

**Hampshire College Board of Trustees**  
**Finance Committee**  
**February 15, 2013**

**Charge**

To monitor the College's financial assets and operations and advise the Board of Trustees of the condition and adequacy of these assets and operations in support of the College's mission and long-term economic health.

**Membership, Leadership, and Organization**

The committee shall consist of no fewer than seven and no more than nine members, a majority of whom shall be trustees. The total shall be an odd number. A trustee shall serve as chair of the committee.

The committee shall meet at least three times per year. The vice president for finance and administration and treasurer or his/her designee shall staff the committee.

**Responsibilities**

The committee shall: 1) ensure that a comprehensive multi-year financial plan is maintained that identifies strategic financial options, develops a rationale for financial decisions based on those options, and includes benchmarks for monitoring progress toward achieving the plan's objectives; 2) monitor the financial operations of the College to determine compliance and material deviations from plans and budgets and their implications, ensuring that variances are understood, reported, and addressed; and evaluate significant financial risks; 3) ensure that the process by which the value and liquidity of assets held as endowment are determined is appropriate; assess and monitor the College's indebtedness, including the appropriate level for capital projects; review the terms of any proposed long-term indebtedness and make recommendations to the Board; 4) delegate to the Investment Committee the prudent management of the College's invested funds, monitor their performance, and make recommendations, as appropriate; and evaluate the efficacy of the College's investment policy and make recommendations for modifications, as appropriate; 5) monitor policies and plans related to the College's financial assets, including the financial implications of physical assets, and recommend modifications to the Board; and monitor College business practices to ensure conformance with applicable third-party standards; 6) work with Buildings, Grounds, and Environmental Sustainability to address the College's physical plant requirements and related capitalization.

In carrying out its responsibilities the Finance Committee shall make timely reports to the Board of its work and shall present for action by the Board any recommendations regarding the College's finances.

