

**The Clear Fund, Inc.
d/b/a GiveWell**

Audit Committee Charter

1. Overall purpose/objectives

The Audit Committee (the “Committee”) of The Clear Fund, Inc., d/b/a GiveWell (the “Organization”) is appointed by the Board of Directors to assist it in discharging its oversight responsibilities. The Committee will oversee: the financial reporting process; the effectiveness of the internal financial control and risk management system; the effectiveness of the internal audit function; the independent audit process, including recommending the appointment and assessing the performance of the external auditor; the processes for monitoring compliance with laws and regulations affecting financial reporting and with the code of ethics and business conduct, including the annual conflicts of interest process for directors and officers; and the overall tone at the Organization for quality financial reporting, sound enterprise risk practices, and ethical behavior.

The Committee will provide open communication among Committee members, the external auditor, internal audit, and management.

The Committee will, as appropriate to satisfy its responsibilities, communicate with and obtain reports from the Chief Executive Officer and others as required.

2. Authority and access

The Board of Directors authorizes the Committee, within the scope of its responsibilities, to:

- 2.1 Perform activities within the scope of its charter.
- 2.2 Recommend the appointment of the external auditor, oversee its work, and review and approve its fees and non-audit services.
- 2.3 Have unrestricted access to Organization management, employees, and information.
- 2.4 Request special reports on topics that can enhance its understanding of Organization activities that impact the Organization’s responsibilities.
- 2.5 Engage independent counsel and other advisers as it deems necessary to carry out its duties.

3. Organization

Membership

- 3.1 The Board of Directors will designate the Committee members and the chair of the Committee.

- 3.2 In accordance with the Bylaws, the Committee shall consist of at least three members of the Board of Directors, with all members being independent. Members of the Finance Committee (if and when a Finance Committee is constituted by the Board) may serve on the Committee; provided, however, that the chair of the Committee may not be a member of the Finance Committee and members of the Finance Committee shall constitute less than half of the membership of the Committee. The Committee may not include staff members, the President or Chief Executive Officer, or the Treasurer or Chief Financial Officer.
- 3.3 All members should be “financially literate,” which means that they should be able to review and have an understanding of the financial statements, audit reports, IRS Form 990, and related materials. All members should have or develop knowledge of the Committee’s responsibilities, the Organization’s operations and risks, and financial and tax reporting for not-for-profit organizations.
- 3.4 The Committee will meet at least once per calendar year, with authority to convene additional meetings as circumstances require.

Meetings

- 3.5 A quorum for purposes of transacting business shall be constituted as set forth under Article 3, Section 11 of the Bylaws.
- 3.6 Any action required or permitted to be taken by the Committee may be taken without a meeting by written consent of the Committee, as permitted by the Bylaws. Written consents shall include consents delivered by electronic mail or facsimile.
- 3.7 The secretary for the Committee (or management representative, at the direction of the Committee) shall:
- Provide the agenda and supporting materials to the Committee members a reasonable period in advance of each meeting
 - Prepare and provide minutes of all meetings
- 3.8 As part of its responsibility to foster open communication, the Committee shall provide sufficient opportunity for the external auditor, the Treasurer or Chief Financial Officer, legal counsel, and the head of internal audit (as applicable) to meet privately with the Committee.

4. Roles and responsibilities

With regards to each topic listed below, and in accordance with a calendar developed to schedule Committee matters, the Committee will:

Internal controls

- 4.1 Discuss at least annually with management how it establishes the appropriate “control culture,” through communicating its importance, education and training, people resources, and management oversight.
- 4.2 Discuss with the external auditor their assessments of the overall control environment and their recommendations for internal control improvements, along with management’s responses, action plans, and updates.

Enterprise risk management

- 4.3 Discuss at least annually with management how it sets the appropriate “tone at the top” as to risk management, through communicating its importance, education and training, people resources, and management oversight.
- 4.4 Review and discuss the Organization’s risk management framework, including objectives, responsibilities, and processes.
- 4.5 Review with risk management leadership their assessment of priority risk areas, and the controls and processes around these.
- 4.6 Determine that:
 - The external auditor is engaged in the process
 - Communications transpire with the Board of Directors as to significant enterprise risks and the Organization’s risk management framework

Financial reporting and disclosures

- 4.7 Review with management and the external auditor the:
 - Annual audited consolidated financial statements
 - Annual IRS Form 990 report
 - Annual 403b retirement plan audit report
 - (If applicable) Annual audit report on federal awards required by the Office of Management and Budget (OMB) pursuant to Circular A-133
- 4.8 Communicate to the Board of Directors that the reviews have taken place, along with any significant concerns of the Committee.

