

CIT Governance Checklist for Plan Advisors and Plan Sponsors

Why is CIT Governance Important?

Interest in the adoption and use of CITs by 401(k) plans and their advisors has increased in recent years, making CIT Governance for the Retirement Plan Community an increasingly important factor to consider. As CITs become more prevalent in the mid to small market space, plan advisors are likely to face questions about how it is that CITs differ from mutual funds and how plan sponsors can have confidence that they are not unduly sacrificing investor protections when transitioning to CITs. Our white paper on “[Collective Investment Trusts and Good Governance Considerations](#),” describes how good governance considerations are the common focus of the triad of banking, securities, and ERISA rules and regulations applicable to the CIT provider community.

CIT Governance Checklist

Below are some things to consider to further understand an institution’s approach to CIT governance.

✓ Process for monitoring and overseeing the CITs fund and sub-advisors

- Are there set policies and procedures for fund oversight?

✓ Committee Structure

- Is there an established committee structure for implementing policies and procedures?
- Are there subcommittees charged with specific areas of responsibility?

✓ Frequency of Committee Reviews

- Does the committee meet on a regular basis?
- Are they maintaining meeting minutes to document their decision-making process?

✓ Committee Expertise

- Who sits on the committee and what level of experience do they have?

✓ Committee Access to Experts

- Does the committee have access to experts and if so, who are they?
- Are they engaging third party vendors to ensure access to relevant information?

continued

Check out our whitepaper,

“Collective Investment Trusts and Good Governance Considerations”

which contains a wealth of information on the history and development of the CIT investment vehicle.

For more information on CITs and CIT governance, visit GreatGray.com/CITs

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