



Plan Governance Summary

Board Resolutions

The vast majority of retirement plan documents provide rules regarding who is empowered to take action for a plan. The plan document names a plan administrator, a named fiduciary, and usually contains a section that explicitly describes responsibilities for each, when and how to delegate responsibilities, and perhaps even how a committee may be adopted. Typically, these powers are placed in the hands of the organization, the plan sponsor. Ultimately the plan sponsor's Board of Directors (or equivalent individual or entity) are empowered to act on behalf of the plan sponsor. The majority of plan sponsors create a committee to undertake most day-to-day and recurring responsibilities of the plan. In order to do so within the dictates of the plan document the Board of Directors (or equivalent) must take formal action to create a committee and effectively delegate responsibilities. This serves to effectively transfer the responsibility and effectively the potential liability that may be associated with said responsibility. This is a way to ensure that the Board of Directors (or equivalent) are insulated from actions that they are not taking or approving on a day-to-day basis. Those are the primary objectives of the sample Board Resolutions.

Committee Charter

As described above, a committee may be delegated certain responsibilities. The Charter best spells out what those responsibilities are, and how the committee is to act. It is essentially a set of guidelines. It also explicitly sets forth exactly what fiduciary responsibilities the committee may be responsible for. In this way it brackets their potential liability against responsibilities that have not been explicitly delegated to them.

Acceptance/Resignations

The acceptances and resignations/removals are documents created at the individual committee member level. These are created to evidence when an individual accepts the responsibilities delegated to them by the Board of Directors (or equivalent) and when they relinquish them. This serves to bracket the time period for which the individual may be held responsible, and thereby potentially liable, for their plan-related actions.

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