

**MEMORANDUM**

DATE: Friday, February 25, 2022  
TO: Certain Article-3 Pension Fund Representatives  
FROM: Richard A. White, Jr., Executive Director  
SUBJECT: Notice of Certified Public Accountant for Certified Investment Asset List

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This memo is being sent to the Article 3 pension funds (pension funds) that are scheduled to transfer assets to the Illinois Police Officers' Pension Investment Fund (IPOPIF) on April 1, 2022 (the Tranche-2 Transfer Date) to provide Notice of the Certified Public Accountant that will conduct the audit of the investment assets for each fund. We also are providing additional information about the transfer process.

**Background**

IPOPIF [Transfer of Assets Rule, AR-2021-02](#), details procedures to ensure that the transfer of assets from transferor pension funds to IPOPIF implements investment asset transition best practices and adheres to the statutory requirements of the Illinois Pension Code.

In accordance with the Transfer of Assets Rule, IPOPIF sent letters to all Article 3 pension funds on December 20, 2021, providing the Notice of Transfer Date. Key actions requested in those letters included passing Board resolutions appointing [Authorized Agents](#) and directing investment fiduciaries to work with IPOPIF's custodian, State Street Bank and Trust (State Street), to share investment information and plan the transfer of assets. Copies of this letter and related communications, including the Transfer of Assets Rule, are available at <https://www.ipopif.org/resources/communication/>.

This memo will serve as the Notice of the Certified Public Accountant as required by the Transfer of Assets Rule.

**Notice of Certified Public Accountants**

Certified Public Accountants (CPAs) have been assigned to each Tranche-2 pension fund. These assignments are detailed in Exhibit 1.

**Process Summary**

- CPAs have been assigned to audit the investment assets of Tranche-1 pension funds. The audit process will begin on Friday, March 11, 2022.
- To ensure the audit process can begin as scheduled, investment asset data feeds will need to be established for each transferor pension fund.
- Additionally, to ensure efficient utilization of audit resources, IPOPIF will need to be in receipt of the Board Resolution appointing Authorized Agents.
- If the data feed is not established or Authorized Agent Resolutions have not been received for a Tranche-2 pension fund by March 11, the pension fund's transfer will be postponed to a later date.
- IPOPIF will send the Certified Investment Asset List (CIAL) to pension fund Authorized Agents on Friday, March 18, 2022. The CIAL will identify transferrable and non-transferrable assets.
- The following assets will generally be considered non-transferrable assets: cash, Money Market Mutual Funds, Certificates of Deposit, annuity contracts, insurance contracts, and assets with invalid

identifiers or zero shares. See below for additional discussion regarding non-transferrable assets and exceptions.

- Asset trading should be avoided during the audit process to promote CIAL accuracy and reduce workload for transferor agents and fiduciaries. In accordance with the Transfer of Assets Rule and transition provisions of the pension code ([40 ILCS 5/22B120\(c\)](#)), trading will be prohibited after delivery of the CIAL on March 18.
- Transferrable investment assets will be transferred to IPOPIF's custodian, State Street, on April 1, 2022.
- IPOPIF will provide a receipt for the transfer to the pension fund within 30 days of the transfer date, April 30, 2022.
- The initial value for each pension fund account will be determined based on the custodian's (State Street) valuation of the assets transferred on the transfer date.
- Transferred assets will be transitioned into the IPOPIF investment pool. Each participating fund's value will reflect their percentage ownership of the IPOPIF investment pool based on the value of assets contributed to the pool.

### **Non-Transferrable Assets**

Non-transferrable assets are those investment assets that cannot or should not be transferred to IPOPIF on April 1. Non-transferrable assets are categorized as follows.

1. Cash and Money Market Mutual Funds will be considered non-transferrable to prevent taking funds that will be needed to pay benefits and expenses after the transfer date. IPOPIF encourages pension funds to hold back sufficient cash to pay expenses for 90 days following the transfer date.
2. Certificates of Deposit may be held as a cash equivalent, may not be transferrable, or may incur a penalty upon transfer or liquidation.
3. Insurance contracts and annuities will be considered non-transferrable, except for positions in the Principal U.S. Property Account (USPA), which have been approved for transfer by Principal and the IPOPIF Board of Trustees, subject to contract finalization.
4. Assets with bad or no identifiers and assets with zero shares held by the legacy custodian.
5. Investments involved in securities litigation may be identified by the pension fund to IPOPIF as a non-transferrable asset.
6. Please contact IPOPIF as detailed below to discuss or request further evaluation regarding non-transferrable assets for your fund.
7. IPOPIF will conduct additional evaluation of non-transferrable assets to determine if and when there is a prudent method to transfer these assets to IPOPIF.

