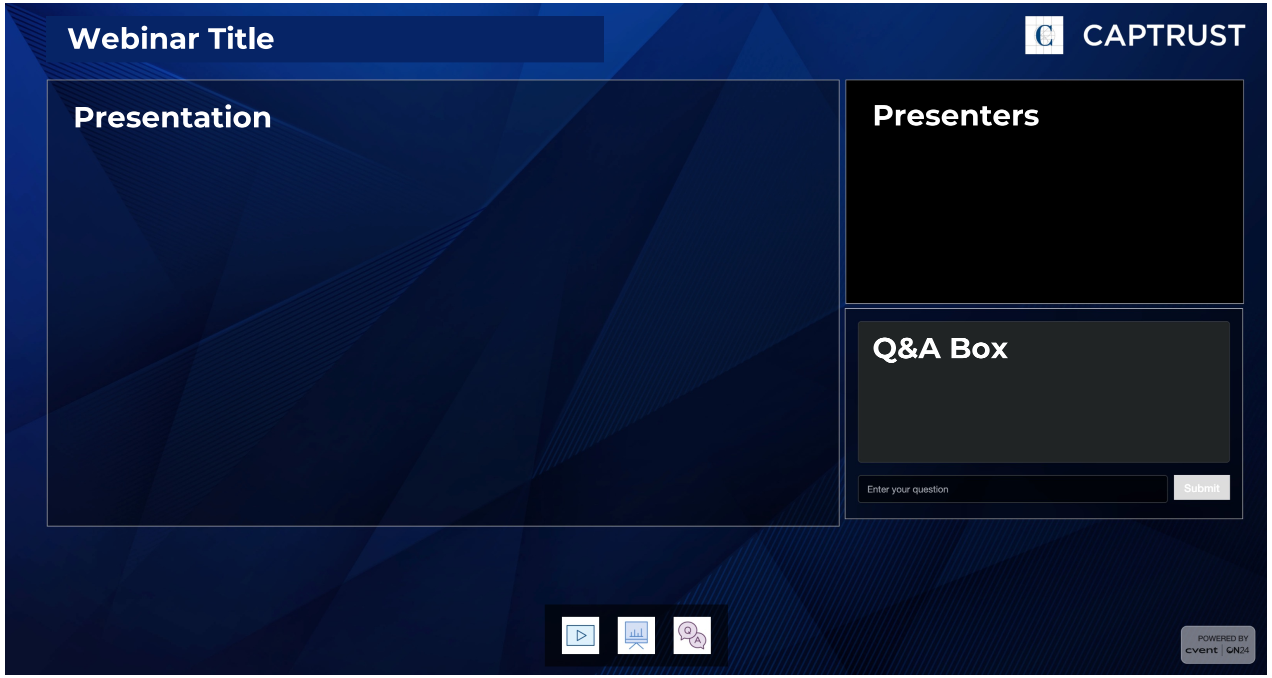
EFFECTIVE ADVISOR RFPS FOR NONPROFITS

July 22, 2026

Information about Today's Session

- All attendee lines are automatically muted and in listen-only mode.
- Questions may be submitted during the event by selecting the Q&A icon and typing them into the Q&A box.
- To turn on closed captioning, click on the small circle with two c's in the bottom right of the media player.
- Today's session is being recorded. The recording will be available for rewatching within 24–48 hours following the event.



Agenda

01 Advisor Request for Proposal (RFP) Activity, Trends, and Benefits

02 Step-by-Step Plan to Ensure a Sound Process

ADVISOR RFP ACTIVITY, TRENDS, AND BENEFITS

Why Committees Conduct Advisor RFPs

POTENTIAL CATALYSTS

- Increased complexity of fiduciary responsibility
- General due diligence, fee and service validation, and an understanding of the market
- The need for a formal process
- Speed of information flow (good and bad)
- Increased scrutiny on smaller organizations
- To improve results!

UPMIFA AND FIDUCIARY OVERSIGHT

- The Uniform Prudent Management of Institutional Funds Act (UPMIFA) generally governs endowment investments.
- The purpose of the UPMIFA law is to preserve the long-term buying power of endowments.
- Fiduciaries must act in good faith to manage investments.
- Fiduciaries have a duty to the endowed institution’s mission, which requires use of investment practices that serve its charitable purposes.

