



Investment committees—Making a difference

Perspectives on what it takes to succeed

Strategies for selecting new committee members

Alba E. Martinez

As the past president of the United Way of Southeastern Pennsylvania, I've had the benefit of a very close look into the world of nonprofits and their investment committees. What I've found is that larger organizations have more specialized roles, while committee members in smaller organizations tend to wear multiple hats. But one constant is the need for everyone on the committee to understand the organization's investments, its operations, and its mission. Any kind of imbalance can lead the committee down the wrong path. In this video, we'll look at the strategies investment committees use to select new committee members.

Alba E. Martinez

I think when selecting members for an investment committee, it's really important that the process be formal and well thought out.

William McNabb

So typically looking for some investment professionals who are looking to do something on the other side of the aisle if you will.

Scott A. Conking

They have to have passion for what the organization is all about, but you also need to have specific skills that are naturally important to an organization, such as folks that are lawyers and know law—nonprofit law, organizational law. Accountants, they know how accounting takes place. And then all of the other functions all the way down to those that are really, really good at organizing fundraising functions.

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Reginald Waller

At various events that go on in the community, we'll find that individuals are submitting their resumes to either the CEO or the CFO, looking to give back into the community. And we see the organization also tapping into their current pool of volunteers.

Kamila Williams

Our organization picks new committee members through our nominations and recruitment committee. When you initially join the board and they interview with you and review your resume, they'll make a decision at that point to see, based upon your experience and of course your interests, what committee you should probably serve on.

Patrick Burke

Having term limits is really important; I think both for the candidate and for the organization.

Joel Dickson

I think one of the key things to look for in investment committee members is not to have a conflict of interest. You shouldn't be compensated for the advice that you are providing to the investment committee or even indirectly benefit from the investment committee.

Lucy Momjian

The other thing that many organizations do, and again, some of the organizations in which I'm involved have done, is really put together an analysis of what they're looking for and any gaps they see, and then try and identify potential board members to fill those gaps who have those skills.

John J. Brennan

So if you have a skill set that you want, you do the inventory. That should lead you to candidates, either from the existing board for the subcommittee or to add people if it's a stand-alone committee of some type or other.

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William McNabb

For one of the committees that I worked on, one of the really key things that we looked for was somebody who could bridge the gap between our investment committee and the finance committee.

Rebecca Cuff

We're in the process of looking for an investment committee member right now. And what I did that was a little bit different this time is I actually put a call out to some of my Facebook friends. These are people who are aware of the mission and know what I'm doing, and they were able to use their network and expand my reach.

Alba E. Martinez

Another good recommendation for building an investment committee is to build a pipeline of candidates, because it's a long process. And finding folks with investment expertise as well as time can be challenging. So it's really good to be on a constant path of identifying potential candidates.

John J. Brennan

Frankly, I believe there should be a good rigorous interview process—it should not just be an appointment process—and a two-way interview. What are my expectations of you were you to join the committee? What are your expectations of us if you were to join the committee?

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