



**U.S Department of Education
Federal Student Aid**

Investment Review Board Charter

April 18, 2016



Federal Student Aid
Investment Review Board Charter
April 16, 2016

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Introduction

This charter defines the purpose, roles and responsibilities, and general procedures for the Federal Student Aid (FSA) Investment Review Board (IRB). It supersedes all previous iterations for this governance board and is subject to periodic revisions in concert with changes in FSA's investment strategy and management practices.

Purpose

The IRB is a decision-making body to ensure all FSA investments maximize the achievement of FSA's strategic goals in the most effective way. Participants in the investment management process collect and analyze details about all investments and budget line items, including scope, schedule, cost, benefits, risks, and integration/dependency points. Ultimately, the IRB is the final decision-making body responsible for maintaining an optimized and prioritized investment portfolio. The IRB is also responsible for tracking all investments within that portfolio to ensure the successful realization of promised benefits within the projected costs and schedule.

Roles & Responsibilities

The FSA IRB will have three categories of participants: Executive Sponsors, Members and Support Staff. The broader investment management process has numerous other roles and responsibilities that may be referenced, but not fully defined in this IRB charter. Also, individuals fulfilling the roles in this charter may have responsibilities in the broader investment management processes that are not documented here.

Executive Sponsors

The Chief Operating Officer and Deputy Chief Operating Officer serve as the FSA IRB Executive Sponsors. The Executive Sponsors have final accountability for the success of the IRB, establishing and/or approving all investment management procedures, including this IRB Charter. The Executive Sponsors have the authority to direct an approval for non-IT requests in circumstances requiring immediate action.

Members

Voting members for the IRB include the following:

- Co-chair: FSA Chief Information Officer (CIO)
- Co-chair: FSA Chief Financial Officer (CFO)
- Department CIO
- Director, FSA Acquisitions
- Chief Administration Officer
- Chief Business Operations Officer
- Chief Customer Experience Office
- Chief Compliance Officer
- Chief Risk Officer



The IRB co-chairs will manage the investment management process for FSA, within the framework described in this charter and within any other specific guidance provided by the IRB Executive Sponsors. Specific duties include the following:

- Achieve consensus between the co-chairs regarding policy, briefing, and other communications deliverables required to support other key stakeholders and processes (e.g., ED PIRWG, ED IRB, OMB, etc.).
- Convene the IRB on a regular schedule that complements required organizational planning and budgeting timelines. Receive requests from members to convene the IRB or request an e-mail vote on an ad hoc basis for unforeseen, urgent, or time-sensitive requests.
- Coordinate with the IRB Secretary to ensure meeting agenda and materials are sent out a minimum of two business days in advance of meetings.
 - Review background material in advance of distribution to IRB members.
 - Review summarization of meeting outcomes and decision memoranda prior to distribution to OC members.

Members, including the co-chairs, are the executive review and decision making body for FSA investments. Specific duties include the following:

- Prepare themselves for decisions to be made in each IRB meeting or e-mail vote request. This includes reading distributed material and discussing meeting topics with respective members of their organization to ensure investments meet the criteria established within their areas of expertise.
- Actively participate in discussions of merit, timing, cost, and priority of investment requests. Each IRB member brings a unique perspective to the collective decision, represented by each of their areas of expertise. Votes may be for the following types of decisions:
 - Investment prioritization or re-prioritization for current year and up to two future budget fiscal years.
 - Approval/Disapproval of Lifecycle Management Methodology (LMM) project management stage gates, including: Management Stage Gate 1: Investment Review, Management Stage Gate 2: Requirements Review, and Management Stage Gate 3: Project Investment Close-out.
- Ensure investments fully reflect enterprise impacts including, but not limited to, all systems, total cost including cost of changes to interfacing systems, aid award impact and sequencing.
- Review IRB Dashboard and consider undocumented impacts of the investment status.
- Provide their vote and recommendations during each meeting or in response to e-mail votes.



