

## Sample Nonprofit Request for Proposal (RFP) Financial Advisory Firm Selection Criteria

Before distributing your RFP to potential vendor firms, it will be wise to establish your vendor selection criteria. As sending your RFP to thousands of financial advisory firms would be impractical, you must spend some time determining your unique requirements. Invest some planning time to define your specific needs, wants, and "nice to haves" so you can narrow down the list of firms you will eventually include in your RFP process. You can share this list of quantitative criteria with your board members, financial supporters and professional staff to identify financial firms that meet your specific requirements. You will want to use these quantitative financial advisory firm selection criteria to execute a "process of elimination" to reduce the number of RFPs you will need to distribute.

### Our Needs — We NEED the financial advisory firm to have these traits:

1	<b>RIA Firm:</b> Registered Investment Advisor (RIA) with the Securities and Exchange Commission (SEC)
2	<b>Nonprofit Experience:</b> Three years serving nonprofit organizations like ours
3	<b>Nonprofit Expertise:</b> Specialized knowledge with our specific type of 501(c)(3) nonprofit organization
4	<b>Fiduciary Oath:</b> Willing to acknowledge a fiduciary relationship in writing
5	<b>Comprehensive Performance Evaluation Reporting:</b> Monthly and quarterly reports
6	<b>Reasonable Fees &amp; Transparency:</b> Competitive compensation with full disclosure
7	<b>Fiduciary Delegation:</b> Advisor accepts fiduciary delegation as per state law
8	<b>Personnel Size:</b> Staff has at least ten employees and five professionals

### Our Wants — We WANT the financial advisory firm to have these traits:

1	<b>Independent Advice:</b> Independent of banks, brokerage firms & insurance companies
2	<b>Comprehensive Advice:</b> Balance sheet, taxation, insurance, cash flow, financial planning, risk management
3	<b>Disciplined Advice:</b> Firm follows the Global Fiduciary Standards of Excellence (Broadridge/Fi360)
4	<b>CEFEX Certification:</b> Firm certification from the Centre for Fiduciary Excellence (CEFEX)
5	<b>Quality Fiduciary Advice:</b> Comprised of professionally trained Accredited Investment Fiduciary® (AIF®) staff
6	<b>Investment Philosophy:</b> Evidence-based investment approach using low-cost index funds
7	<b>Investment Policy:</b> Assistance with developing our investment policy statement
8	<b>Investment Strategy:</b> Asset allocation and periodic portfolio rebalancing to manage investment risk
9	<b>Investment Management:</b> Discretionary investment portfolio management service
10	<b>Tax Expertise:</b> Familiarity with tax compliance for nonprofit organizations
11	<b>Quality Professional Advice:</b> Assistance with cash flow planning and modeling
12	<b>Good Fit:</b> Firm has at least three accounts of similar or greater size

### Our "Nice to Haves" — It would be "NICE" for the financial advisory firm to have these traits:

1	<b>Local Office:</b> Provides for more frequent in person (face to face) meetings
2	<b>Size of Firm:</b> A financial advisory firm that is AT LEAST 10 times bigger than our current investment portfolio
3	<b>Education:</b> Financial and investment training for staff
4	<b>Fiduciary Education:</b> Opportunities for our board of directors to learn fiduciary best practices
5	<b>Governance:</b> Advice to improve our decision-making processes
6	<b>Development:</b> Advisor support for donor development and planned giving program
7	<b>Personalized Service:</b> Customized service plan
8	<b>Socially Responsible Investing:</b> Assistance with ESG factors and responsible investment strategies
9	<b>Mission Alignment:</b> Advisory firm employees who are familiar with and support our goals
10	<b>Collaboration:</b> Coordination with our professional advisors (accounting, legal, banking, insurance, etc.)
11	<b>CEFEX Certification:</b> Support with CEFEX certification of our nonprofit
12	<b>Mission-Based Investing:</b> Assistance with investment strategies aligned with our mission