POTENTIAL BENEFITS

- Good governance = strong oversight = more $$
- Fiduciary risk mitigation
- Better understanding of fees for services
- Detection of trends
- Benchmarking information
- Inherent fairness of process
- Helps offset board politics

When to Issue an RFP and How Often It Is Needed

- Change in service personnel or within the organization
- Underperformance of investments
- Lack of service/support
- Change in organizational goals or objectives
- Desired change in approach: discretionary vs. nondiscretionary

Every 3-5 Years (best practice)

- New services
- Lower costs—fee benchmarking
- Enhanced relationship

AUDIENCE POLLS

Poll

What experience do you have with conducting an advisor RFP?

A. None
B. Have previously conducted an RFP
C. Plan to conduct an RFP within the next 8-12 months

Poll

Why are you considering conducting an advisor RFP?

A. Benchmarking exercise
B. Addressing potential advisor conflicts
C. Market volatility
D. No current advisor

STEP-BY-STEP PLAN TO ENSURE A SOUND PROCESS

RFP Process

PREPARATION

- Determine purpose and key stakeholders
- Gather content and portfolio information

IMPLEMENTATION

- Assemble your deliverable
- Identify recipients
- Determine and finalize response structure
- Distribute, intent to bid, and Q&A

DECISION-MAKING

- Review final responses and determine finalists
- Conduct finals meetings
- Make the decision
- Document your process

RFP Process

PREPARATION | DETERMINE PURPOSE AND KEY STAKEHOLDERS

- Determine who needs to be involved, who is in charge, and who is the primary contact
- Identify the needs of your organization and the goal of this process
- Choose a review/scoring process
- Agree on a timeline
- Reach a consensus

RFP Process

PREPARATION | GATHER CONTENT AND OUTLINE OBJECTIVES

Necessary Documents

- Investment policy statement (IPS)
- Spending policy
- Quarterly review
- Current investment manager allocations

RFP Process

PREPARATION | DEVELOP RFP QUESTIONNAIRE

11 Basic Content Categories

- General firm and team overview
- Fiduciary status, compliance, conflicts, and regulatory
- Client service or relevant experience
- Investment philosophy and resources
- Investment policy, asset allocation, and portfolio construction
- Performance evaluation and reporting
- Manager search/selection, and due diligence
- Implementation and transition
- Proposed service offering/fees
- Business continuity and security
- Requested deliverables

Make sure the questions you ask match the services you are requesting.

Alternative Investments – Question to Consider

- Why use alternative investments?
- What is the expected impact on return, volatility risk, illiquidity?
- Which alternative asset classes should we invest in? (private equity, private real estate, real assets, private credit, hedge funds)
- How much should be allocated to these asset classes?
- What educational resources are available to the investment committee?
- Which alternative asset classes does the advisor cover or have access to?
- Does the advisor have a pacing model guide the timing and sizing of investments to reach the asset allocation targets to each alternative asset class?

Values-Based, Mission-Aligned Portfolios

Your mission and return goals can work together through exclusionary screens or more advanced values-based strategies.

Alignment ⟷ Impact

	SRI	ESG Investing	Impact Investing	Philanthropy
What?	Excludes companies with business models that do not align with investor's core beliefs	A process-driven approach to actively seek companies that positively impact global ESG issues	Investments made to directly impact specific ESG issues	
Why?	Seeks better portfolio alignment with client core principles/values with minimal adverse financial impact	Seeks better portfolio alignment with client core principles/values while making positive ESG impact	Seeks to drive targeted impact within select issue areas	
How?	Negative screens implemented through funds and separately managed accounts	Actively or passively managed ESG funds and separately managed accounts	Private equity/debt and real assets	

Environmental, Social, and Governance (ESG) Investing

FACTORS

ENVIRONMENTAL

- Carbon intensity
- Fossil fuel reserve ownership
- Water usage intensity
- Water stress regions
- Pollution
- Alternative energy utilization
- Green buildings
- Energy efficiency

SOCIAL

- Labor practices
- Human rights
- Animal welfare
- Data protection and privacy
- Diversity
- Business involvement:
  - Major disease treatment
  - Education
  - Firearms
  - Predatory lending

GOVERNANCE

- Board of directors' independence
- Director election frequency
- Common equity voting protection
- Compensation policies
- Accounting control
- Risk oversight
- Shareholder engagement
- Management structure

ESG investment strategies can incorporate one or more of the three factor categories—or even a single component—into their decision-making process. Identifying your priorities will help you determine the appropriateness of an ESG framework and identify a suitable approach to integrating ESG into your portfolio.

