



FIDUCIARY AUDIT FILE CHECKLIST

The Fiduciary Audit File Checklist is intended to be a general guide for assisting 401(k) plan fiduciaries in developing a plan documentation file. We believe that a fiduciary's primary responsibility should be focused on establishing a procedurally prudent investment process, including the setting of investment policy, selecting the professionals to implement the process and monitoring the results of the process. Given this mandate, it is important that the plan fiduciary maintain a readily accessible Fiduciary Audit File to demonstrate that the process has been properly established, that the process has been adhered to and that significant decisions affecting the plan have been adequately documented.

Documentation is critical in fulfilling the role of the fiduciary and may span a wide array of both internal and external reporting requirements. Internal records should be maintained to build an audit file that is readily available for review to verify compliance. External reports are required to satisfy plan participants, beneficiaries, and regulatory authorities that plan assets are being properly administered and wisely invested.

The Fiduciary Audit Checklist has been organized into nine major sections as listed below, which represent the tabs of the Fiduciary Audit File to be maintained.

1. Plan Documents
2. Government/Regulatory Requirements and Communications
3. Journals and Ledgers
4. Section 404(c) Compliance
5. ERISA Fidelity Bond
6. Participant Communication Documents
7. Investment Policy Statement
8. Third Party Service Providers
9. Plan Procedures and Minutes of all Meetings

This Checklist was developed and intended to be used as a general reference guide and may not contain all information specific to your plan. There may be unique characteristics specific to your plan that would require additional reporting and/or documentation. Loring Ward Total Retirement is not a legal advisor. This checklist is being provided as a reference tool and should not be construed as providing legal advice. For questions specific to your plan, please contact your legal or financial advisor.

RETIREMENT PLAN DOCUMENT RETENTION SUMMARY

1. Plan Documents

- a. Plan Trust Documents
- b. Plan Documents with all amendments, addenda, and attachments
- c. Plan Summary Description — including all amendments, addenda, and attachments
- d. Summary of Material Modifications — to the 401(k) plan with all amendments, attachments, and addenda
- e. Adoption Agreement — if prototype plan
- f. Summary Annual Reports for past seven plan years
- g. Trustee Reports — for past seven plan years

2. Government/Regulatory Requirements and Communications

- a. Internal Revenue Service's Form 5500 — as filed for the past seven plan years
- b. Audited Financial Statements — that accompany the 5500's and any applicable notes

3. Journals and Ledgers

- a. Journals, ledgers, account statements (including bank and trust statements), appraisals and other evidence to support all assets/investments

4. Section 404(c) Compliance

- a. List of investments offered to plan participants (must be a minimum of three investment choices)
- b. Description of the frequency of participant's ability to transfer assets among investment choices (Quarterly is minimum)
- c. Statement to Participants of Intent to be 404(c) Compliant
- d. Description of Investment Alternatives, Risk and Return of each Alternative and a copy of the applicable Prospectus
- e. Instructions for Participants to Obtain Further Information
- f. Record/Log of Plan Participant Information Requests and How Fulfilled

5. ERISA Fidelity Bond

- a. Copy of the Fidelity Bond Policy — the amount of the bond must be at least 10% of the value of the plan assets, but not less than \$1,000. The ERISA bond is not required to (but may) exceed \$500,000

6. Participant Communication Documents

- a. 401(k) Plan Promotional Materials — copies of all plan marketing materials
- b. Investment Options — documents showing description of all options and related changes since the inception of the plan
- c. Participant Communications — from the plan administrator or plan sponsor
- d. Prospectus or other disclosure material relating to the investment options provided to the participants
- e. Sample of Participant Account Statement

7. Investment Policy Statement

7a. Executed IPS prepared in sufficient detail to include the following information

- Evaluation of the specific needs of the plan and its participants
- Investment objectives and goals of the plan
- Definition of the duties and responsibilities of all parties involved
- Due diligence criteria for selecting investment options for the plan
- Classes, styles and restrictions on investments authorized
- Standards and benchmarks of investment performance for comparison
- Policy and procedures related to the hiring, monitoring and replacement of investment managers
- Procedures for monitoring and controlling investment expenses

8. Third Party Service Providers

8a. Investment Management

- i. Copies of all Investment Management Agreements and related correspondence to current, former and potential managers
- ii. Documentation of the due diligence process used to select investment managers
- iii. Investment manager reports on performance, fees, and compliance to investment guidelines
- iv. Plan Sponsor's periodic review and monitoring of investment manager performance

8b. Consultants/Asset Allocation/Recordkeeping/Custodial Service Providers

- i. Requests for Proposals (RFPs) — copies of all RFPs and all related correspondence with all former, current, and potential consultants, asset allocation, and/or recordkeeping and custodians
- ii. Competitive Bid Documentation and all related correspondence
- iii. Copies of all service agreements and all related correspondence with all former, current, and potential consultants, asset allocation, and/or recordkeeping and custodians

