SISONKE FINANCE & INVESTMENT COMMITTEE TERMS OF REFERENCE

APPROVED BY GENERAL COUNCIL ON 15 APRIL 2018

Introduction	
1.	The Investment Committee (“Committee”) is constituted as a formal sub-committee of EXCO of the Sisonke Association of Friends (“the Association”).
2.	The duties and responsibilities of Committee members are in addition to their duties and responsibilities as members of the General Council. The deliberations of the Committee do not reduce the individual and collective responsibilities of the EXCO members in regard to their duties as office bearers, and they must continue to exercise due care and judgement in accordance with their constitutional obligations (statutory and otherwise). Whilst the Treasurer may, in most organisations, take a lead responsibility for overseeing financial and investment management, it is normally a recommended practice to create this sub-committee, for a number of reasons as listed below:
2.1	It helps prevent fraud by ensuring that all tasks associated with finance and investment funsction are not performed by one person without supervision from others (it is more on segregation of duties);
2.2	It allows the EXCO meetings to focus on a wide range of other issues, as detailed financial discussions can be dealt with within the sub-committee;
2.3	It enables more democratic control of the organisation’s finances and investments;
2.4	It spreads the burden, especially of financial management, thereby also potentially improving its quality and reporting;
2.5	It helps train new committee members in financial and investment matters;
2.6	It provides for continuity where the Treasurer resigns/dismissed or the term of office ends.
3.	These terms of reference are subject to the provisions of the Association’s constitution, its operating principles, and any other applicable administrative or regulatory provision.
Composition	
1.	The members of the Committee are appointed from time to time by EXCO, and the names are ratified by the General Council in the AGM.
2.	The Committee must have at least three members including the treasurer, and the other two must be non-EXCO and General Council members in good standing.
3.	The Convener of the Committee shall be one of the three, other than the treasurer.
4.	The Treasurer will initially also act as the secretary of the Committee.
Authority	
1.	The Committee acts in terms of the delegated authority of the EXCO as recorded in these terms of reference. It has the authority and the power to investigate and report on any activity within scope of its mandate.
2.	The Committee, in the fulfilment of its duties, may call the Chairman of the Association, or any of the EXCO members to provide it with information, subject to adherence to an EXCO approved process.
3.	The Committee has access to the Association’s records, facilities and any other resources necessary to discharge its duties and responsibilities.
4.	The Committee may form, and delegate authority to, other sub-committees and may delegate authority to one or more designated members of the General Council.
5.	The Committee has the right to obtain and recommend independent outside professional advice to assist with the execution of its duties, subject to adherence to an EXCO approved process.

6.	The Committee shall make recommendations to the EXCO that it deems appropriate on any matter within the ambit of its mandate where action or a decision is required.
7.	All potential financial and investments issues (including disposals) must be brought to this Committee, at an early stage, in order to obtain the necessary in principle support, before presentation to EXCO and the General Council for the final decision.
Duties and Responsibilities	
Finance	
1.	To review and provide recommendations to EXCO regarding annual budgets developed by Treasurer including recommendations with regard to member(s) subscriptions and other fees.
2.	To review quarterly budget-to-actual reports provided by Treasurer and recommend corrective action (including material financial commitments outside of approved budgets), where it is necessary.
3.	To review and make recommendations to EXCO regarding the banking services and in respect of approvals and changes of authorized signatories.
4.	To review financial management activities and compliance thereof (including review of policy issues relating to expense budgets and capital expenditure).
5.	To review and make recommendations to EXCO in respect of members' benefits and the underwriting matters of the Association's funeral scheme and other bereavement benefits.
6.	To review and make recommendations to EXCO in respect of safe keeping, inventory management, and all transactions regarding the purchase of assets, marketing material, uniform and others including the disposal of excess, redundant or obsolete inventory.
Duties and Responsibilities	
Investments	
1.	The duties and responsibilities of the Committee are to consider and, if deemed appropriate, make recommendations to the EXCO in respect of proposed new investments and disposals of existing investments.
2.	Acquisitions (new investments) should only be made in business -
2.1	Where the investment is to the benefit of the Association and its members; and
2.2	Where the Association initially does not have operating expertise or management control.
3.	To review the performance of the Association's portfolio of investments, consider and recommend appropriate changes to investment policy/strategy (if any) to EXCO.
4.	The Association will no longer invest purely for donation to charity in the event of its dissolution.
4.1	In exceptional circumstances, the Association may invest as an active minority shareholder, provided a clear pathway to increased shareholding within a reasonable timeframe is demonstrated; or another explicit advantage.
5.	To investigate and recommend the investment SPV, appropriate for generating commercial returns/benefits to the benefit of Association's membership and their families.
Meetings	
1.	The Committee shall meet on an ad hoc basis. The Convener may convene meetings of the Committee, at any time, at his/her discretion, and as often as it is required or desirable, having regard to the matters that fall within its mandate.
2.	A quorum for these meetings will be two members of the Committee.
3.	Committee members are expected to make every effort to attend all meetings. If it is not possible for a member of the Committee to attend, prior apology, with reason, shall be submitted to the Convener.

4.	The Convener shall have the discretion to decide who, other than the Committee members and EXCO, shall be invited from the GC to attend meetings of the Committee. Such invitees will not count towards the quorum and may not vote at Committee meetings.
4.	If the Convener is absent from a meeting, he/she will appoint another Committee member to act as chairman at such meeting,
5.	A detailed agenda, together with supporting documentation, must be circulated to Committee members and other invitees at least one week prior to each meeting.
6.	The secretary of the Committee shall keep appropriate records of all meetings of the Committee as well as minutes of the proceedings and all decisions made. The minutes must be completed as soon as reasonably possible after the meeting and circulated to the Convener and Committee members for review thereof. The minutes must be formally approved by the Committee at its next meeting. Such minutes or a report of proceedings must also be included in the agenda for the next scheduled EXCO meeting.
Evaluation	
1.	The effectiveness of the Committee will be evaluated in alignment with the annual EXCO evaluation process.
2.	The Investment Committee Charter or Sisonke Investment Policy Statement aligned to clause 2-5 above under investments' duties and responsibilities are to be approved or ratified by the General Council in the Annual General Meeting (AGM).

7. APPROVAL OF THE TERMS OF REFERENCE

These terms of reference were approved by the General Council on 15 April 2018, represented and authorized by the Chairman of the Association.

Signature ___________________________ Date: __________________________

The convener of the Committee

Signature____________________________ Date: ____________________________

The Chairman of the Association