Outsourced Chief Investment Officer (OCIO)

TWO TYPES OF INVESTMENT FIDUCIARIES

Discretionary Investment Manager		Non-Discretionary Investment Advisor	
Advisor	**Investor/Trustee**	**Advisor**	**Investor/Trustee**
• Recommend the asset allocation and Investment policy parameters for the fund • Select the investments for the fund • Monitor investments • Make changes, if necessary • Implement policy • Own liability for investment decisions	• Select the asset allocation and investment policy parameters for the fund • Monitor CAPTRUST to ensure fiduciary responsibilities are being met	• Recommend the asset allocation for the fund • Recommend Investments for the fund • Monitor investments • Recommend changes, if necessary • Own liability for tools and analysis used to make recommendations	• Select the asset allocation and investment policy parameters for the fund • Select all investments for the fund • Monitor investments • Make changes, if necessary • Own liability for investment decisions

RFP Process

PREPARATION | DEVELOP RFP QUESTIONNAIRE

11 Basic Content Categories

- General firm and team overview
- Fiduciary status, compliance, conflicts, and regulatory
- Client service or relevant experience
- Investment philosophy and resources
- Investment policy, asset allocation, and portfolio construction
- Performance evaluation and reporting
- Manager search/selection, and due diligence
- Implementation and transition
- Proposed service offering/fees
- Business continuity and security
- Requested deliverables

Make sure the questions you ask match the services you are requesting.

RFP Process

PREPARATION | DEVELOP RFP QUESTIONNAIRE

Make sure you are requesting the following deliverables from respondents:

- Form ADV (parts I and II)
- Organizational chart
- Code of ethics
- Conflicts of interest
- Audited financials (last three years)
- Sample investment policy statement
- Sample written manager recommendation
- Sample performance reports
- Market commentary or thought leadership
- Sample proposed service agreement

RFP Process

IMPLEMENTATION | ASSEMBLE YOUR DELIVERABLE

Section One: Introduction

Section Two: Instructions and Information

Section Three: Overview and Requirements

Section Four: Questions

Section Five: Supporting Materials

RFP Process

IMPLEMENTATION | DETERMINE AND FINALIZE RESPONSE STRUCTURE

Issues to Consider

- Non-disclosure agreement/ confidentiality clause
- Cover letter/executive summary
- Procurement forms
- Hard copy or electronic
- Packaging
- Content limitations
- Pricing separate
- Contract feedback
- Samples or marketing materials
- Third-party service

RFP Process

IMPLEMENTATION | IDENTIFY RECIPIENTS

Questions to Answer

- What is an appropriate number?
- Should you include the incumbent?
- In town or out of town?

Sources

- Key stakeholders
- Industry publications
- Current service providers
- Peers (professional and within the industry)
- Third-party consultants
- Committee members of boards

Don't invite everyone in town…

…only one winner

RFP Process

IMPLEMENTATION | DISTRIBUTE, INTENT TO BID, AND Q&A

- Establish a deadline for intents and inquiries
- Summarize all questions in one document
- Distribute summary of questions and responses to intended responses

