

Sample Organization

Request for Proposals for Investment Advisor

Organizational Background

The SAMPLE ORGANIZATION is a national non-profit 501(c)6 corporation founded in [YEAR] by XYZ. The organization is dedicated to educating and offering technical assistance to X, Y, and Z.

Request For Proposal

The Finance Committee of the Board of Directors is now seeking proposals from selected investment advisors to advise, manage, and administer SAMPLE ORGANIZATION 's Investment Reserve.

SAMPLE ORGANIZATION has a Long-Term Reserve with approximately \$2.5 million to help support and grow the organization. In addition, SAMPLE ORGANIZATION has an Investment Policy Statement that governs the management of the Long-Term Reserve. The document is included as an attachment. SAMPLE ORGANIZATION is actively seeking to add to the reserve annually and could potentially consider adjustments to the Reserve's asset allocation target in the future.

The selected investment advisor would be expected to develop and implement an investment strategy and work with our staff to manage the reserve.

The successful advisor will:

- i. Comply with all of the specifications within the RFP or clearly indicate where your proposal deviates
- ii. Provide fee-only consulting independent of its management, broker-dealer or custodial operations
- iii. Monitor our funds regularly and provide ongoing advice and assistance regarding the investments.
- iv. Not engage in any soft dollar arrangement in which compensation is paid directly or indirectly from a third party such as a manager, custodian, etc.
- v. Closely monitor fee structures to assure their equity and transparency (including soft dollar and similar costs).
- vi. Continual development and annual review of investment policy, including risk assessment and risk management
- vii. Provide a monthly report to indicate changes in portfolio balances due to performance, cash flows, dividends or income paid, or expenses.
- viii. Provide a quarterly portfolio summary with comparisons to the total portfolio benchmark and appropriate market benchmarks for all investments held accounting for both fees and risk.
- ix. Meet (in person or via telecommunication) with SAMPLE ORGANIZATION staff, Finance Committee, or Board.
- x. Comply with any and all applicable state and federal laws and regulations.
- xi. Respond to any inquiries of SAMPLE ORGANIZATION auditors

Please submit your written proposal to advise, manage, and administer these funds for SAMPLE ORGANIZATION to XXX at XXXX.org. We prefer a soft copy, but if mailing please send to:

Please confirm that you will be submitting a proposal by XXX. Proposals are due no later than XXX. If selected as a finalist, your organization will be scheduled for an oral presentation in SAMPLE ORGANIZATION offices to meet with executive staff and the Finance Chair. Each presenter will have approximately 45 minutes to provide an overview of their proposal and to answer questions. Your written proposal should include the following information:

A. Investment Advisory Team

1. Briefly describe your firm's history, to include information on year formed, assets under advisement, and ownership structure, including any parent, affiliates or subsidiaries, and any business partners or joint ventures. Be sure to include any relationships your company has with any other organizations such as insurance companies, brokerage firms, investment banking firms, or mutual fund companies.
2. Is your firm a registered investment advisor with the SEC under the Investment Advisers Act of 1940, as amended? If so, include a copy of your Form ADV Parts 1 & 2A.
3. Provide a breakdown of the firm's professional staff, i.e., consultants, research, investment, etc.
4. What is the total number of nonprofits your firm serves? How many are: 1) Below \$1 million; 2) \$1-\$5 million; 3) \$5 - \$20 million; 4) Above \$20 million. What is the average size reserve?
5. How long has your firm advised nonprofits? Describe your firm's experience working with similar nonprofits.
6. Within the past three years, have there been any significant developments in your organization such as changes in ownership, restructuring, personnel reorganizations, terminations or investigations?
7. To the best of your knowledge, is the firm currently engaged in, or the subject of, discussions to change its ownership structure, organizational affiliation, or organizational placement? If yes, explain.
8. Have you lost any nonprofit clients in the last three years? If so, please describe.

B. Custodian/Broker-Dealer

9. Describe the relationship between you and your Custodian/Broker-Dealer that you would recommend for our organization including any revenue sharing arrangements?
10. Please provide your recommended custodian/broker-dealer's most recent SOC 1 or SSAE 70 that outlines internal controls?
11. Provide a breakdown of the total number of accounts and assets for which your recommended custodian/broker-dealer oversees.

C. Standards of Conduct and Ethics

12. Has your firm adopted CFA's Code of Ethics and Standards or have a written code of conduct or a set of standards for professional behavior? If so, how are they monitored and enforced?

13. For the past 10 years, has the firm, its officers or principals or any affiliate ever been the focus of any litigation/regulatory action? If 'yes', please provide details and the current status of proceedings.

D. Investment Management

14. Briefly describe your firm's investment management philosophy.

15. Describe the primary strategies employed by your firm for adding value to portfolios.

16. Provide, in as much detail as possible, the investments you would recommend for SAMPLE ORGANIZATION's Long-Term portfolio based on our IPS.

17. Please provide composite results of actual client performance who have been invested similarly to SAMPLE ORGANIZATION's target asset allocation. Please include the number of clients in the composite.

E. Investment Policies

18. Describe your process for developing an investment policy, maintaining a continuous review and determining if and when changes need to be made.

19. Describe your firm's performance reporting and evaluation services including benchmarking.

F. References

20. List at least three similar organizations as references. For each reference, include name, contact person and title, address, telephone number, and the number of years the nonprofit has been with your firm.

G. Fees

21. Describe the proposed fee structure and billing process for all investment advisory services. Please note any minimum fee.

22. Describe any and all other fees or expenses, including, but not limited to, administration, reports, mailing, travel, and any other fee not previously mentioned.

23. Indicate the approximate fee of the investment vehicles or third party managers typically recommended for similarly situated portfolios.

24. Indicate the fee schedule for the recommended third party investment custodian.

H. Other

25. Please explain what differentiates your firm from other advisors.