

CHARTER FOR THE AUDIT COMMITTEE

American Friends of Yad Eliezer

Purpose

The Audit Committee oversees the accounting and financial reporting processes of the American Friends of Yad Eliezer (the "Organization"), proper external review of the audited financial statements of the Organization, as well as the Organization's risk management to include monitoring the internal control environment. Each member shall be independent, as defined below, and free of any relationship that, in the opinion of the Organization Board of Directors, would interfere with his or her individual exercise of independent judgment.

Reporting

The Audit Committee reports directly to the Organization's Board of Directors (Board).

Responsibilities

Specifically, the Audit Committee performs the following functions:

- Annually retains an independent auditor;
- Develops and periodically reviews audit-related policies; has a regular process of determining whether it is receiving quality audit services for a fair price based on established policies and regulations;
- Meets with the auditing firm to review the audited financial statements and any related management letter; Upon completion of the audit, reviews and discusses with the independent auditor: (A) any material risks and weaknesses in internal controls identified by the auditor; (B) any restrictions on the scope of the auditor's activities or access to requested information; (C) any significant disagreements between the auditor and management; and (D) the adequacy of the corporation's accounting and financial reporting processes;
- Addresses any issues identified in the required communications and management letter;
- Solicits from the auditing firm observations on staff skills, qualifications, and performance related to those audited functions;
- Reviews annually the performance of the auditing firm, ensuring continued independence;
- Reviews the audit plans for the coming year and discusses with the auditing firm;
- Reviews with management, and the auditing firm, the internal control process and risk management and mitigation process;
- Reports and recommends the results of audit findings to the Board for approval;
- Oversees adoption, implementation of, and compliance with conflict of interest policy;
- Oversees adoption, implementation of, and compliance with whistleblower policy; acts as external point of contact for any whistle-blowing issues, and, if necessary, initiates special investigations of policies, procedures, and practices;
- Appoints a compliance officer in conformance with the Organization's Code of Conduct;
- Approves performance of non-audit services by the auditing firm, if any;
- Reviews the IRS Form 990 annually, prior to submission; and
- Conducts private executive sessions at least once annually with the auditing firm.

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Composition

- The Audit Committee shall consist of at least three Directors of the Board.
- Each member of the Audit Committee shall be an independent director, as defined below.
- The Audit Committee must include members with basic expertise in financial management; the committee may wish to consult with an independent financial expert on special topics.
- No paid employee of the Organization or any other person who has any material financial interest in doing business with the Organization shall serve on the Audit Committee, nor shall any Audit Committee member receive compensation.
- The members of the Audit Committee are recommended by the Board Chairperson, and are approved by the Board.
- All Audit Committee members, shall serve until his/her successor shall be elected or until such member's resignation or removal.

An independent director is a director who:

- (i) is not, and has not been within the last three years, an employee or affiliate of the corporation, and is not related to someone who is, or has been within the last three years, a key employee or affiliate of the corporation;
- (ii) has not received, and is not related to someone who has received, over \$10,000 in direct compensation from the corporation or any affiliate of the corporation in any of the last three fiscal years (other than reimbursement for expenses reasonably incurred as a director or reasonable compensation for service as a director); and
- (iii) is not a current employee of or does not have a substantial financial interest in, and is not related to someone who is a current officer of or has a substantial financial interest in, any entity that has made payments to, or received payments from (excluding charitable contributions), the corporation or an affiliate of the corporation for property or services in an amount which, in any of the last three fiscal years, exceeds the lesser of twenty-five thousand dollars or two percent of such entity's consolidated gross revenues.

Meetings

The Audit Committee meets as needed to fulfill its responsibilities, but will meet at least twice annually: once to review the audit plan and approve the audit engagement and once to review the audited financial statements and report by the auditing firm. In addition, the Audit Committee may meet to conduct special investigations related to fraud, financial irregularities, and internal control failures.

Only independent directors may participate in any board or committee deliberations or voting relating to matters of the Audit Committee.

Approved by the Organization Board of Directors on 5/6/14.