



Financial Affairs Committee 2022-2023 Final Report

April 12, 2023

Financial Affairs Committee (FAC)

- Deb Copeland, Chair, BCHS - SOPPS
- Sumner Barenberg, COE - Bioengineering
- Apoo Koticha, DMSB - Finance Group
- Joseph McNabb, CPS - Graduate Programs
- Srinivas Sridhar, COS - Physics
- Gary Young, BCHS/DMSB – International Business & Strategy

CHARGE 1

- *Merit compensation recommendation*
- Presented in January

CHARGE 2

- *Equity process*
- Met with FTNTT fall 2022
- Survey questions developed
- Summary of survey findings in the FTNTT report

CHARGE 3

- *Retirement plan-fiduciary obligations and fund selection process*
- Survey
 - Over 400 respondents and 119 specific comments
 - Detailed results in report

OVERVIEW OF RESOLUTION

Special thank you to Professor Nicole Boyson for her analysis and input

- Cost savings for participants (1-4)
- Membership & fiduciary responsibilities of Investment Committee (5-6)
- Committee of plan participants (7)
- Education & Communication (8-9)

CHARGE 3--RESOLUTION

WHEREAS the FAC conducted a thorough review of the Northeastern University retirement plan,

WHEREAS the NEU retirement plan currently has assets exceeding \$2B and nearly 9,000 participants, with two recordkeepers, viz. Fidelity and TIAA-CREF, and

WHEREAS FAC identified several potential areas of improvement related to the plan's fund menu, fees, and quality of reporting to plan participants,

BE IT RESOLVED that the Provost bring to attention of the appropriate office for evaluation several cost-saving actions including (1) negotiating a uniform dollar-per-participant record-keeping fee, (2) using lowest cost mutual fund share classes preferably those without embedded revenue sharing, (3) moving to a single record-keeper, and (4) prohibiting plan recordkeepers from soliciting or suggesting investment products outside the plan, and

BE IT FURTHER RESOLVED that the Provost bring to the attention of the appropriate office for evaluation the following actions, namely (5) the investment committee membership should be broadened to include participants with retirement plan expertise, and (6) that all members of the investment committee are ensured to have training in their fiduciary responsibilities, and

BE IT FURTHER RESOLVED that the Provost bring to the attention of the appropriate office for evaluation the following action, namely (7) a plan participant committee should be established to review the plan annually and suggest improvements to the retirement plan, and

BE IT FURTHER RESOLVED that (8) participant education should be provided independent of recordkeeper-provided advice, and (9) communication and website design should be improved to better convey information to plan participants.