

POLICY ON TAX-SHELTERED ACCOUNTS - 403(b) AND 403(b)(7)

I. PURPOSE

This policy authorizes the administration of the Finance Department to establish procedures for the approval of companies and agents to offer 403(b) and 403(b)(7) accounts (TSAs) to School Board employees based on generally accepted qualitative and quantitative standards and based upon guidelines established by Federal and/or State authorities.

II. DEFINITIONS

A. 403(b) Tax-Sheltered Accounts include annuities issued by participating insurance companies.

B. 403(b)(7) Tax-Sheltered Accounts include mutual funds with custodial arrangements sponsored by investment management companies.

III. PROGRAM RESPONSIBILITIES

A. The administration of this employee benefit shall be the responsibility of the District's Finance Department. Such responsibilities shall include, yet not be limited to the following areas:

1. Processing vendor applications and authorizing them to establish employee accounts.
2. Determining the maximum number of vendors authorized to establish employee accounts with respect to payroll capabilities.
3. Processing employee requests concerning contributions to the TSA Program.
4. Monitoring of employee contributions to ensure compliance with Internal Revenue Guidelines.
5. Developing administrative rules, procedures, forms and agreements necessary for compliance with Internal Revenue Guidelines.

IV. PROGRAM GUIDELINES

A. The following guidelines shall be applied to all vendors authorized to establish TSA Program accounts for district employees:

1. All vendors must submit a request to the Risk Management Department to participate in the program by completing a current Vendor Application and

Participation Agreement. The application will define minimum standards required for participation, including, yet not limited to, the applicant company's financial condition and operating performance, ability to administer employee accounts within guidelines by the Internal Revenue Service or other governing authority, level of service to participants and acceptance of guidelines established by the Lafayette Parish School System. Applicants must receive notice of approval from the Risk Management prior to any solicitation of employees.

V. DISCLAIMER

Approval of a company or agent shall not be interpreted as an endorsement by the Lafayette Parish School Board or Lafayette Parish School System of the company, agent or investment product.

Adopted: 9/18/02

LEGAL REF.: Section 403(b), Internal Revenue Code