of the Board. The secretary is also charged with keeping a copy of the Foundation's Articles of Incorporation and Bylaws (which are stored in the Foundation's offices); and notifying the Board of all meetings and committee meetings (typically carried out by the assistant secretary). Annually, the secretary reviews these documents with the assistant secretary and initiates updates as necessary.

Treasurer: The Treasurer provides oversight of the work of the Assistant Treasurer (Chief Financial Officer), who is charged with keeping complete and accurate records of the Foundation's financial transactions, assets and properties, and presents financial statements and reports to the board. Other oversight responsibilities include: deposits of all money and other assets to the Foundation's accounts; disbursement of Foundation funds in accordance with Board approved budgets and policies; cash management; financial reporting by the Foundation. Typically, chairs the Foundation's Finance Committee, though this is not a requirement.

Member-At-Large: The Member-At-Large has relatively few responsibilities other than what's outlined above for the Executive Committee as a whole. Traditionally, the Member-At-Large is retained by boards to prevent a deadlock vote of the Executive Committee. At times, the Member-t-Large can be assigned to head special projects and/or task forces at the request of the Board Chair.

Audit Committee

The Audit Committee selects and re-appoints the Foundation's financial auditors and, on an annual basis, reviews with them the audited financial statements and related reports and audit attestation letter, if any. The selection process includes soliciting and reviewing proposals from potential audit firms every five years.

The Audit Committee also reviews the IRS Form 990 with the tax preparer. Based on their review, the Audit Committee will recommend the audited financial statements for approval by the Board of Directors. The Audit Committee provides the full board with the Form 990 for review and approves it on behalf of the board. The bylaws state that the Treasurer cannot be a member of the Audit Committee.

Financial and audit experience is useful for membership on the Audit Committee.

Finance Committee

The Finance Committee monitors the Foundation's overall financial status. This Committee's specific responsibilities include:

- Review monthly financial statements consisting of the then current year-to-date: 1) statement of financial position, 2) income statement, and 3) key financial performance benchmarks that the Committee deems relevant. These financial statements will be accompanied by a narrative from management highlighting any financial issues and management actions as needed;
- Review the annual operating budget and recommend it to the Board of Directors for approval;

- Review projected sources and uses of cash and other analyses to determine appropriate investment asset allocations;
- Review insurance coverage annually; handle insurance issues and miscellaneous business contracts, as needed;
- Review and approve real estate and other assets to be donated as required by the Gift Acceptance Policy;
- Review 403b plan documents and Form 5500 annually to ensure that the plan is in compliance with current law;
- Review and recommend approval of changes to bequest allocation policies and other allocation policies recommended by Sierra Club's Board of Directors;
- Maintain an appropriate capital structure.
- Monitor fundraising results on a quarterly basis. Annually, review and recommend approval of the annual Fundraising Plan and Letter of Agreement with the Sierra Club to the Board of Directors. As needed, review and recommend approval of the Fundraising Cost Sharing Agreement with the Sierra Club to the Board of Directors

The Committee will ensure that management employs personnel and systems capable of providing timely and accurate financial information to key decision-makers. Members of this committee should have financial and management expertise. The committee meets on at least a quarterly basis in person or via conference call.

Grants Committee

The Foundation fulfills its mission through fiscal sponsorship of the charitable programs of the Sierra Club and through grantmaking to the Sierra Club and other organizations (domestic and international) aligned with the Foundation's mission as appropriate. The Grants Committee is the primary means for the Foundation to ensure compliance with fiduciary responsibilities and the limitations on its activities set forth in the Consensus of Counsel and other internal compliance guidance in order to protect its tax-exempt public charity status as determined by the IRS. When appropriate, the Grants Committee consults with the Foundation's Risk Management Committee on these issues.

The committee's responsibilities include:

- Review, and approve or deny, project fiscal sponsorship and grant requests, consistent with the guidance referred to above;
- Review select reports from grantees at the end of the project period, or periodically for multi-year projects, to ensure funds are spent on their intended charitable purpose.