9. Plan Procedures and Minutes of all Meetings

9a. Investment Committee Meeting Minutes

9b. Administrative Committee Meeting Minutes

9c. Plan Procedure Manual to include:

- Enrollment forms and procedures
- Loan and hardship withdrawal forms and procedures
- QDRO and claim procedures
- Forms: rollover requests, plan distributions, and other miscellaneous forms used

FIDUCIARY AUDIT FILE CHECKLIST

No.	Fiduciary Audit Item	Document Location	Document Date	Notes
1. Plan Documents				
1a	Plan and Trust Documents with all amendments, addenda, and attachments	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
1b	Summary Plan Description including all amendments, addenda, and attachments	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
1c	Summary of Material Modifications to the plan with all amendments, attachments, and addenda	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
1d	Adoption Agreement if prototype plan	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
1e	Summary Annual Reports for past six plan years*	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
1f	Trustee Reports (including all reports and statements from service providers) for past six plan years*	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		

2. Government/Regulatory Requirements and Communications				
2a	Internal Revenue Service Form 5500 as filed for the past six plan years*	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
2b	Audited Financial Statements that accompany the 5500's and any applicable notes	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		

3. Journals and Ledgers				
3a	Journals, ledgers, account statements (including bank and trust statements), appraisals and other evidence to support all assets/investments	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		

*Regulations require that plan documentation be maintained for a minimum of six years after the filing date (United States Code, Department of Labor, Pub. L. 93406, title I, Sec. 107, Sept. 2, 1974, 88 Stat. 850; Pub. L. 10534, title XV, Sec. 1503(d)(5), Aug. 5, 1997, 111 Stat. 1062.) Retaining documents for longer periods may serve as a prudent safeguard against ongoing liability for plan fiduciaries.

4. 404(c) Compliance				
4a	Completed 404(c) Checklist detailing compliance activities	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
4b	404(c) Letter of intent , including: - List of investments - Description of frequency of allowed investment changes - Notification to participants of intent to be 404(c) compliant - Instructions to obtain further information	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
4c	Record/Log of Plan Participant Information Requests and how fulfilled	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		

No.	Fiduciary Audit Item	Document Location	Document Date	Notes
5. ERISA Fidelity Bond				
5a	Copy of the Fidelity Bond Policy — amount of the bond that must be at least 10% of the value of the plan assets, but not less than \$1,000. The ERISA bond is not required to (but may) exceed \$500,000	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
6. Participant Communication Documents				
6a	401(k) Plan Promotional Materials — copies of all plan marketing materials, including education materials	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
6b	Investment Options — documents showing description of all options and related changes since the inception of the plan	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
6c	Participant Communications — from the plan administrator or plan sponsor	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
6d	Prospectus — or other disclosure material relating to the investment options provided to the participants	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
6e	Sample of Participant Account Statement	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
7. 401(k) Investment Policy Statement				
7a	Executed IPS prepared in sufficient detail to include the following information: – Evaluation of the specific needs of the plan and its participants – Investment objectives and goals of the plan – Definition of the duties and responsibilities of all parties involved – Due diligence criteria for selecting investment options for the plan – Classes, styles and restrictions on investments authorized – Standards and benchmarks of investment performance for comparison – Policy and procedures related to the hiring, monitoring and replacement of investment managers – Procedures for monitoring and controlling investment expenses	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
8. Third Party Service Providers				
8a	Investment Management	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
i	Copies of all Investment Management Agreements and related correspondence to current, former and potential managers	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		

No.	Fiduciary Audit Item	Document Location	Document Date	Notes
ii	Documentation of the due diligence process used to select investment managers	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
iii	Investment manager reports on performance, fees, and compliance to investment guidelines	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
iv	Plan Sponsor's periodic review and monitoring of investment manager performance	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
8b	Consultants/Asset Allocation/Recordkeeping/Custodial Service Providers	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
i	Requests for Proposals (RFPs) - copies of all RFPs and all related correspondence with all former, current, and potential consultants, asset allocation, and/or recordkeeping and custodians	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
ii	Competitive Bid Documentation and all related correspondence	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
iii	Copies of all service agreements and all related correspondence with all former, current, and potential consultants, asset allocation, and/or recordkeeping and custodians	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		

9. Plan Procedures and Minutes of all Meetings

9a	Investment Committee Meeting Minutes	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
9b	Administrative Committee Meeting Minutes	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		
9c	Plan Procedure Manual to include: – Enrollment forms and procedures – Loan and hardship withdrawal forms and procedures – QDRO and claim procedures – Forms: rollover requests, plan distributions, and other miscellaneous forms used	<input type="checkbox"/> Located in Audit File <input type="checkbox"/> Documents Located: _____		

10. Completed by:

Plan Trustee

Title

Date

Advisor

Date