

AGENDA ITEM

A-4. Optional Retirement Plan Delegation of AuthorityBrian Usischon

Situation: The University administers the Optional Retirement Program of the University of North Carolina (ORP) for the benefit of employees as an alternative to the state retirement system. The Board of Governors has designated the president as Plan Administrator and authorized the president to further delegate to qualified professionals most plan administration duties, with the exception of responsibility for selection and removal of investment options. Based on a staff review of plan operations, the president should have the additional authority to delegate responsibility for investment selection in order to ensure prudent operation and oversight of the ORP.

Background: The President, with the assistance of professional staff, oversees and monitors the investment management, performance and expenses associated with the administration of the ORP. The oversight and monitoring process is designed to ensure that the ORP’s investment options are maintained consistent with the ORP’s investment policy statement; that the ORP and its participants receive the services promised in vendor contracts; and that the investment and administrative expenses charged to the plan by investment providers and service providers are reasonable. The University’s oversight and monitoring activities include regular reviews by the UNC System Benefits Committee, including recordkeeping fees and investment fees.

Assessment: The attached board resolution to the ORP is required to implement delegations associated with selection and removal of investment funds from the ORP and to prevent any potential conflicts of interest while ensuring consistent operation of the plan.

Action: A vote is required to recommend the proposed resolution to the full Board for approval.



**RESOLUTION ON THE OPTIONAL RETIREMENT PROGRAM OF
THE UNIVERSITY OF NORTH CAROLINA**

WHEREAS, the University of North Carolina (hereinafter referred to as the "University") established the Optional Retirement Program of the University of North Carolina (hereafter "ORP" or the "Plan") for statutorily designated employees, and has been operating that Plan since 1972; and

WHEREAS, N.C.G.S. § 135-5.1(e) states that "The Board of Governors of The University of North Carolina may provide for the administration of the Optional Retirement Program and may perform or authorize the performance of all functions necessary for its administration"; and

WHEREAS, the Board of Governors has previously delegated authority to the President for the administration of the ORP, with the limitation that the evaluation, and selection and removal, of investment funds for the ORP should not be further delegated by the President; and

WHEREAS, after careful consideration, the Board of Governors recognizes that it may be prudent for the president to appropriately delegate to a senior member of her staff the responsibility for the selection and removal of investment funds for the ORP in appropriate circumstances.

NOW THEREFORE, BE IT RESOLVED, that the President, in the President's discretion, may delegate to the President's staff any of the functions of administration of the ORP, including responsibility for the selection and removal of investment funds for the ORP in appropriate circumstances.

IN WITNESS WHEREOF, the Board has caused this Resolution to be executed by its Chair and its seal to be affixed by the Secretary, both duly authorized, effective as indicated herein, but executed this _____ day of December, 2016.

Attest: (SEAL)

THE BOARD OF GOVERNORS OF THE
UNIVERSITY OF NORTH CAROLINA

Secretary

By: _____
Chair