

New Employee Benefit Plan Service Helps Nonprofits Assess Compliance

Many nonprofit organizations provide a retirement plan for their employees. But unless the plan is already required to have an independent audit, most organizations are unaware of the high standard of fiduciary responsibility the IRS and Department of Labor place on plan sponsors to oversee their benefit plans and operate them in accordance with regulations.

Under the Employee Retirement Income Security Act (ERISA), many plans are required to have an independent audit when the plan sponsor has 100 employees eligible to participate in the plan, even if the eligible employees are not currently participating. CapinCrouse performs more than 60 audits of employee benefit plans for our nonprofit clients and we find a number of common errors and areas of noncompliance, particularly in the first year a plan is audited. In some cases, the corrections related to these issues have led to hundreds or thousands of dollars in penalties and fees. In the worst cases, these errors could jeopardize the tax-exempt status of the plan.

As a result, CapinCrouse has launched a consulting service designed to provide organizations with an assessment of their employee benefit plans and their compliance with IRS and Department of Labor requirements, as applicable. The new [Employee Benefit Plan Compliance Assessment](#) is designed for plans that are not yet required to have an audit but, due to growth in the number of employees, will need an audit in the near future. The service includes an assessment of the plan's operations, processes, structure, and documentation. We will identify any needed corrections prior to the plan's first required audit, helping you avoid any costly mistakes.

Even if your employee benefit plan is a church plan (also called a 403(b)(9) plan) not subject to ERISA, or doesn't yet have 100 eligible employees, it is still subject to IRS regulations, which are very similar to ERISA regulations. We have noted that government agencies have been placing a special emphasis on 403(b) plan audits in recent years.

As the plan sponsor, you have certain fiduciary responsibilities, and are required to operate the plan in accordance with applicable regulations. **You cannot rely on the plan's custodian or recordkeeper to do this for you.** An assessment of your employee benefit plan will help you ensure your employees' retirement benefits are being safeguarded and maximized.

Please [contact us](#) or your engagement team if you'd like to learn more about the new Employee Benefit Plan Compliance Assessment Service.

About CapinCrouse

As a national full-service CPA and consulting firm devoted to serving not-for-profit organizations, CapinCrouse provides professional solutions to organizations whose outcomes are measured in lives changed. Since 1972, the firm has served mission-focused not-for-profit organizations, churches, and higher education institutions by providing support in the key areas of financial integrity and security. With a network of offices across the nation, CapinCrouse has the resources of a large firm and the personal touch of a local firm. Learn more at capincrouse.com.

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