

# **AMERICAN UNIVERSITY**

## **ADVISORY COMMITTEE ON SOCIALLY RESPONSIBLE INVESTING**

### **CHARTER**

The mission of the Advisory Committee on Socially Responsible Investing (ACSRI) is to advise the Finance and Investment Committee of the Board of Trustees, through the Office of the CFO, Vice President and Treasurer, regarding ethical, social, and environmental issues that might influence the management of the university's endowment.

#### **Committee Duties**

The ACSRI has been created to work with university administrators in advising the Finance and Investment Committee on social, ethical, and environmental issues related to investments, and to serve as an information resource for the university administration and community on these matters. The CFO, Vice President and Treasurer is responsible for reporting recommendations to the Finance and Investment Committee, although other ACSRI members may be invited to join in presentations to the Board, when appropriate. The committee shall prepare periodic reports to the university no less than annually. The ACSRI shall be charged with the following duties:

- Monitor trends and activities in investor responsibility that may affect educational institutional investors;
- Conduct research and identify emerging issues around which recommendations will be organized;
- Consider proposals from members of the AU community regarding specific investment concerns, including but not limited to those pertaining to divestment from specific securities;
- Recommend proxy votes on shareholders resolutions on behalf of the university. The CFO, Vice President and Treasurer must officially submit all votes in accordance with the decisions of the Board of Trustees and its Finance and Investment Committee.
- Recommend engaging in other forms of shareholder advocacy when deemed appropriate, including but not limited to corporate letter writing and the filing of shareholder resolutions;
- Assemble and maintain information resources developed as a result of committee discussions for reference by university administration and community;
- Respond to specific requests for information and recommendations from the Board of Trustees, Office of Finance and Treasurer, or the President;
- Prepare an annual report to the CFO summarizing the ACSRI's activities and discussing planned initiatives;
- Make its activities transparent to the AU community.

- Ensure that the Committee recommendations are consistent with the AU Board's duties of care and loyalty, and consistent with both DC and Federal law.

### **Committee Membership and Selection**

The Advisory Committee on Socially Responsible Investing will consist of nine voting members, including four students, three faculty, one staff, and one alumni member.

- Four current student members: two undergraduates to be nominated by the Student Government, one graduate student nominated by the Graduate School Council, and one Law School student nominated by the Student Bar Association
- Three faculty members: two nominated by the Faculty Senate, and one nominated by the Provost. At least one of the faculty representatives to the Committee shall be tenured.
- One staff member nominated by Staff Council
- One alumni member nominated by the Alumni Association
- Additionally, at least one administrator from the Office of Finance and Treasurer who is familiar with the university's investments will serve as a member of the ACSRI.

Final appointments will be approved annually by the President.

The members will elect one student and one faculty member annually to co-chair ACSRI. The co-chairs' responsibilities will include, but not be limited to: ensuring the timely review of issues brought to the committee, developing agendas, scheduling regular meetings, and ensuring the preparation of the annual report to the CFO. Members will be expected to attend all meetings. The Office of the CFO, Vice President and Treasurer will provide administrative support to the Committee.

Student members of the Committee shall serve a period of at least one year, and may be reappointed for one additional, consecutive term, based on participation and performance. Faculty and staff members shall serve for a period of at least two years, and may be reappointed for one additional, consecutive two-year term based on participation and performance. Initially, these terms shall be staggered to ensure continuity in the membership of the Committee and familiarity with investment issues.

The role of ACSRI is advisory. Final fiduciary responsibility and decisions for the management of the investments that support the university's mission and purpose rest with the Board of Trustees, as implemented by the CFO, Vice President and Treasurer.