



ARIN's 401K Plan

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Background

- ARIN has provided a 401K benefit to its employees since 1 January 1998 – this program is defined by the “ARIN 401K Summary Plan Description” document
- The ARIN 401K has three Trustees (presently Erin Alligood, Nate Davis, and Val Winkelman) who are members of ARIN’s senior management team
- These 401K Trustees (along with inside legal counsel) compose ARIN’s 401K Fiduciary Investment Committee
- Since inception, the 401K Fiduciary Investment Committee has overseen the routine administration of the 401K in accordance with the plan document, seeking ARIN Board approval on a few occasions prior to 2008 for 401K program changes

Background

- Recent 401K fiduciary training provided (Erin Kartheiser, Esq. Winston and Strawn, LLP) to ARIN's 401K Fiduciary Investment Committee revealed a few items that needed to be addressed:
 - The (401K) Fiduciary Investment Committee Charter had not been reviewed in some time and required updating
 - By default, fiduciary responsibility for a 401K plan rests with the organization's Board unless otherwise delegated
 - The delegation of authority to organization staff is a very common practice
 - While ARIN follows this practice, we have not found a clear record of this delegation of authority from ARIN's Board of Trustees to the ARIN's 401K Fiduciary Investment Committee, and this should be remedied
 - Additionally, the ARIN Board of Trustees should be receiving periodic reports from the 401K Fiduciary Investment Committee regarding the 401K plan status

Recommendations

- Review and approval of ARIN's 401K Fiduciary Investment Committee Charter which;
 - Replaces the existing charter document with clearer, more precise, and thoughtful language which has been legally reviewed
 - Formally delegates ARIN's 401K management and authority to ARIN's 401K Fiduciary Investment Committee, thus documenting ARIN's existing business practice
- ARIN staff to provide ARIN's Board of Trustees (or ARIN's Finance Committee) annual updates on 401K plan status
- ARIN staff to seek ARIN's Board of Trustees (or ARIN's Finance Committee) consent on any major 401K plan changes

Discussion?