



# TOGETHER FORWARD CAPITAL

## Investment Committee Governance Guide

Your Blueprint for Fiduciary Excellence

A comprehensive resource for nonprofit boards and investment committees to build robust governance frameworks, fulfill fiduciary responsibilities, and maximize investment impact through structured oversight and strategic planning

# What's Inside This Guide

Navigate through essential governance topics designed to strengthen your investment oversight

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## Foundation of Governance

Understanding roles, responsibilities, and fiduciary duties

02

## Annual Planning Framework

Structuring your year for comprehensive oversight

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## Meeting Excellence

Templates and best practices for productive sessions

04

## Tools & Resources

Practical templates, checklists, and implementation guides

## Ready to Transform Your Investment Governance?



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CAPITAL

Need help implementing these governance practices?

Contact us at [info@togetherforwardcap.com](mailto:info@togetherforwardcap.com) or call (888) 330-7090

# Foundation of Investment Committee Governance

Building a strong governance structure begins with clarity on roles, responsibilities, and expectations



## Key Governance Principles



### Duty of Care

Committee members must act with the care that an ordinarily prudent person would exercise in similar circumstances.



### Duty of Loyalty

Place the organization's interests above personal interests and avoid conflicts of interest.



### Duty of Obedience

Ensure compliance with laws, regulations, and the organization's governing documents.



# Annual Planning Framework

A structured approach to fulfilling your governance responsibilities throughout the year

## Your Investment Committee Year at a Glance



Q1

### Strategic Planning

- Annual performance review
- Economic outlook discussion
- Committee goals setting
- Charter reaffirmation



Q2

### Policy & Process

- Spending policy review
- Liquidity assessment
- Risk management update
- New member onboarding



Q3

### Governance Review

- IPS annual review
- Compliance verification
- Document management
- Succession planning



Q4

### Evaluation & Planning

- Fee benchmarking
- Portfolio rebalancing
- Next year planning
- Committee assessment

## Annual Governance Checklist

Ensure all critical responsibilities are addressed each year

### Policy & Documentation

- ☐ Review and update Investment Policy Statement
- ☐ Confirm spending policy alignment
- ☐ Update conflict of interest declarations
- ☐ Review gift acceptance policies
- ☐ Document meeting minutes and decisions

### Performance & Strategy

- ☐ Conduct quarterly performance reviews
- ☐ Evaluate asset allocation targets
- ☐ Assess manager performance
- ☐ Review fee structures and benchmarks
- ☐ Plan for liquidity needs

# Meeting Excellence Framework

Transform your committee meetings into strategic sessions that drive results

## Sample Quarterly Meeting Agenda

A structured approach to maximize meeting productivity

- 1

**Opening & Governance (10 min)**  
Roll call, approve minutes, review meeting objectives
- 2

**Market Update & Economic Outlook (15 min)**  
Review current market conditions and potential impacts on portfolio
- 3

**Portfolio Performance Review (20 min)**  
Analyze returns, attribution, and comparison to benchmarks
- 4

**Strategic Focus Topic (25 min)**  
Deep dive into quarterly theme (e.g., asset allocation, risk management)
- 5

**Action Items & Next Steps (10 min)**  
Document decisions, assign responsibilities, confirm next meeting

## Meeting Best Practices



### Consistent Schedule

Set quarterly meetings well in advance and stick to the schedule to ensure consistent oversight.



### Pre-Meeting Materials

Distribute comprehensive materials at least one week before meetings to allow thorough review.



### Clear Action Items

End each meeting with documented decisions and assigned responsibilities with deadlines.

# Roles & Responsibilities Matrix

Clear delineation of duties ensures effective governance and accountability

Responsibility	Committee Chair	Committee Members	Staff/CFO	Investment Advisor
Meeting Leadership	Primary	Support	Support	Support
Policy Development	Review	Primary	Support	Primary
Performance Monitoring	Review	Primary	Review	Primary
Risk Assessment	Review	Primary	Support	Primary
Documentation	Review	Support	Primary	Support

## Committee Member Expectations



### Preparation & Participation

- Review all materials before meetings
- Attend meetings consistently
- Ask thoughtful questions
- Contribute expertise and perspectives



### Fiduciary Excellence

- Act in organization's best interest
- Maintain confidentiality
- Disclose conflicts of interest
- Support committee decisions

# Continuous Education & Development

Building expertise through ongoing learning and professional development

## Annual Education Calendar



**Q1**

**Market Outlook**

Economic trends and forecasts for strategic planning



**Q2**

**ESG/Impact Investing**

Mission-aligned investment strategies and opportunities



**Q3**

**Risk Management**

Understanding and mitigating portfolio risks




**Q4**

**Alternative Investments**


Exploring diversification opportunities

## Committee Development Resources




**Onboarding Program**

Comprehensive orientation for new members including governance training, policy review, and portfolio overview.