Review of and decision on project fiscal sponsorship requests are conducted through bi-weekly meetings of the Committee based on the Board-approved Schedule of Authorizations. The Schedule of Authorizations is based on the proposal amount, and sets forth different approval levels, involving the Executive Director, Programs and Compliance Senior Director, Grants Committee Chair or Board Chair, and/or the Grants Committee. In-depth review of selected programs and project reports takes place during quarterly meetings of the Committee.

Grants Committee membership is valuable for new Directors as it provides a comprehensive overview of the main programmatic business of the Foundation and the charitable projects of Sierra Club and other organizations sponsored and funded by the Foundation. Members of this committee should have an interest in the oversight of charitable programs fiscally sponsored by the Foundation, in the Foundation's domestic and international grantmaking, and in the compliance process that underlies The Foundation's fiscal sponsorship role with the Sierra Club's charitable work.

Investment Committee

This committee is responsible for the management of the Foundation's financial assets in accordance with applicable laws, trust documents and internal policies/guidelines in order to achieve the following goals: 1) preservation of invested asset value; 2) maximization of investment return within an appropriate level of risk. The committee also seeks to ensure that the Foundation's financial investments are consistent with its mission. Specific responsibilities include:

- Establish and update investment policies and guidelines and communicate these to all appropriate fiduciaries;
- Determine appropriate asset classes and target allocation percentages/ranges to be included as a component of the investment policy and review at least annually;
- Select, evaluate, and terminate qualified investment consultants;
- Select, evaluate, and terminate qualified investment managers and custodians, in consultation with investment consultants, based on investment strategy, process, performance, racial and gender equity, risk and fees; review their performance results on a quarterly basis; and take corrective action, where necessary;
- Assess the programmatic impact that the Foundation's portfolios are having towards advancing its mission, in addition to financial returns;
- Review actual investment allocations on a quarterly basis to ensure that they are in compliance with established target ranges;
- Review fund offerings in 403b plan annually to ensure that staff has access to well-managed mission-aligned funds with low to moderate fees across all asset classes in accordance with the 403b Investment Policy;
- Ensure that conflicts of interest and prohibited transactions are appropriately addressed;
- Ensure that investment assets are within the jurisdiction of U.S. courts and are managed and custodied in a manner that appropriately mitigates the risk of theft and embezzlement.

Members of this committee should have experience with financial and investment matters. The committee meets on a monthly basis in person or via conference videos or phone calls.

Risk Management Committee

The Risk Management Committee has primary responsibility for providing risk management oversight for the Foundation on behalf of the board of directors, and the Foundation's senior management team has primary staff level responsibility for development, implementation and management of risk management activities.* Other board committees as well as the full board are consulted as needed and the full board is periodically apprised of the Foundation's risk management program.

Core risk management oversight responsibilities include:

- Identify, assess, and prioritize risk exposures on an ongoing basis respecting governance, financial, compliance, operational, and reputational enterprise risks;
- Formulate risk management and mitigation strategies;
- Oversee implementation of a risk management plan;
- Monitor and update the plan as needed;
- Communicate risk management efforts to the board of directors.

The Risk Management Committee assists the Grants Committee in considering and managing legal and reputational risk with regard to projects for which the Foundation serves as fiscal sponsor as well as regarding domestic and international grants made to non-Sierra Club organizations. The Committee is responsible for review of updates to the Consensus of Counsel (CoC) and resolution of CoC issues as well as issues respecting other agreements between the Foundation and the Sierra Club as necessary. The Committee also consults with the Foundation's outside counsel as needed. A legal background and/or experience with enterprise risk management is strongly recommended for Risk Management Committee membership.

*In practice, other board committees are responsible for assessing risk within the subject purview of those committees, working with committee staff leads to devise and implement risk management strategies, and keeping the Risk Management Committee apprised.