

## **Montana Board of Investments**

### **Background Information and Executive Director's Role**

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The Board of Investments is a government body within state government responsible for investing essentially all state funds, including operating, insurance, trust and pension monies. The Board has substantial autonomy. Nine members are appointed by the Governor and confirmed by the Montana Senate. The Board is attached to the Department of Commerce for administrative purposes only.

State law sets the powers and duties of the Board and directs the Board to administer three distinct missions: a constitutionally required unified investment program for all state money which must be invested under a single entity; the coal trust loan program which provides for significant investments for economic development within the state; and the INTERCAP loan program, which provides low-cost loans to Montana governmental entities.

The Board conducts its business through open meetings and an explicit set of policies. Its Governance Policy is its principal policy detailing what explicit powers and authorities it reserves solely to itself and what other powers and activities it delegates to its staff.

The Board is committed to openness, excellence, integrity and to the strongest adherence to its fiduciary role. In addition to its overarching Governance Policy, the Board also has strict policies on ethics, investments, and internal controls. Governance is further administered through three separate committees: loan, audit and human resources. Each committee has an explicit charter setting forth the role, powers and reporting duties to the full Board.

The Executive Director serves at the pleasure of the Board and acts as the Board's chief of staff with executive oversight for all Board matters. The Board establishes the duties through the Governance Policy and sets the salary for the position. The incumbent is responsible for successfully carrying out the Board's three missions; ensuring that all Board operations conform to state law/constitution; developing appropriate internal controls; developing and adhering to an annual budget; appropriately supervising all Board staff; and working with and responding to the Legislature, the Administration, the public, and the press. The incumbent is both responsible and accountable for key decisions that impact the Board's operations and that may also affect the Board's reputation and credibility.

The Board has 32 employees, almost half of whom deal directly with managing investments and serve under the leadership of the Chief Investment Officer. In addition, there are accounting, front office, technical support, and commercial and municipal lending staff. The Board expects the Executive Director to maintain and promote a culture of professional excellence, staff collegiality, and mutual respect amongst all its employees. Staff team work and shared mission ownership are a long-accepted aspect of the Board's culture.

Managing investments is central to the Board's mission. State law explicitly provides that the Board employ both an Executive Director and a Chief Investment Officer. The Chief Investment Officer is empowered by the Board to serve as the principal staff person responsible for overseeing the investment activities under the Board's jurisdiction in compliance with the Board's policies. There are certain check-and-balance safeguards between the role of the Executive Director and the Chief Investment Officer as explicitly provided in the Governance Policy.

The Board also employs a Deputy Director who has duties as delegated by the Executive Director and who would serve as the Acting Executive Director in the event of incapacity as authorized by Board Resolution 218, "Continuity-Executive Director".

Resources:

[Governance Policy](#)

[Organization Chart](#)

[Board's FY17 Annual Report](#)