



**MONTANA TEACHERS' RETIREMENT SYSTEM**  
**POLICY 2-0100-01**  
**POLICY GOVERNING POLICIES AND PROCEDURES**

**Section:** Organizational  
**Implementer:** All TRS Personnel

**Effective Date:** November 13, 2009

**Purpose**

This policy will govern the conduct of all TRS Personnel in developing, authorizing, and maintaining all policies and procedures deemed necessary to conduct the business of TRS

**Definitions**

*Administrative Policies* – policies that pertain to the administration of TRS benefits.

*Board* – the TRS Board of Trustees.

*Board chair* – the board member who is the board chair at the time action is taken to approve a policy, or the board member who is acting in the place of the board chair in the board chair's absence.

*Governance Policies* – policies that pertain to the functioning of the TRS board of trustees.

*Implementer* - TRS personnel, by title or workgroup designation, who are primarily responsible for the implementation of the policy.

*Organizational Policies* – policies that pertain to functioning of the TRS staff and the day to day management of TRS operations.

*Policy* – a written statement that sets forth operational requirements for the conduct of TRS business.

*Policy Proposal Form* – a form that must be filled out and submitted to the Executive Director or the chair of the board of trustees to begin the process of developing or modifying a policy or procedure.

*Procedure* – the portion of a policy that sets forth the sequential or relational steps necessary to implement the policy.

*TRS Personnel* – all members of the TRS board of trustees and all employees of TRS.

**Policy**

1. The TRS board will develop and maintain governance, organizational, and administrative policies and procedures as necessary to meet the needs of TRS and to ensure compliance with applicable state and federal law.

2. TRS will comply with all applicable state policies and procedures, which will not necessarily be re-stated in TRS policy, but which may be explained or modified by certain of TRS' policies and procedures.
3. As a general rule, the board will comply with all board policies. The board may only take action contrary to one of its policies upon a specific finding of good cause. If such action is taken, the board will cause a statement of its findings of good cause to be set forth in board minutes. Upon a finding of good cause in one instance, the board will, if necessary, direct the Executive Director to conduct a review of the policy and report back to the board if a general amendment of the policy is necessary.
4. All new policies will be developed, authorized, and maintained as set forth in this policy.
5. New administrative and governance policies will be given effect only after public notice and an opportunity for public comment at a meeting of the TRS board of trustees.
6. A policy that necessitates a procedure will not be authorized until the necessary procedure is drafted and included with the policy for review and authorization. Any revision to a procedure may not violate or contradict the associated policy.
7. All policies will be authorized by vote of the board and signature of the board chair.
8. Unless otherwise expressly provided in the policy, the effective date of the policy will be the date of board action authorizing the policy. The policy shall remain in effect until superseded by a subsequent version or revoked by vote of the board of trustees.
9. After authorization of a policy, it will be posted to the TRS website and will remain posted for as long as the policy remains in effect. The policy posted on the TRS website will be the current, official version of the policy, and will supersede any other hardcopy or electronic version of the policy.
10. If a policy is proposed that affects the rights or duties of a member, beneficiary, employer, or the general public, or that imposes fees or penalties, it must be reviewed by legal counsel to determine whether rulemaking is required to effectuate the intent of the proposed policy.
11. In developing policy, TRS personnel will focus on fully and meaningfully expressing the operational or legal need of TRS that necessitates development of the policy and/or procedure, and meeting that need with due consideration for the operational, technical, and financial complexities and realities of TRS.
12. In general, policies proposed for adoption by the Board will be introduced for consideration and comment by the Board and the public by identification as a discussion item at a Board meeting, and will be scheduled for adoption by identification as an action item at the next regularly scheduled Board meeting following first introduction as a discussion item. A policy may be introduced as an action item and adopted by the Board in one Board meeting upon a reasonable showing that the policy needs to be given effect immediately for proper administration of the retirement system. In such circumstances,

the proposed policy and a plain statement of the reasons for expedited adoption of the policy must be provided to the Board members at least seven (7) calendar days prior to the Board meeting at which the policy will be considered as an action item.

## **Procedures**

### **A. Policy Proposal**

1. TRS personnel may propose the need for a new policy or procedure or the modification of an existing policy or procedure by completing a "Policy Proposal Form."
2. If proposed by TRS personnel other than a board member, the policy proposal form will be submitted to the Executive Director.
3. If proposed by a board member, the policy proposal form will be submitted to the board chair. A copy will be forwarded from the board chair to the Executive Director.
4. The Executive Director will identify the person who will be the implementer if the policy is enacted and charge the implementer with facilitating the policy process.
5. With the implementer acting as facilitator, appropriate staff will review the policy proposal; fill in any missing information on the policy proposal form; make a preliminary evaluation of the need for the proposed policy; provide an outline of the expected policy development process; and provide an estimated timeline for completion of policy development.
6. At a minimum, each policy proposal must be reviewed by the assistant Executive Director, the accounting manager, the information technology manager, and legal counsel for comment and sign-off in determining the expected policy development process and timeline for completion.
7. Following initial review and comment, all policy proposals will be returned to the Executive Director.
8. The Executive Director will schedule board consideration of the policy proposal for the next board meeting, and, if the Executive Director deems necessary, will instruct staff to develop a proposed policy for board review at the same time.