### **Account Access and Cash Management**

The IPOPIF [Cash Management Policy](#) establishes guidance and requirements for cash management. IPOPIF and State Street have finalized procedures for pension funds to access to their account information and the cash management portal on State Street's online platform. Additional information, including an Account Access Form, will be provided separately.

**Required Actions**

1. Complete actions outlined in the [IPOPIF letter of December 20, 2021](#).
  - a. Adopt the Resolution Appointing Authorized Agents and email an executed copy, including the secretary's certificate, to IPOPIF at [info@ipopif.org](mailto:info@ipopif.org). A new resolution may need to be adopted if Board members have changed due to elections.
  - b. Send the required notice to all custodians and investment managers directing them to provide information in a timely fashion. Please copy IPOPIF via email at [info@ipopif.org](mailto:info@ipopif.org),
  - c. Assist in the provision of investment data or transfer approvals as needed by your current fiduciaries or IPOPIF's custodian, State Street.
  - d. Provide IPOPIF any investment information regarding assets not held by a custodian. Examples could include mutual funds held directly at the mutual fund company or insurance contracts.
2. Make plans to hold cash sufficient to pay 90 days' of benefits and expenses in an account to ensure funds are available to pay benefits during the transition period. Based on your fund's individual cash management needs, you may need to explore account collateralization options with your vendors.

**Additional Information**

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

Specific questions can be directed to [info@ipopif.org](mailto:info@ipopif.org) or 331-472-1080.

I speak for all of us involved in the transfer of assets process in thanking you for your cooperation in ensuring that we meet the statutory requirements set for us by the Illinois General Assembly. While there are many steps to be taken, we adopted best practices to ensure the transition goes smoothly. As always, we are dedicated to safeguarding the assets that are being entrusted to us.

**APRIL 1, 2022 ASSET TRANSFER TRANCHE****CPA FIRM ASSIGNMENTS****CERTIFIED INVESTMENT ASSET LIST**

<b>ARTICLE 3 POLICE PENSION FUND</b>	<b>CPA FIRM</b>
ANNA POLICE PENSION FUND	BakerTilly
BARTONVILLE POLICE PENSION FUND	BakerTilly
BENSENVILLE POLICE PENSION FUND	BakerTilly
BENTON POLICE PENSION FUND	Sikich
BETHALTO POLICE PENSION FUND	Sikich
BURNHAM POLICE PENSION FUND	IDOI
BURR RIDGE POLICE PENSION FUND	Sikich
CANTON POLICE PENSION FUND	Sikich
CARBONDALE POLICE PENSION FUND	BakerTilly
CARLINVILLE POLICE PENSION FUND	KEB
CAROL STREAM POLICE PENSION FUND	Sikich
CENTREVILLE POLICE PENSION FUND	IDOI
CHATHAM POLICE PENSION FUND	Sikich
CHICAGO HEIGHTS POLICE PENSION FUND	BakerTilly
COLUMBIA POLICE PENSION FUND	KEB
CRESTWOOD POLICE PENSION FUND	IDOI
CRETE POLICE PENSION FUND	Sikich
CREVE COEUR POLICE PENSION FUND	KEB
CRYSTAL LAKE POLICE PENSION FUND	BakerTilly
DANVILLE POLICE PENSION FUND	Sikich
EAST ALTON POLICE PENSION FUND	Sikich
EFFINGHAM POLICE PENSION FUND	Sikich
ELMWOOD PARK POLICE PENSION FUND	Sikich
FAIRVIEW HEIGHTS POLICE PENSION FUND	Sikich
FOREST VIEW POLICE PENSION FUND	KEB
FRANKFORT POLICE PENSION FUND	BakerTilly
FREEPORT POLICE PENSION FUND	KEB
GILBERTS POLICE PENSION FUND	KEB
GLEN ELLYN POLICE PENSION FUND	Sikich

