



**Maryland State Retirement and Pension System  
Board Governance Policy Manual  
Board Policy Development Process**

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***Further the objective that the Board's primary focus will be on setting direction and broad policy and on monitoring its implementation, and the Executive Director shall be fully accountable for the operational performance of the Agency.***

## **GUIDELINES**

### **Policy Development**

1. The process of developing a board policy shall be initiated by the Executive Director or by an action of the Board.
2. In determining whether a particular issue warrants a board policy, the Board shall consider whether the issue satisfies the following criteria:
  - a. The issue may have a significant impact on the System's ability to meet its mission;
  - b. The issue is expected to recur or continue indefinitely; and
  - c. The issue is an operational issue and, hence, the responsibility of the Executive Director.
3. The Board shall not adopt any policy without first ensuring that the policy has been thoroughly analyzed by staff and appropriate advisors and the analysis has been explained to the Board.
4. Board policies should be written in a format consistent with all other policies in effect.
5. Where a committee has been assigned responsibility for developing a board policy, it shall consider the Executive Director's proposed policy, and provide a recommendation to the Board for approval.

6. Governance policies, board regulations and the Investment Policy Manual shall be maintained in up-to-date form in a single volume or series of volumes within the Agency's offices, and shall be accessible to trustees, staff and members of the public, in print and electronic form.

### **Policy Compliance**

7. As a general rule, the Board shall comply with all board policies. Should the Board take an action contrary to an approved policy, it shall record in the board minutes the specific rationale for deviating from the policy. At such time, the Board shall also request that the Executive Director review the need to amend the policy.

### **Policy Review**

8. All policies shall be formally reviewed on a regularly scheduled basis; however, if a trustee, board committee, advisor or the executive director believes that a particular policy requires review in advance of the scheduled review, they may recommend to the Board that such a review be initiated.

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- c. Summary of Changes:

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