



POLICY ON POLICIES, PROCEDURES AND CHARTERS (PPC)

**LACERA Board of Retirement
Adopted August 3, 2022**

Policy on Policies, Procedures, and Charters

Responsible Manager: Luis A. Lugo, Deputy Chief Executive Officer

Effective Date: August 3, 2022 **Last Updated:** March 15, 2018

Mandatory Review: August 3, 2025 (Three Years After the Effective Date)

Approval Level: Board of Retirement (BOR)

I. Purpose

The purpose of this Policy is to do the following:

- Establish standards for the development and implementation of LACERA Policies, Procedures, and Charters (PPC).
- Set standards for compliance and periodic review.
- Ensure compliance with and periodic review of this policy.

Standardizing the development and implementation of LACERA's PPC will serve to:

- 1) Identify relevant parties and define their roles and responsibilities.
- 2) Guide staff and management on policy development and implementation.
- 3) Set uniform guidelines for policy development and implementation.
- 4) Document LACERA's business processes and operations.

II. Scope

This policy applies to all LACERA staff, including full-time, part-time, or contract employees, responsible for the development and implementation of any Policies, Procedures, and Charters (PPCs).

III. Legal Authority

The Board of Retirement (BOR) may promulgate policies, standards, and procedures, such as this Policy on Policies, Procedures, and Charters (PPC), to support LACERA's operations and to exercise the Board's fiduciary duty under Article XVI, Section 17 of the California Constitution, the County Employees Retirement Law of 1937 (CERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and other relevant statutory or case law.

IV. Definitions

Definitions. The following definitions clarify the differences between policies, procedures, and charters. Despite their differences, they each relate to and rely on one another. For instance, the creation of a policy may require forming a charter to ensure the guidelines of the policy can be met. This may in turn require a procedure to be

IV. Definitions (Continued)

drafted that instructs the team on how to carry out the charter.

Authorizing Manager. Responsible Manager/s authoring the PPC.

Policy. A Policy is a formal, brief, and high-level statement of principles, rules, or guidelines that embrace LACERA’s Mission, Vision, and Values as applied to specific subject matter. Policies communicate important,

enduring governing principles and practices, rather than specifying operational details or restating laws and regulations.

Procedure. A Procedure is a specific method, or set of methods, employed to execute a specific Policy or management intent in day-to-day operations of the organization. They represent an implementation of a Policy or management intent and should evolve over time as new tools emerge, new processes are designed, and the risks associated with an area change in response to internal or external environmental changes. Procedures are generally linked to one or more “Policies.”

Charter. A Charter is created based on the need for a team to carry out a Policy, Procedure, or other LACERA activity. A Charter describes a team, working group, or committee’s mission, membership, scope of operation, objectives, and authority, including the process by which the Committee will make decisions, resolve conflicts, and deliver expected outcomes. In some cases, the Charter itself may serve as a policy because the policy is to set up a team to deal with a particular event or issue.

V. Policy Statement (Continued)

At the direction of a LACERA Manager, any LACERA staff member or contractor may author a Policy, Procedure, and/or Charter and submit it for review. Policies may be considered a legal document.

A. Creation/Revision of a Policy, Procedure, and Charters

All LACERA Policies, Procedures, and Charters shall be formatted using a template with certain elements included when applicable. Please see PPC Template Instructions and Section VI. Related Forms/Templates for details.

Once a PPC has been created or revised, the author of the document shall submit the document to the Policy Committee for review. The PPC should be sent, along with the Policy Essential Elements Checklist, to the [Policy Committee](#) to process.

V. Policy Statement (Continued)

1. Types Of Policies, Procedures, and Charters (PPC) & Approval Process

LACERA Policies, Procedures, and Charters fall within any one of the following types:

- BOR PPC and Joint Board PPC
- Administrative – All LACERA PPC
- Divisional PPC

BOR PPC and Joint Board PPC

The Board of Retirement (BOR) shall approve the following:

- a) PPC containing subject matter outlined in the Board's Charter.
- b) PPC applicable to Board Trustees' procedural or substantive rights.
- c) PPC applicable to the Plan Sponsor.
- d) PPC applicable to LACERA members' procedural or substantive rights.
- e) PPC applicable to the Board's operations or fiduciary duties.
- f) PPC applicable to LACERA governance or Code of Ethical Conduct.

The joint Boards shall approve PPC's related to matters over which both Boards have authority.

Administrative – All LACERA PPC

The Chief Executive Officer (CEO) may delegate authority under this Policy to any designee at his or her discretion. For purposes of this Policy, any reference to the CEO will include such delegated authority. The CEO, Deputy Chief Executive Officer (DCEO), or designee shall sign and approve the following:

- PPCs that are organization wide.
- PPCs involving the day-to-day management and operations of LACERA and its staff.
- PPCs that have an "administrative" impact across divisions and business units.

A. Creation/Revision of a Policy, Procedure, and Charter (Continued)

Divisional PPC

The Divisional Manager or their designee shall sign and approve the following:

- PPC limited to a single division or unit
- PPC involving more than one division or unit

The Policy Essential Elements Checklist shall be used for PPCs being submitted to the Policy Committee to ensure the standards set forth in this policy are met. The essential elements include, but are not limited to the following:

V. Policy Statement (Continued)

- Triggering event
- Stakeholders
- Communication Plan
- Action Items
- Monitoring
- Implementation Plan

B. Distribution, Implementation, Training, and Enforcement

All approved LACERA Policies must be accessible to all LACERA staff. LACERA will maintain a digital Policy Library on LACERA Connect (Intranet) and within other shared resources and ensure that all staff and contractors are informed on how to access the LACERA Policy Library.

Managers shall do the following:

- a) Distribute their PPC to relevant persons.
- b) Take necessary steps to implement and arrange for appropriate training on their PPC.
- c) Enforce the terms of their PPC as appropriate.
- d) Obtain requisite acknowledgement forms documenting staff's receipt and review of LACERA Policies, Procedures, and Charters when applicable.

VI. References

The following information complements and supplements this document. The information is intended to explain this policy and is not an all-inclusive list of policies, procedures, laws, and requirements.

Related Policies:

- Policy Committee Charter

Related Procedures:

- LACERA PPC Template Instructions

Related Forms/Templates:

- Policy/Charter Template
- Procedure Template
- Policy Essential Elements Checklist

Other Related Information: Not Applicable

VII. Version History

Approved by the Board of Retirement on March 15, 2018.

Policy Issue Date: Board of Retirement March 15, 2018

Policy Effective Date: March 15, 2018

Policy Update/Review Summary:

Policy on Policies, Procedures, and Charters - Operations, Oversight Committee – July 6, 2022: Approved

Policy on Policies, Procedures, and Charters – Board of Retirement – August 3, 2022: Approved

VIII. Policy Review/ Approval

This policy shall be reviewed by the Operations Oversight Committee and the Board of Retirement (BOR) every three years or as needed and may be amended by the BOR at any time.