

## Finance & Investment Committee (“the Committee”)

### Terms of Reference

September 2022

#### 1. Purpose

- 1.1. The Committee is responsible for providing the necessary scrutiny and oversight of the financial management of Turn2us (“the Charity”) and its subsidiary, Elizabeth Finn Homes Limited (“EFHL), and for giving assurance to the Boards of both entities about the ongoing financial sustainability.

#### 2. Authority

- 2.1. The Committee is a Committee of the Board of Trustees of the Charity (“the Board”) acting under its instructions, policies and at all times in accordance with the Charity’s Articles of Association.
- 2.2. The Board delegates authority and responsibility to the Committee as detailed in these Terms of Reference which are approved by the Board.

#### 3. Tasks & Responsibilities

4. The Committee will undertake the following tasks and responsibilities:

#### *Investments*

- 4.1. Review the Investment Policy annually and recommend it the Board for approval. Ensure that the investment managers are provided with a copy of the Policy and that the Policy is complied with.
- 4.2. Advise the Board on the investment of its assets to support delivery of the Charity’s

objects.

- 4.3. Determine the Charity's financial needs and work with investment managers to ensure that those needs can be met by income derived from fundraising and investment.
- 4.4. With input from the investment managers, determine the Charity's risk tolerance and investment time horizon, and make recommendations to the Board for approval.
- 4.5. With advice from the investment managers, ensure appropriate asset allocation for the investment environment and needs of the Charity.
- 4.6. Develop and maintain processes for the hiring and termination of investment managers.

#### *Fundraising*

- 4.7. Determine the overall fundraising budget each year for the Charity and monitor the quarterly performance of each fundraising stream against budget.

#### *Approval of Budgets and Monitoring of Financial Performance*

- 4.8. Review and recommend to the Board for approval the annual budgets for the Charity and EFHL.
- 4.9. Provide assurance to the Boards of the Charity and EFHL in respect of the quarterly financial performance against budgets and forecasts.

#### *Approval of Expenditure in accordance with the Financial Delegations*

- 4.10. Approve contracts or renewals of contracts with Positive Technology Ltd, Connect Assist and Ferret Information Systems Ltd.
- 4.11. Approve leases for office space and service charges.

- 4.12. Approve the purchase, sale or lease of land or buildings (includes lease reviews for EFHL).
- 4.13. Approve contracts for fixed plant or machinery with a contract lifetime value of over £25k.

## 5. Powers & Limitations

The Committee may:

- 5.1. Deposit or invest funds in a manner consistent with current recommended practice, having obtained advice from the current investment managers.
- 5.2. Recommend to the Board that agreements with the investment managers for the management of investments are executed provided that:
  - (a) The agreement with the investment managers is reviewed at least annually;
  - (b) A copy of the Investment Policy, as approved by the Board, is provided to the investment managers;
  - (c) The conduct of investment business and the action of the investment managers are regularly reported to the Board through this Committee;
  - (d) Financial terms with the investment managers are set out in writing and are aligned with normal practice having been agreed in advance by the Board;
- 5.3. Arrange for investments or other property of the Charity to be held in the name of a nominee (being a corporate body registered or having an established place of business in England and Wales) under the control of a Trustee or of a financial expert(s) acting under their instructions, and to pay any reasonable fee required;

5.4. Review and evaluate the performance of the investment managers at least every three years.

## **6. Composition of the Committee**

6.1. The Committee will be comprised of at least three Trustees.

6.2. The Committee may recommend to the Board that additional external members are appointed to the Committee who bring skills or expertise to support the work of the Committee.

6.3. The majority of Committee members shall be Trustees.

6.4. The Committee Chair will be the Honorary Treasurer.

6.5. Members of the Committee will be appointed by the Board on the recommendation of the Nomination and Remuneration Committee (NRC) and in consultation with the Committee Chair.

6.6. A Trustee or employee who is appointed to be a member of the Committee shall remain a member of the Committee until such point as they cease to be a Trustee or employee at which point their term of office on the Committee shall terminate immediately. External members of the Committee shall be appointed for a term of three years which is renewable once.

6.7. External members will receive a letter of appointment from the Committee Chair, which will identify the member's responsibilities, length of appointment and expected attendance at Committee meetings. The letter will be co-signed by the member.

## **7. Meetings**

7.1. The annual calendar of meeting dates will be presented for approval at least six

months in advance of the first meeting.

- 7.2. The Committee will meet at least four times per annum.
- 7.3. In the absence of the Chair and/or his or her nominated deputy, the remaining Committee members present will elect one of themselves to chair the meeting from those who would be eligible to be appointed to that role by the Board.
- 7.4. The Committee may meet in private without Executive staff present.
- 7.5. The Charity's investment advisors will be invited to attend two meetings per year.
- 7.6. The Committee will usually be attended by the Chief Executive and/or the lead Director. Other relevant senior Executive staff may be invited to attend all or part of any meeting, as required.
- 7.7. EFHL's Finance Director will be invited to attend the Committee meetings as a representative of EFHL.
- 7.8. A quorum will consist of two members of the Committee, one of whom must be the Chair or their nominated deputy who must also be a Trustee. Decisions may not be taken at any meeting that is not quorate.
- 7.9. Meetings may be held in person or virtually (with members attending via virtual means) or as a mixture of the two ("hybrid meetings").
- 7.10. Urgent decisions may be made via email or an online platform provided a quorum of members is present.

## **8. Secretarial Arrangements**

- 8.1. The Board Secretary or his or her nominee (the Secretary) acts as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
  - 8.2. Notices, agendas and supporting papers will be sent in electronic form unless members have expressly requested hard copies.
  - 8.3. Meetings of the Committee will be called by the Secretary of the Committee at the request of the Committee Chair.
  - 8.4. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items and supported papers, will be provided to each member of the committee, and any other person invited to attend, no later than one week before the date of the meeting.
  - 8.5. The Secretary will minute the proceedings and resolutions of all committee meetings (both open and closed sessions), including the names of those present and in attendance.
  - 8.6. Draft minutes of each Committee meeting will be approved by the Chair and then distributed to Committee members within ten working days of that meeting. The draft minutes are agreed and approved at the next Committee meeting.
  - 8.7. Committee meeting minutes will be included in the papers of the next Board meeting. The minutes will be marked as 'Draft' if the next Board meeting occurs before the next Committee meeting at which the minutes would have been approved.
- ## **9. Reporting to the Board**
- 9.1. The Committee Chair will report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

- 9.2. The Committee will report to the Board the Charity's investment portfolio performance on a regular basis.
- 9.3. The Committee will report to the Board any opportunities, irregularities or concerns.
- 9.4. The Committee will make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.5. The Committee will make regular reports to the Board about the conduct of investment business and the action of the investment managers.
10. Other Matters
  - 10.1. The Committee will:
    - (a) Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
    - (b) Arrange for periodic reviews of its own performance, constitution, and terms of reference at least annually, to ensure it is operating at maximum effectiveness, and recommend to the Board any proposed changes to be included in the next triennial governance review.
11. Related documents
  - Turn2us Articles of Association
  - Board of Trustees Terms of Reference
  - Trustee Role Description
  - Turn2us Nominations and Remuneration Committee Terms of Reference
  - Turn2us Finance & Investment Committee Chair Role Description

Approved by the Board on 21 September 2022.