The IPS Language Audit

A worksheet your committee fills in during one meeting. You finish with a dated record of every mandatory sentence in your investment policy statement, whether the plan meets it today, and what the committee decided about the ones it does not.

How to run it

1. **Put two documents on the table.** Your current investment policy statement, and your committee minutes for the past year.
2. **Mark every sentence containing shall, must, or will.** Those are the commitments. Shall carries the same weight as must. Sentences using may leave the committee discretion and do not belong on this sheet.
3. **Copy each marked sentence into the table, one per row, with its section number.** Copy the wording exactly. Paraphrasing is how a requirement gets softened without anyone deciding to soften it.

1. **For each row, find the meeting where the committee did what the sentence requires.** If you can find it, write Yes. If you cannot, write No.
2. **For every row marked No, record a decision, an owner, and a date.** Three decisions are available, and they are covered on the last page.

Worksheet

The first row is filled in as an example. Add pages if your policy runs longer.

#	The sentence from your policy (copy it in)	Does the plan meet it today?	What the committee decided, who owns it, by when
EX	*“Any fund that trails its benchmark for four consecutive quarters will be placed on the watch list.” § 4.2*	*No. Two funds qualified in Q2 and neither was added.*	*Add both to the watch list at this meeting and record the criteria reviewed. Owner: Committee chair By: next meeting*
1			
2			
3			
4			
5			

#	The sentence from your policy (copy it in)	Does the plan meet it today?	What the committee decided, who owns it, by when
6			
7			
8			
9			
10			
11			
12			
13			
14			

Before you record a decision

Every row marked No gets one of three decisions. Whichever one the committee picks, the decision and the reasoning behind it go in the minutes.

Meet it. The requirement still makes sense for the plan, and this is usually the answer. The minutes record what was missed, over what period, and what the committee is doing about it now.

Record why not. The committee looked at the situation and concluded that following the requirement would not have served participants. The minutes record the criteria the committee weighed and the reasoning behind the position it took.

Change the policy. The requirement itself no longer fits the plan. Follow whatever amendment procedure your policy states, and if it is silent, use a recorded committee vote. The minutes record the old wording, the new wording, the vote, and why the committee concluded the old requirement no longer serves the plan.

Two things worth knowing before you decide. Changing the policy fixes things going forward. It does not erase the period when the plan was out of line with the old wording, so that period still needs its own note in the minutes. And leaving a requirement in the document while continuing past it is not one of the three options.

If you would rather read your own policy with someone first, give us a call (206) 625-1800.

Completed by: ______________________________ **Date:** ______________ **Meeting:** ______________________________

Filed with the minutes for: ____

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We work behind the scenes to support plans that value clarity, consistency, and confidence in how they are managed. If you'd like more information or a high-level review of how your retirement plan is structured today, click the link to schedule a brief review, or contact us (206) 625-1800.

Schedule a Brief Review

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