



United States
Department of
Agriculture

Federal Crop
Insurance
Corporation

1400 Independence
Ave, SW
Stop 0801
Washington, DC
20250-0801

TO: Board of Directors
Federal Crop Insurance Corporation

September 5, 2002

FROM: Ross J. Davidson, Jr. /s/ *Ross J. Davidson, Jr.*
Manager

SUBJECT: Board Memorandum No. 677
Resolution to Adopt Charters for a Finance and Audit Committee and
Governance Committee

There is submitted for your consideration and approval a resolution to adopt a Charter for a Finance and Audit Committee and Governance Committee. These Charters govern the operations of these committees. They are committees of the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board).

Article III, section 1 of the FCIC Bylaws allows the Board to form such Committees as deemed necessary to provide oversight and direction to the Corporation. These committees are established pursuant to the Bylaws of the FCIC to assist the FCIC Board in fulfilling its oversight responsibilities related to financial accounting, accounting policies, financial reporting and disclosure, quality and integrity of financial reports as well as legal compliance and business ethics; internal audit policy and framework, audit plans, findings, problems and reports; leadership and stewardship; structure and functions of the Corporation; and the continuing importance and relevance of the Corporation's governance bodies and programs to promote corporate fairness, transparency, and accountability.

I recommend approval and adoption of the attached Charters through use of the following resolution:

R E S O L U T I O N

RESOLVED, That the attached Charters governing the operations of the Finance and Audit Committee and Governance Committee be, and are hereby, approved and adopted as the written Charters of the committees of the Federal Crop Insurance Corporation Board of Directors and BE IT FURTHER RESOLVED, That the members of the Finance and Audit Committee shall be _____ and _____ for the Governance Committee.

FINAL RESOLUTION

RESOLVED, That the attached Charters governing the operations of the Finance and Audit Committee and Governance Committee be, and are hereby, approved and adopted as the written Charters of the committees of the Federal Crop Insurance Corporation Board of Directors.

Adopted by the Board of Directors on: September 19, 2002

/s/ Diana Moslak
Diana Moslak, Secretary
Federal Crop Insurance Corporation

[SEAL]

Approved by:

/s/ Keith Collins
Keith Collins
Chairman of the Board

9/23/02
Date