

A BETTER PATH FORWARD?

A governance structure allows organizations to identify specific roles and responsibilities for fiduciaries entrusted to oversee and manage an organization's investment program. Two governance structures observed in finance and investment committees are traditional consulting or Outsourced Chief Investment Officer (OCIO) service. You can learn more about OCIO services by visiting www.feg.com/insights/ocio-landscape.

HOW DO YOU DETERMINE WHICH GOVERNANCE MODEL IS BEST FOR YOUR RELIGIOUS INSTITUTION?

To start, institutions must create a robust process that includes input from all fiduciaries, including religious leaders, board members, and finance/investment committee members. Getting buy-in for the process is critical.

In our experience, organizations that are open to potential changes will foster a better experience for participants while also creating better outcomes for the institution. The below list provides questions to help institutions begin the conversation on which governance model may be right for them.

QUESTIONS TO BEGIN GOVERNANCE MODEL CONVERSATION

COMMITTEE MEETINGS

- Generally, how productive are we and what do we accomplish in our committee meetings?
- Have meetings become routine or are we engaged in critical thinking?
- Are we keeping up with trends within the religious investment industry?
- How prepared are members for each meeting?
- As fiduciaries, are we comfortable in our ability to make critical decisions?

ENTERPRISE AWARENESS

- Does our committee have a full understanding of the institution's financial situation?
- Do we invest for long-term success or in response to short-term biases?
- Do we have an Investment Policy Statement that is understood and followed?
- How high is the turnover on our committee, and are our new committee member education procedures adequate?

PORTFOLIO MANAGEMENT

- Does our asset allocation reflect current market opportunities?
- When was the last time we changed our target allocations?
- Do we have procedures in place to manage short-term volatility?
- Do we have a fee budget for underlying investments?

FEG is here to help! For additional assistance and a governance review, contact Matt Finke at mfinke@feg.com and begin working toward better outcomes for your religious organization.

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