### **B. Policy Development**

1. When instructed by the Executive Director to develop a proposed policy, the implementer will work with appropriate TRS personnel to complete the purpose; glossary (if necessary); policy; procedure (if necessary), and cross-reference sections of the policy. All TRS staff in the workgroup(s) having responsibility for conducting the business operations at issue in a policy will be given an opportunity to provide input into the development of the policy.

- a. The purpose section will specifically identify the operational or legal need of TRS that is to be met by application of the policy and the persons who are required to comply with the policy, including any persons who are not TRS personnel.
  - b. The glossary section (if necessary) will define terms used within the policy. To the greatest extent possible, glossary terms should have the same meaning and be used consistently in all policies.
  - c. The policy section will set forth expected standards for TRS products, services, and/or conduct required of TRS personnel in performing certain operations or functions.
  - d. The procedure section (if necessary) will set forth the sequential or relational steps necessary to implement the policy. The procedure section may be comprised of, wholly or in part, a separate document(s) that is incorporated by reference in the policy.
  - e. The cross-reference section will identify any law and/or other policy the policy is intended to implement or that is substantially related to the policy.
2. The proposed policy will be reviewed by the assistant Executive Director, the accounting manager, the information technology manager, and legal counsel to ensure that any operational need reflected in the policy is adequately addressed by the policy, that all workgroups can reasonably comply with the policy and procedure, that the policy appropriately implements any legal need giving rise to the policy, and that the policy does not violate any other legal requirement of TRS.
  3. The policy will be reviewed by the Executive Director, who may solicit additional review and comment from TRS personnel or other persons the Executive Director believes may provide information relevant to the development or implementation of the proposed policy.

### **C. Policy Format Standards**

1. Policy Numbering. Policies will be numbered in the format: X-XXXX-XXX, where the parts are Policy Section – Section Subject – Policy Number.
2. In all cases the Policy Section designations are:
  - 1 – Governance
  - 2 – Organizational
  - 3 – Administrative
3. Section subjects will be identified within policy sections as necessary to reasonably identify and group TRS policies. For example, the section subject numbers below could be used:
  - 1 – Governance
    - 0100 – Policy Governing Policies and Procedures
    - 0200 – Fiduciary Duties
    - 0300 – Board Training
    - 0400 – Formation of Committees
  - 2 – Organizational
    - 0100 – Staff Qualifications
    - 0200 – Performance Evaluation
    - 0300 – Staff Education and Professional Development

- 0400 – Financial
- 0500 – Information Technology Security
- 0600 – Communications and Confidentiality
- 0700 – Employee Ethics
- 3 – Administrative
  - 0100 – Forms
  - 0200 – Documents and Publications

4. The official index of section subject numbers applied to TRS policies will be maintained by TRS as part of the official database of policies. The index of section subject numbers may be expanded as necessary to properly group and identify future policies without need of further board action.
  - a. Example: This policy is numbered as 1-0100-001 derived as follows: 1- (governance policy) - 0100 (governance policy subject from list above) - 001 (sequential number of this policy among all 1-0100 policies).
5. Policy Caption. All policies will be captioned with the Policy Number and Policy Title, which will provide a reasonable indication of the policy issue being addressed.
6. Disclaimer. All policies will end with a statement, printed in bold italics, that provides as follows:

***TRS policies may be amended or revoked from time to time, with amendments and revocations effective from the date of board action or later date as specified in the policy. The official version of any TRS policy is the version posted on the TRS website, which may be accessed at [www.trs.mt.gov/trs-info/boardpolicies](http://www.trs.mt.gov/trs-info/boardpolicies). Any deviation between the official version of a policy and a printed version will be resolved in favor of the official version. Hardcopy prints of policies will be dated as of the date of printing. Please make certain to review the material online prior to placing reliance on a printed version.***

#### Cross References

None

#### Signature

By Board action taken on ***November 13, 2009*** and by my signature below, the TRS Board has authorized implementation of this original or modified policy. The effective date of this policy is:

  X   the date of the Board action set forth above

           (date)   7 AUG 2014  

BY: ~~Kari Peiffer, Board Chair~~ Scott Dubbs, Acting Chair

Scott A. Dubbs, Acting  
Signature

*TRS policies may be amended or revoked from time to time, with amendments and revocations effective from the date of board action or later date as specified in the policy. The official version of any TRS policy is the version posted on the TRS website, which may be accessed at [www.trs.mt.gov/trs-info/boardpolicies](http://www.trs.mt.gov/trs-info/boardpolicies). Any deviation between the official version of a policy and a printed version will be resolved in favor of the official version. Hardcopy prints of policies will be dated as of the date of printing. Please make certain to review the material online prior to placing reliance on a printed version.*