- Review and understand underlying regulations and mandates that guide the investment review process (e.g., OMB Circular A-130 and A-11)

Support Staff

The IRB is supported directly by staff in the Performance Management (PM) business unit and indirectly through other participants in the investment management process including Investment Executive Sponsors, Investment Managers, Contracting Officers, Contracting Officer Representatives, Project Portfolio Managers, Budget contacts within business units, Enterprise Architecture, and Finance Office staff. The direct IRB support staff in the PM business unit is coordinated by the IRB Secretary.

The IRB Secretary is the Director of the Investment Management Group within PM. Specific duties managed by the Secretary and their support staff include the following:

- Coordinate with Co-Chairs to:
 - Develop IRB meeting agendas in consultation with co-chairs.
 - Develop and review materials in advance of distribution to IRB co-chairs.
 - Provide co-chairs a minimum of two business days to review and finalize comment on materials. Approval is needed from on chair to proceed.
 - Distribute meeting agenda and materials to IRB Members a minimum of two business days in advance of meetings. Agenda items are subject to removal if materials are not received far enough in advance for detailed review.
 - Draft meeting notes and decision memoranda for review by co-chairs prior to distribution to OC members. Approval is needed from one co-chair to distribute final documents.
 - Post minutes in IRB Member-only SharePoint sight.
- Ensure the Department CIO is invited to the IRB meeting or receives all IRB e-mail votes when a request is received for the establishment or the modification (increase or decrease) of any IT investment by \$10 million or more.¹
- Coordinate IRB e-mail votes as determined necessary by the co-chairs.
- Assist the co-chairs in facilitating discussions and reaching final decisions.
- Record action items from each meeting and report on action item status at subsequent meetings.
- Identify each IRB vote that includes IT investments.
- Track each vote, including metrics such as Member attendance at IRB meetings and voting records. In addition, for each required Department CIO and FSA CIO vote, track the additional time and cost associated with this additional step in the investment management process.

¹ If there is no permanent Department CIO, then the agency CIO veto vote is not enforced.



General Rules

The IRB will meet quarterly, but more frequently when circumstances require. In the event a time-sensitive request cannot be accommodated in a regularly scheduled or ad-hoc IRB meeting, voting can take place via email provided the request does not require in-depth discussion to support a decision.

Members who are unable to attend a meeting or are not available to vote via e-mail are responsible for identifying a representative who may vote on their behalf. This representative may be another existing Member or may be a direct report of the Member. Notification of proxy assignment should be sent to the IRB Secretary and the co-chairs prior to the meeting.

Each IRB Member has one vote. Co-chairs will strive for decisions via consensus, but only a majority of IRB Members present at the meeting or included in an e-mail distribution is required to finalize a decision. A quorum is achieved at an IRB meeting when a majority of the Members are present. Should there be a quorum failure of Members during a convened meeting, the co-chairs each have the right to waive the quorum requirement as long as a minimum 4 members or approved representatives are available and present.

For any IT investments of \$10 million or more, the Department CIO may not delegate their vote to anyone else. Any investment that requires the Department CIO vote in this way may not proceed if the Department CIO does not vote "Approved".¹ The Department CIO is not required to vote on non-IT investments or IT investments under \$10 million. For those IT investments less than \$10 million, the FSA CIO or their representative must vote "Approved", or the investment may not proceed.

The Project Management and Oversight Group will maintain the IRB Dashboard; presenting an executive status of all Tier 1 investments and bringing to the attention of the IRB co-chairs any potential significant issues with investments.

Finance's Budget Formulation and Execution Division will provide a summary of the current budget status of all fiscal years that are either in the budget formulation or budget execution process. FSA's CFO has the authority to approve individual modifications to investments up to \$150,000. During the IRB meeting budget status updates, Finance's Budget Formulation and Execution Division will provide a summary of modifications approved by the CFO since the previous budget status update.

All Decision Record Memorandum (DRM) will be made available via postings on the IRB SharePoint sight. IRB Support Staff will send an email notification to all IRB participants, the Investment Manager who presented to the IRB, FSA's Senior Leaders, and the Budget Formulation and Execution Division of the availability of the DRM. It is the responsibility of the Investment Manager who presented to the IRB to communicate the decision to other appropriate parties.