**Performance Dashboards**

Visual tools and reports that help committee members quickly understand portfolio performance and trends.



**Industry Resources**

Access to research, whitepapers, and best practices from leading investment and nonprofit organizations.

# Implementation Tools & Templates

Practical resources to help you implement best-in-class governance practices

## Essential Documents Checklist

### Core Governance Documents

- ☐ Investment Committee Charter
- ☐ Investment Policy Statement (IPS)
- ☐ Spending Policy Document
- ☐ Gift Acceptance Policy
- ☐ Conflict of Interest Policy
- ☐ Delegation of Authority Matrix

### Operational Documents

- ☐ Annual Meeting Calendar
- ☐ Meeting Agenda Templates
- ☐ Performance Report Templates
- ☐ Due Diligence Questionnaires
- ☐ Manager Evaluation Forms
- ☐ Committee Self-Assessment Tool

## Key Performance Indicators (KPIs)



### Portfolio Performance

- Absolute and relative returns
- Risk-adjusted performance metrics
- Performance vs. policy benchmarks
- Asset allocation compliance



### Cost Management

- Total expense ratio
- Manager fee benchmarking
- Transaction cost analysis
- Cost per basis point of return



### Risk Metrics

- Portfolio volatility
- Downside capture ratio
- Maximum drawdown
- Liquidity coverage ratio



# Annual Governance Calendar Template

A month-by-month guide to essential governance activities

**JAN**

## Annual Planning & Review

Prior year performance review, goal setting, economic outlook briefing

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**MAR**

## Q1 Review & Policy Check

Quarterly performance, spending policy review, rebalancing decisions

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**JUN**

## Mid-Year Assessment

Semi-annual deep dive, manager reviews, fee analysis

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**SEP**

## Governance Review

IPS annual review, committee self-assessment, education planning

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**DEC**

## Year-End Planning

Annual rebalancing, tax strategies, next year's calendar

# Risk Management Framework

Comprehensive approach to identifying, monitoring, and mitigating investment risks

## Risk Categories & Mitigation Strategies



### Market Risk

**Mitigation:**

- Diversification across asset classes
- Regular rebalancing protocols
- Defined risk tolerance limits
- Stress testing scenarios



### Liquidity Risk

**Mitigation:**

- Maintain adequate cash reserves
- Ladder illiquid investments
- Regular cash flow projections
- Emergency liquidity plan



### Compliance Risk

**Mitigation:**

- Regular policy reviews
- UPMIFA compliance checks
- Documentation protocols
- Annual compliance audit



### Concentration Risk

**Mitigation:**

- Position size limits
- Sector exposure caps
- Manager diversification
- Regular monitoring



### Operational Risk

**Mitigation:**

- Clear roles & responsibilities
- Succession planning
- Cybersecurity protocols
- Regular training



### Reputational Risk

**Mitigation:**

- ESG screening criteria
- Mission alignment checks
- Transparent reporting
- Stakeholder communication

## Risk Management Action Items

Essential steps for comprehensive risk oversight

### Quarterly Reviews

- ☐ Portfolio risk metrics dashboard
- ☐ Compliance checklist review
- ☐ Liquidity stress testing
- ☐ Manager risk assessments
- ☐ Economic scenario analysis

### Annual Assessments

- ☐ Enterprise risk management review
- ☐ Investment policy risk limits
- ☐ Fiduciary liability insurance
- ☐ Cybersecurity audit
- ☐ Business continuity planning

# Measuring Governance Success

Key indicators and benchmarks for evaluating committee effectiveness

Success Metric	Target	Measurement Frequency	Responsible Party
Meeting Attendance	90%+ attendance rate	Quarterly	Committee Chair
Policy Compliance	100% adherence to IPS	Quarterly	Investment Advisor
Performance vs. Benchmark	Within policy ranges	Quarterly	Investment Advisor
Cost Effectiveness	Below peer median	Annual	CFO/Treasurer
Documentation Quality	Complete minutes within 2 weeks	Each Meeting	Secretary/Staff
Education Completion	4+ hours annually per member	Annual	Committee Chair

## Committee Self-Assessment Framework

### Annual Committee Effectiveness Review

Structured approach to continuous improvement

- 1

**Governance Structure**  
Evaluate committee composition, skills matrix, succession planning, and meeting effectiveness
- 2

**Fiduciary Oversight**  
Assess policy adherence, decision-making processes, and documentation practices
- 3

**Performance Management**  
Review investment results, risk management effectiveness, and cost control
- 4

**Strategic Alignment**  
Confirm mission alignment, stakeholder communication, and long-term planning
- 5

**Improvement Planning**  
Identify gaps, set improvement goals, and establish accountability measures



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