

IC 5-10.4-3
Chapter 3. Board

IC 5-10.4-3-1
Repealed
(Repealed by P.L.23-2011, SEC.31.)

IC 5-10.4-3-2
Repealed
(Repealed by P.L.23-2011, SEC.31.)

IC 5-10.4-3-3
Repealed
(Repealed by P.L.23-2011, SEC.31.)

IC 5-10.4-3-4
Repealed
(Repealed by P.L.23-2011, SEC.31.)

IC 5-10.4-3-5
Repealed
(Repealed by P.L.23-2011, SEC.31.)

IC 5-10.4-3-6
Repealed
(Repealed by P.L.23-2011, SEC.31.)

IC 5-10.4-3-7
Financial information; annualization of data
Sec. 7. The board shall annually analyze the fund's:
 (1) income and expenditures;
 (2) actuarial condition;
 (3) reserve accounts;
 (4) investments; and
 (5) such other data as necessary to interpret the fund's condition
 and the board's administration of the fund;
for internal control purposes.
As added by P.L.2-2006, SEC.28.

IC 5-10.4-3-8
Repealed
(Repealed by P.L.23-2011, SEC.31.)

IC 5-10.4-3-9
Management of property
Sec. 9. (a) The board is responsible for the fund's property. The board may take and hold any property given outright or on condition to the fund and shall perform the conditions accepted. Unless restricted by a condition, the board may transfer the property when necessary for the fund's benefit.

(b) The board shall receipt:

- (1) property belonging to or coming into the fund and shall judiciously invest the property; and
- (2) money coming into the fund and, except as specified in sections 13 and 14 of this chapter, shall deposit the money as authorized by the board.

(c) The board shall direct the fund's disbursements on itemized vouchers approved by the president of the board and the director or, in the absence or incapacity of both officers, by another trustee directed by order of the board.

As added by P.L.2-2006, SEC.28. Amended by P.L.115-2009, SEC.13.

IC 5-10.4-3-10

Investments

Sec. 10. (a) The board shall invest its assets with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The board also shall diversify investments in accordance with prudent investment standards, subject to the limitations and restrictions set forth in IC 5-10.2-2-18.

(b) The board may:

- (1) make or have investigations made concerning investments; and
- (2) contract for and employ investment counsel to advise and assist in the purchase and sale of securities.

(c) The board is not subject to IC 4-13, IC 4-13.6, or IC 5-16 when managing real property as an investment. A management agreement entered into by the board shall ensure that the management agent acts in a prudent manner regarding the purchase of goods and services. Contracts for the management of investment property shall be submitted to the governor, the attorney general, and the budget agency for approval. A contract for the management of real property as an investment:

- (1) may not exceed a four (4) year term and must be based upon guidelines established by the board;
- (2) may provide that the property manager may collect rent and make disbursements for routine operating expenses such as utilities, cleaning, maintenance, and minor tenant finish needs;
- (3) shall establish, consistent with the board's duty under IC 30-4-3-3(c), guidelines for the prudent management of expenditures related to routine operation and capital improvements; and
- (4) may provide specific guidelines for the board to:
 - (A) purchase new properties;
 - (B) contract for the construction or repair of properties; and
 - (C) lease or sell properties;

without individual transactions requiring the approval of the governor, the attorney general, the Indiana department of

administration, and the budget agency. However, each individual contract involving the purchase or sale of real property is subject to review and approval by the attorney general at the specific request of the attorney general.

(d) Whenever the board takes bids in managing or selling real property, the board shall require a bid submitted by a trust (as defined in IC 30-4-1-1(a)) to identify all the following:

- (1) Each beneficiary of the trust.
- (2) Each settlor empowered to revoke or modify the trust.

As added by P.L.2-2006, SEC.28.

IC 5-10.4-3-11

Compliance with federal law

Sec. 11. The board's transactions under section 10 of this chapter are subject to IC 5-10.2-2-1.5.

As added by P.L.2-2006, SEC.28.

IC 5-10.4-3-12

Form of securities

Sec. 12. Each security may be held in bearer form or registered in the name of:

- (1) the fund;
- (2) a nominee created by the board; or
- (3) a nominee of a custodian bank or safekeeping bank, approved by the board.

As added by P.L.2-2006, SEC.28.

IC 5-10.4-3-13

Custodial agreements

Sec. 13. (a) The board may enter into a custodial agreement on terms the board considers in the best interest of the fund with a bank or trust company that is domiciled in the United States and approved by the board to:

- (1) act in a fiduciary capacity; and
- (2) manage custodial accounts;

on behalf of the fund.

(b) The agreement described in subsection (a) may authorize the custodian to:

- (1) hold the fund's securities and other investments in the name of the fund or a nominee, or in bearer form;
- (2) collect the income and other receipts from the securities and other investments and deposit them subject to the instructions of the board or the board's representative;
- (3) reinvest the receipts on the direction of the board or the board's representative;
- (4) maintain accounting records and prepare reports as may be required for use by the fund and the state board of accounts; and
- (5) perform other services for the board that are appropriate and customary for the custodian.

(c) The custodian is responsible for all securities held in the name

of its nominee for the fund.

As added by P.L.2-2006, SEC.28. Amended by P.L.90-2008, SEC.3.

IC 5-10.4-3-14

Management of custodial account

Sec. 14. All income and other receipts from securities may be:

- (1) collected by the custodian bank or safekeeping bank approved for that purpose by the board and deposited in the custodial account or a checking account of the board;
- (2) reinvested from the custodial account or checking account when the board determines that the receipts may be safely invested; or
- (3) withdrawn by the board for the immediate needs of the fund from the checking account or custodial account.

As added by P.L.2-2006, SEC.28. Amended by P.L.115-2009, SEC.14.

IC 5-10.4-3-15

Conflict of interest prohibited

Sec. 15. (a) Except as otherwise provided, a trustee or employee of the board may not have any direct interest in the income of an investment made by the board or may not receive any pay or emolument for services connected with any investment made by the board.

(b) The board may purchase a security or financial interest issued or owned by a:

- (1) custodian bank or trust company; or
- (2) subsidiary, parent corporation, or holding company of a custodian bank or trust company.

(c) A trustee or employee may not become an obligor for money loaned by or borrowed from the fund.

As added by P.L.2-2006, SEC.28.

IC 5-10.4-3-16

Criminal penalties

Sec. 16. A person who recklessly violates:

- (1) IC 21-6.1-3-9 (repealed), IC 21-6.1-3-11 (repealed), IC 21-6.1-3-15 (repealed), or IC 21-6.1-3-18 (repealed), before July 1, 2006; or
- (2) section 10, 12, 14, or 15 of this chapter, after June 30, 2006; commits a Class A misdemeanor.

As added by P.L.2-2006, SEC.28.