Compliance

- 4.9 Discuss at least annually with management how it sets the appropriate “tone at the top” as to compliance, through communicating its importance, education and training, people resources, and management oversight.

- 4.10 Discuss at least annually with management and the general counsel (or similar management representative) whether appropriate policies and processes are in place as to:
- Code of conduct
 - Conflicts of interest, including annual certifications
 - Document retention and destruction
 - Whistleblowers
- 4.11 Receive reports from the general counsel (or similar management representative) on:
- Conflicts of interest and related party transactions involving senior management and directors
 - Whistleblower/hotline activity relating to violations of the code of conduct, fraud, or concerns as to financial statements and reports within the Committee's scope of responsibility. Notwithstanding, the Committee should be notified immediately of potential irregularities involving the President or Chief Executive Officer, Treasurer or Chief Financial Officer, chief operating officer, or other senior officers, as well as matters that may materially impact Organization financial statements, reports and filings
 - Significant matters arising from pending or threatened litigation, investigations, audits or inquiries, and the like
 - Significant compliance matters that are being reported to US government departments or agencies, as well as other donors
- 4.12 Discuss with the general counsel (or similar management representative and/or external counsel) periodically, including a private session with the Committee or its chair at least annually:
- The general counsel's satisfaction with the policies and processes in 4.11 above
 - Appropriateness of procedures and oversight around additional key areas, including anti-terrorism regulations, FCPA, state tax registrations and filings, and IRS requirements to maintain tax-exempt status
 - Significant matters of fraud, including global occurrences that may impact the Organization directly or indirectly
 - Organization responsibilities, and sufficiency of processes, as to monitoring and oversight of funds donated to the Organization
 - Significant additional concerns to bring to the attention of the Committee

Independent external audit

- 4.13 Determine (for Board of Directors approval) the firm to serve as the Organization's external auditor, including consideration of information from the firm about its independence, PCAOB review, peer reviews, and major regulatory/legal matters.
- 4.14 Review with the external auditor its proposed audit approach, staffing, and scope including additional required reporting. Discuss the audit plan and critical audit areas in view of external and internal changed circumstances.

- 4.15 Review and approve the audit fees of the external auditor, as well as the nature and fees of non-audit services, which must conform to standards in the Yellow Book issued by the U.S. Comptroller General.
- 4.16 At the conclusion of the annual audit, discuss with the external auditor:
- Audit results and the firm's opinion on the financial statements
 - Conclusions and findings as to other reports for which the external auditor performs work
 - The communications required from the auditor under generally accepted auditing standards
 - Appropriateness and consistency of the Organization's accounting policies, including degree of aggressiveness or conservatism in applying them
 - Areas of significant judgment or estimation, including those where consultation was required within the firm, and how these were concluded
 - Significant difficulties and challenges encountered in the audit process, including disagreements with management and any restrictions on audit scope or access to information
 - Significant adjustments and unadjusted differences
 - Recommendations for improvements in internal controls, along with management's responses
- 4.17 Review the audit and decide whether to accept it.
- 4.18 Meet with the external auditor in private session, and assure the firm that they may have access to the Committee at any time during the year.

Communications with Board of Directors

- 4.19 Periodically, update the Board of Directors about Committee activities, including the review of audited financial statements and primary filings, risk oversight, and internal audit, and communicate to the Board of Directors significant concerns that may arise.
- 4.20 Perform other activities as requested by the Board of Directors.
- 4.21 Make a recommendation to the Board of Directors for its approval of the firm to audit the Organization's annual financial statements.
- 4.22 Review the Committee's charter at least annually, and recommend to the Board of Directors any proposed changes.

Additional roles and responsibilities

- 4.23 Have a private meeting of the Committee or its chair with the Treasurer or Chief Financial Officer at least annually.

- 4.24 Discuss at least annually, and additionally as requested, with the chief information officer (or similar management representative) the state of security of Organization data and information, including with respect to staffing, systems, processes, and training.
- 4.25 Initiate and oversee special investigations, if necessary.
- 4.26 Maintain an annual calendar for the performance of the responsibilities contained in this charter, and determine that all responsibilities are carried out.

Adoption of charter

The Board of Directors adopted this charter on _____.