MARINER

Board turnover and fiduciary continuity:

How governing bodies can prepare for leadership changes

Key takeaways

- Board and committee turnover can disrupt institutional knowledge, but planning ahead can help new members step in with useful context.
- Long-serving members offer history and perspective, while new members can bring questions and ideas that strengthen governance.
- Current records, thoughtful onboarding, ongoing education, regular check-ins and board or committee evaluations can help sustain fiduciary continuity.

Board turnover is part of organizational life. Trustees and committee members retire, relocate, change roles or complete their terms. Even a governing body that has remained stable for years should expect its composition to change over time.

For endowments and foundations, pension plans and defined contribution plans, those transitions can disrupt institutional knowledge, make earlier decisions harder to understand and leave new members without the context they need to carry out their responsibilities.

Planning ahead can help preserve strong governance while making room for fresh perspectives.

Why do continuity and fresh perspectives both matter?

Long-serving board and committee members often hold valuable historical knowledge. They understand how the organization arrived at its current investment structure, which alternatives were considered and what trade-offs shaped earlier decisions. That context can help a governing body take a longer view and remain patient through market cycles.

New members can strengthen the process in a different way. They may question assumptions, spot gaps others have grown accustomed to or bring experience from another organization. Their perspective can help a governing body consider whether its policies and practices still support the plan or organization's objectives.

Fiduciary continuity gives new members the background they need to evaluate past decisions and reach their own well-informed conclusions. It also helps the governing body maintain a consistent process as its membership changes.

What can happen when a transition isn't planned?

When important knowledge sits primarily with a few experienced members, even one departure can expose gaps. A new trustee or committee member may receive the current investment policy statement but still have little understanding of why certain provisions were adopted, how responsibilities are divided or which issues are likely to come before the group.

Without that context, decisions may take longer and the process may become less consistent. A governing body may also revisit earlier decisions without first understanding the analysis that informed them. The risk becomes greater when several members leave at the same time or when one person carries a large share of the group's institutional memory.

The best time to prepare is before a departure is announced. Building continuity into the governance process can reduce the organization's dependence on any one person and make transitions easier to manage.

How can boards and committees support fiduciary continuity?

A few consistent practices can help new members get up to speed and give the full governing body a stronger foundation for decision-making:

1. **Maintain a clear decision record.** Keep meeting minutes, the investment policy statement, committee charters and other governing documents current, organized and accessible. Records should capture the substance of significant decisions, including the factors considered and the responsibilities assigned. A well-maintained history gives incoming members a reliable place to begin.
2. **Create a formal onboarding program.** Orientation should extend beyond access to documents. Meetings with staff, committee leadership and key external providers can complement an onboarding guide covering the purpose of the plan or pool of assets, the legal and regulatory framework, fiduciary responsibilities, investment objectives, roles and delegation, member expectations, current priorities and the annual meeting calendar. Tailor the program to the organization and plan type.
3. **Make education ongoing.** Initial education can help new members understand their fiduciary responsibilities and build the financial knowledge needed to participate in discussions. Continue that education through regular meeting discussions and external opportunities such as conferences, seminars or focused training. Ongoing learning can help both new and experienced members stay current as markets, regulations and organizational needs evolve.
4. **Check in during the transition.** Periodic conversations can give new members a comfortable place to raise questions outside a full meeting. Board or committee leadership and staff can use these check-ins to understand whether a member feels prepared to contribute or needs additional information or support.
5. **Evaluate the board or committee regularly.** An annual self-assessment can help identify what is working well and where the group's processes, composition or education may need attention. It can also surface knowledge gaps before turnover makes them harder to address. Any themes that emerge should be followed by clear next steps.

Is your board or committee ready for the next transition?

Governing bodies don't need to wait for an announced departure to assess their readiness. Consider these questions:

- **Records:** Could a new member understand the reasoning behind the group's most significant recent decisions?
- **Roles:** Are fiduciary responsibilities, delegated authorities and expectations for members clearly documented?
- **Orientation:** Does onboarding explain what the governing body does and how it arrived at its current approach?
- **Education:** Are learning opportunities matched to the experience of new and long-serving members?
- **Feedback:** Is there a consistent way to learn where members need more clarity or support?

Make continuity part of good governance

Turnover doesn't have to weaken fiduciary oversight. When clear records, education and expectations are part of the governance process, a board or committee is better prepared to manage change, preserve important context and benefit from the questions new members bring.

An institutional advisor can help governing bodies review their governance practices, identify continuity gaps and develop an education approach suited to their responsibilities and the assets they oversee.

For more information visit: **mariner.com**

This material is provided for informational and educational purposes only. It does not consider any individual or personal financial, legal, or tax circumstances. As such, the information contained herein is not intended and should not be construed as individualized advice or recommendation of any kind.

Where specific advice is necessary or appropriate, individuals should contact their professional tax, legal, and investment advisors or other professionals regarding their circumstances and needs.

Mariner is the marketing name for the financial services businesses of Mariner Wealth Advisors, LLC and its subsidiaries. Investment advisory services are provided through the brands Mariner Wealth, Mariner Independent, Mariner Institutional, Mariner Ultra, and Mariner Workplace, each of which is a business name of the registered investment advisory entities of Mariner. For additional information about each of the registered investment advisory entities of Mariner, including fees and services, please contact Mariner or refer to each entity's Form ADV Part 2A, which is available on the Investment Adviser Public Disclosure website (www.adviserinfo.sec.gov). Registration of an investment adviser does not imply a certain level of skill or training.

© Mariner. All Rights Reserved.