RFP Process

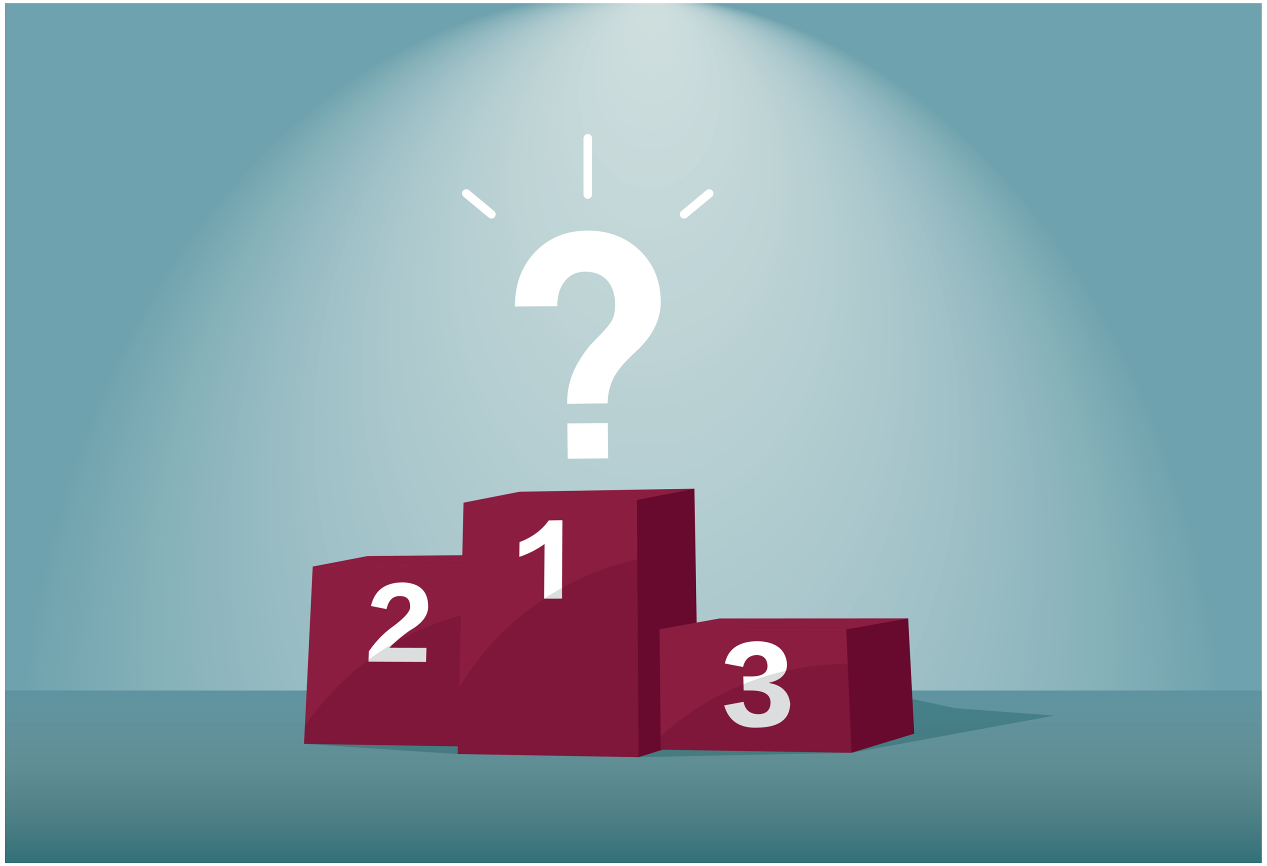
DECISION MAKING | REVIEW FINAL RESPONSES AND DETERMINE FINALISTS

- Let respondents know you have received their response and that you are reviewing
- Try not to get overwhelmed
- Follow your pre-determined process and give yourself enough time
- Know that it is ok to ask follow up questions
- Communicate internally and try to come to a decision quickly

RFP Process

DECISION MAKING | COORDINATE AND SCHEDULE FINALS MEETINGS

- Communicate to both those that were selected and those that were not
- Review key decision-makers' schedules for availability
- Coordinate and schedule presentations with finalists



RFP Process

DECISION MAKING | CONDUCT FINALS MEETINGS AND MAKE A DECISION

- Communicate specific expectations, topics to address, agenda, and timing to finalists
- Provide a real-time issue and ask them to respond to it
- Check references
- Conduct a site visit, if necessary
- Make the decision
- Document, document, document

Closing

Next Steps:

- Develop a timeline
- Draft an RFP specific to your mission
- Include important documents: IPS, charter, etc.
- Who to include in the RFP?
- Local politics and the board
- Use this as an opportunity to reaffirm:
  - Your mission,
  - Your process, and
  - Your service provider partners.

Supporting Resources That You Will Receive:

- Recording of today's presentation
- A link to our Chief Investment Officer's Market Update
- Sample endowment and foundation RFP template
- Sample endowment and foundation dashboard
- Sample endowment and foundation investment policy statement

QUESTIONS?

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