

Effective 7/1/2014

53D-1-303 Board authority and duties.

- (1) The board has broad policymaking authority over the office and the trust fund.
- (2)
 - (a) The board shall establish policies for the management of:
 - (i) the office, including:
 - (A) an investment management code of conduct and associated compliance policy;
 - (B) a policy for the strategic allocation of trust fund assets;
 - (C) a soft dollar policy; and
 - (D) a policy articulating the board's investment philosophy for trust fund assets; and
 - (ii) the trust fund.
 - (b) Policies that the board adopts shall:
 - (i) be consistent with the enabling act, the Utah Constitution, and other applicable state law;
 - (ii) reflect undivided loyalty to the beneficiaries consistent with fiduciary duties;
 - (iii) be designed to prudently optimize trust fund returns and increase the value of the trust fund, consistent with the balancing of short-term and long-term interests, so that the fiduciary duty of intergenerational equity is met;
 - (iv) be designed to maintain the integrity of the trust fund and prevent the misapplication of money in the trust fund;
 - (v) enable the board to oversee the activities of the office; and
 - (vi) otherwise be in accordance with standard trust principles as provided by state law.
- (3) The board shall:
 - (a) establish a conflict of interest policy for the office and board members;
 - (b) establish policies governing the evaluation, selection, and monitoring of independent custodial arrangements;
 - (c) ensure that the office is managed according to law;
 - (d) establish bylaws to govern the board;
 - (e) establish the compensation of the director;
 - (f) annually examine the compensation and performance of the director as part of the board's budget review process;
 - (g) annually report the director's compensation to the Legislature; and
 - (h) adopt policies to provide for annual training of board members regarding their duties and responsibilities.
- (4) The board may:
 - (a) after conferring with the director:
 - (i) hire one or more consultants to advise the board, director, or office on issues affecting the management of the trust fund; and
 - (ii) pay compensation to any consultant hired under Subsection (4)(a)(i), subject to budgetary constraints; and
 - (b) submit to the director a written question or set of questions concerning policies and practices affecting the management of the trust fund.

Enacted by Chapter 426, 2014 General Session