ARTICLE 3 POLICE PENSION FUND	CPA FIRM
GRANITE CITY POLICE PENSION FUND	Sikich
GREENVILLE POLICE PENSION FUND	KEB
HARRISBURG POLICE PENSION FUND	Sikich
HARVEY POLICE PENSION FUND	KEB
HILLSBORO POLICE PENSION FUND	BakerTilly
HOFFMAN ESTATES POLICE PENSION FUND	BakerTilly
JERSEYVILLE POLICE PENSION FUND	BakerTilly
JOHNSBURG POLICE PENSION FUND	BakerTilly
LAKE IN THE HILLS POLICE PENSION FUND	BakerTilly
LANSING POLICE PENSION FUND	BakerTilly
LASALLE POLICE PENSION FUND	KEB
LISLE POLICE PENSION FUND	KEB
LYNWOOD POLICE PENSION FUND	BakerTilly
MACOMB POLICE PENSION FUND	BakerTilly
MADISON POLICE PENSION FUND	KEB
MAHOMET POLICE PENSION FUND	IDOI
MARION POLICE PENSION FUND	KEB
MARKHAM POLICE PENSION FUND	BakerTilly
MARYVILLE POLICE PENSION FUND	Sikich
MASCOUHA POLICE PENSION FUND	Sikich
MAYWOOD POLICE PENSION FUND	KEB
MONMOUTH POLICE PENSION FUND	BakerTilly
MT VERNON POLICE PENSION FUND	BakerTilly
MURPHYSBORO POLICE PENSION FUND	BakerTilly
NAPERVILLE POLICE PENSION FUND	KEB
NORTH CHICAGO POLICE PENSION FUND	Sikich
NORTH RIVERSIDE POLICE PENSION FUND	KEB
OGLESBY POLICE PENSION FUND	KEB
OLYMPIA FIELDS POLICE PENSION FUND	BakerTilly
PALOS HILLS POLICE PENSION FUND	BakerTilly
PANA POLICE PENSION FUND	Sikich
PARK CITY POLICE PENSION FUND	Sikich
PARK RIDGE POLICE PENSION FUND	KEB
PEKIN POLICE PENSION FUND	Sikich
PINCKNEYVILLE POLICE PENSION FUND	IDOI
POSEN POLICE PENSION FUND	Sikich
RANTOUL POLICE PENSION FUND	KEB
RICHTON PARK POLICE PENSION FUND	KEB

ARTICLE 3 POLICE PENSION FUND	CPA FIRM
RIVER GROVE POLICE PENSION FUND	KEB
RIVERSIDE POLICE PENSION FUND	KEB
ROBBINS POLICE PENSION FUND	IDOI
ROCK ISLAND POLICE PENSION FUND	Sikich
ROLLING MEADOWS POLICE PENSION FUND	Sikich
SALEM POLICE PENSION FUND	BakerTilly
SAUK VILLAGE POLICE PENSION FUND	Sikich
SHILOH POLICE PENSION FUND	BakerTilly
SKOKIE POLICE PENSION FUND	Sikich
SOUTH ELGIN POLICE PENSION FUND	KEB
SPRINGFIELD POLICE PENSION FUND	Sikich
STAUNTON POLICE PENSION FUND	IDOI
STICKNEY POLICE PENSION FUND	KEB
STREAMWOOD POLICE PENSION FUND	BakerTilly
TAYLORVILLE POLICE PENSION FUND	Sikich
TROY POLICE PENSION FUND	BakerTilly
VENICE POLICE PENSION FUND	IDOI
WARRENVILLE POLICE PENSION FUND	BakerTilly
WATERLOO POLICE PENSION FUND	Sikich
WAUKEGAN POLICE PENSION FUND	KEB
WEST FRANKFORT POLICE PENSION FUND	BakerTilly
WESTCHESTER POLICE PENSION FUND	Sikich
WHEATON POLICE PENSION FUND	BakerTilly
WILMINGTON POLICE PENSION FUND	KEB
WINNETKA POLICE PENSION FUND	BakerTilly
WINTHROP HARBOR POLICE PENSION FUND	Sikich
WOOD DALE POLICE PENSION FUND	KEB
WOOD RIVER POLICE PENSION FUND	BakerTilly