



NEW JERSEY STATE FUNERAL DIRECTORS ASSOCIATION, INC.

AUDIT COMMITTEE CHARTER

Revised September 26, 2019

I. PURPOSE

The primary function of the Audit Committee is to assist the Boards of Directors of the NJSFDA and affiliated organizations in fulfilling their oversight responsibilities by reviewing: the financial statements and other financial information provided by the organizations; the organizations' systems of internal controls regarding finance, accounting, legal compliance, and ethics that management and the Boards have established; and the organizations' auditing, accounting, and financial processes generally. Consistent with this function, the Audit Committee should encourage continuous improvement of, and foster adherence to, the organizations' policies, procedures, and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the organizations' financial reporting process and internal control system;
- Review and appraise the audit efforts of the organizations' independent accountants; and
- Provide an open avenue of communication among the independent accountants, financial and senior management, and the Boards of Directors.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section IV of this Charter.

II. COMPOSITION

The Audit Committee shall be comprised of members or representatives, as determined below, unless a change is made in the structure of the organization and its entities. Each member shall be independent of the management of the organizations, and free from any relationship that, in the opinion of the Boards, would interfere with the exercise of his or her independent judgment as a member of the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting practices.

One member shall be elected by each of the organization's Boards: NJSFDA, NJFDS, NJFSEC Trustees, Thanexus, NJSFDA Trustees; and one member shall be designated from the members at large, at the discretion of the President of the NJSFDA. Each of these Committee members shall serve a three-year term. Member terms shall be staggered, to ensure Committee continuity. The Committee Chair shall be designated annually by majority vote of the full Committee membership.

III. MEETINGS

The Audit Committee shall meet at least two times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee should meet at least annually with management and the independent accountants in separate executive sessions, to discuss any matters that the Committee or either of these groups believe should be discussed privately.

New members shall receive appropriate and adequate orientation upon accepting an Audit Committee position, so as to have a basic understanding of the organizations' operations and be sufficiently financially literate in order to be an effective Committee member.

Members of the Audit Committee may miss no more than three meetings during each three-year term in order to maintain their position on the Committee.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its duties and responsibilities the Audit Committee shall:

Documents/Reports Review

1. Review and update this Charter periodically, at least annually, as conditions dictate.
2. Review the organizations' annual financial statements, including any certification, report, opinion or review rendered by the independent accountants.
3. Submit the minutes of all meetings of the Audit Committee to, or discuss the matters discussed at each Committee meeting with, the Boards of Directors. The Audit Committee shall deliver a formal report to all members at the Annual Convention.

Independent Accountants

4. Discuss with management and the Boards of Directors the selection of the independent accountants, considering independence and effectiveness, and approve the fees and other compensation to be paid to the independent accountants. On an annual basis, the Committee should review and discuss with the accountants all significant relationships the accountants have with the companies to determine the accountants' independence.
5. Review the performance of the independent accountants.
6. Periodically consult with the independent accountants out of the presence of management about internal controls and the completeness and accuracy of the organizations' financial statements.

Financial Reporting Processes

7. In consultation with the independent accountant, review the integrity of the organizations' financial reporting processes, both internal and external.
8. Consider the independent accountants' judgments about the quality and appropriateness of the organizations' accounting principles as applied to its financial reporting to ensure relevance, reliability, comparability, and understandability.
9. Consider and approve, if appropriate, major changes to the organizations' auditing and accounting principles and practice as suggested by the independent accountants or management.

Process Improvement

10. Establish regular, separate systems of reporting to the Audit Committee by management, and by the independent accountants, regarding any significant judgments made in management's preparation of the financial statements, and the view of each as to the appropriateness of such judgments.
11. Following the completion of the annual audit or accountant's review, as appropriate, review separately with management and the independent accountants any significant difficulties encountered during the course of the audit or review, including any restrictions on the scope of work or access to required information.
12. Review any significant disagreement between management and the independent accountants in connection with the preparation of the financial statements.
13. Review with the independent accountants and management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. (This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.)

Ethical and Legal Compliance

14. Review management's monitoring of the organizations' Code of Business Conduct and Ethics, and ensure that management has proper procedures and a periodic review system in place for reporting and/or identifying conflicts of interest.
15. Ensure that the organizations' financial statements, reports and other financial information disseminated to the public satisfy legal requirements.

16. Perform any other activities consistent with this Charter, the organizations' bylaws, or governing law, as the Committee or the Boards deem appropriate.

This document was approved and accepted
by the NJSFDA Audit Committee on the
26th day of September, 2019



Frank Galante
Audit Committee Chair