

MEMORANDUM

DATE: Friday, February 25, 2022
TO: Article 3 Police Pension Funds
FROM: Richard White, Executive Director
SUBJECT: Cash Management and Custodian Account Access

Request for Action

Please complete and sign the attached Access Form and return a pdf scan to the Illinois Police Officers' Pension Investment Fund (IPOPIF) at CashInstructions@ipopif.org or send a hard copy by mail to 184 Shuman Boulevard, Suite 305, Naperville, IL 60563.

Summary

- The IPOPIF Board of Trustees approved the [Cash Management Policy, PP-2022-01](#), on January 14, 2022. This policy is attached for reference and is also available on the [IPOPIF website](#).
- The attached Access Form will provide authorized parties representing Article 3 funds to access account information and direct cash transfers at State Street Bank and Trust, IPOPIF's custody bank.

Cash Transfer Platform

Cash transactions will be initiated using the Enterprise Cash Flow Module (eCFM) of IPOPIF's custodial bank, State Street Bank and Trust. eCFM is a State Street application launched through mystatestreet.com to provide Article 3 Participating Police Pension Funds (Pension Funds) with the ability to authorize the transfer of funds. eCFM provides a number of security features through user entitlements, an option for dual approval, industry standard encryption protocols and user authentication requirements. Access to mystatestreet.com will require use of an electronic RSA token application that will need to be installed on the user's cell phone.

Account Access to mystatestreet.com

1. Account access will only be provided to Pension Fund Account Representatives authorized in accordance with the IPOPIF [Cash Management Policy](#).
2. Account access must be requested using the attached Access Form, signed by an Authorized Agent of each Pension Fund.
3. Additional Pension Fund Account Representatives or a change in wire instructions may be requested using the Access Form.

What comes next?

Additional information will be provided following receipt and validation of the Access Form.

- Each Pension Fund will be assigned a unique account number which will be needed for contributions.
- State Street will provide instructions on how to install and access the electronic token, which is required to access mystatestreet.com.
- Also, instruction sheets will be provided on how to access eCFM and transfer cash.

Questions and Contacts

Please refer to the [IPOPIF website](#) for additional information including [Frequently Asked Questions](#) (FAQs) and library of [communications](#) related to the asset transition.

Specific questions can be directed to info@ipopif.org or 331-472-1080.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

POLICY AND PROCEDURE

POLICY NUMBER: PP-2022-01
SUBJECT: CASH MANAGEMENT POLICY
EFFECTIVE DATE: January 14, 2022
AMENDED: N/A

Section A. Definitions

1. "Authorized Agent" means persons identified in accordance with IPOPIF Administrative Rule AR-2021-03 and having the powers and duties to represent the Participating Police Pension Fund as detailed in AR-2021-03.
2. "Account Representative" means an Authorized Agent, the Treasurer of a Participating Police Pension Fund, or a person authorized by a Participating Police Pension Fund Board of Trustees' Resolution to contribute or withdraw cash from the Participating Police Pension Fund Account.
3. "Custodian" means the custodial bank holding all IPOPIF investment assets.
4. "Participating Police Pension Fund" or "Pension Fund" means a pension fund established pursuant to Article 3 of the Illinois Pension Code.
5. "Pension Fund Account" means the specific custody account assigned to each Participating Police Pension Fund.

Section B. Cash Flow Planning

1. Objectives:
 - a. Ensure that cash is available for withdrawal when needed by each Pension Fund to pay expenses, benefits, and other required payments to beneficiaries.
 - b. Minimize the cost and impact associated with raising cash.
 - c. Minimize "cash drag" on investment performance.
 - d. Minimize the risk of fraud and errors.
 - e. Invest contributions quickly.
2. IPOPIF staff will maintain a rolling cash flow forecast including:
 - a. projected Pension Fund cash flows;
 - b. projected administrative and operating expenses; and

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- c. projected investment commitments, contributions, and distributions from investments, including private markets.
3. Pension Fund cash flow projection
 - a. Pension Funds are expected to provide monthly cash flow projections annually.
 - b. Each Pension Fund's projection should include the amount expected to be contributed to, and withdrawn from, the Pension Fund Account for each month of the year.
 - c. Pension Funds are expected to submit an updated projection if there are any material changes to any of the monthly projections.
 - d. IPOPIF will provide submission instructions and templates to the Authorized Representatives/Authorized Agents.

Section C. Local Cash

1. Pension Funds are encouraged to maintain an account at a local bank or financial institution to facilitate cash transfers and the payment of expenses and benefits.
2. At the time of the initial transfer of assets to the IPOPIF, the Participating Police Pension Funds are encouraged to hold sufficient cash in their local account to pay an estimated 3 months of expenses and benefits.
3. Following the initial transfer of assets, each Pension Fund is encouraged to hold sufficient cash in its local account to limit cash withdrawals from the Pension Fund Account to once per month.
4. It is the exclusive responsibility of the Pension Fund to ensure that it has enough cash on hand to pay expenses and benefits.

Section D. Cash Management Procedures

1. Method
 - a. Cash contributions and withdrawals shall be initiated by Account Representatives using the cash transaction platform of the Custodian.
 - b. Account Representatives will have the ability to view their Pension Fund Account and monitor transfers on the Custodian's platform.
 - c. Specific account details and transfer instructions will be provided directly to the Pension Funds as part of the initial transition process and upon request thereafter.

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2. Contributions
 - a. Cash may be contributed to the Pension Fund account on any day the Custodian is open for business.
 - b. Funds received by the Custodian will be invested on the same day if feasible or on the next business day. IPOPIF expects funds received prior to 10:00 AM CT will be invested on the same day.
3. Withdrawals
 - a. Cash withdrawal requests shall be submitted at least seven calendar days prior to the requested transfer date to ensure availability and to minimize costs.
 - b. IPOPIF may, in its sole discretion and based on the circumstances, process cash withdrawal requests with fewer than seven calendar days before the requested transfer date.
 - c. Regular cash withdrawals of the same amount on a particular day of the month may be arranged through IPOPIF.
4. IPOPIF Monitoring and Oversight
 - a. The IPOPIF cash allocation (cash on hand) is expected to exceed monthly cash demands.
 - b. IPOPIF staff will monitor cash activity and rebalance as necessary to ensure funds are available.

Section E. Related Documents

The following documents related to cash management will be provided upon the initial transition and upon request thereafter:

1. Form of resolution and notification appointing Account Representatives
2. Account access application for Custodian
3. Request for regular monthly withdrawals

