



MEMORANDUM

TO: NC ABLE Board of Trustees

FROM: Reid Chisholm, Assistant General Counsel

DATE: October 31, 2019

SUBJECT: Revised charter for the NC ABLE Board of Trustees

Staff has proposed a revised charter for the Board, which is included in the Board's materials for the November 19 meeting.

Staff, in conjunction with other members of the National ABLE Alliance, are drafting an investment policy statement for the Alliance. As part of that work, staff realized that the current Board charter incorrectly includes a standing Investment Subcommittee.

The Board's original charter was approved in March 2016, prior to the Board's decision to join the Alliance, and was based on the Supplemental Retirement Board of Trustees' charter that was in effect in 2016. Amendments to Section I (para. 2) were adopted in January 2017 with the launch of the program, but the basic structure of the charter remained.

Staff reviewed the ABLE Board's charter in full and revised it to bring it in line with the Board's current role and operation as well as the current version of the Supplemental Retirement Board of Trustees' charter.

The revised charter includes the following five main changes to the current charter:

1. In the Section VI (Subcommittees), the Investment and Audit Subcommittees are deleted and replaced with a general provision that governs the creation of ad hoc subcommittees by the Board. Investments are managed and audits are conducted at the Alliance level, although the Board or the Department could conduct an audit at the NC ABLE Program level;
2. The NC ABLE Program's participation in the Alliance and the corresponding limitations on unilateral action by the Board within the Alliance are acknowledged and accounted for (see Sections I (para. 2) and V (subsections B, C, D, and F));
3. The Board's ability to adopt policies is included in Section V.D, subject to the limitations of being an Alliance member; and
4. The Board is responsible for monitoring, and (as warranted) recommending changes to, the administrative fee established by the Treasurer.

5. Provisions regarding delegation and oversight by Board are more thoroughly developed (see Sections V (subsections B and F) and VII (Staff)).

The revised charter also requires staff to review the charter annually and propose any recommended changes to the Board.

Staff recommends that the Board approve the revised charter in the meeting materials.