



## **NOTICE OF PUBLIC MEETING**

To: Internal Governance Committee:  
Joan Clendenin, Chair  
Sam Sharpe, Trustee  
Donna Riley, Trustee

From: Kathy Herman, Fiscal Services Manager

**SUBJECT: StanCERA INTERNAL GOVERNANCE COMMITTEE**

The Internal Governance Committee will meet at 10:00 a.m., Tuesday, November 15, 2016.

The Committee will meet in the Wesley Hall Board Room at StanCERA's Office, located at 832 12<sup>th</sup> Street, Suite 600, 6<sup>th</sup> Floor, Modesto.

### **AGENDA**

1. Discussion and Action regarding the Presentation of the Annual Financial Audit for Fiscal Year Ending June 30, 2016 by Brown Armstrong on the Comprehensive Annual Financial Report (CAFR) ending June 30, 2016, and June 30, 2015
2. Discussion and Action to Approve Policy Updates [View](#)
3. Presentation of the 2016 Information Technology Security Review



**November 15, 2016**

Internal Governance Committee Item

TO: Internal Governance Committee

FROM: Kathy Herman, Fiscal Services Manager

I. SUBJECT: Policy and Regulation Review

II. ITEM NUMBER: 2

III. ITEM TYPE: Discussion and Action

IV. STAFF RECOMMENDATION: Approve submitted policies.

V. ANALYSIS: Since inception the organization has grown. As it grew, regulations and policies were developed and adopted to address legislation and meet the needs of the organization. These policies are not meant to be static, but documents to be reviewed and amended as appropriate.

Standardization of StanCERA communication was set forth in the 2013-2016 Strategic Plan. This is an ongoing project. As part of this project, new and amended policies will be brought to the Committee and the Board of Retirement. In addition, policies and regulations that have been added to over time will be reviewed and restated in to multiple smaller policies as appropriate.

The following attached policies will be reviewed at the 11/15/16 IGC Meeting.

- Placement Agent Policy
- Media Policy
- Stale Dated Checks and Unclaimed Benefits
- Records Retention Policy

VI. RISK: None

VII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently.

VIII. ADMINISTRATIVE BUDGET IMPACT: None

Kathy Herman, Fiscal Services Manager



## **Placement Agent Disclosure Policy**

**Adopted by the Retirement Board on May 25, 2010**

~~This Policy is effective immediately upon adoption by the Retirement Board. This policy is intended to supplement any applicable provisions of state or federal law and to comply with such laws. This Policy shall apply to current external investment managers and consultants as well as those firms who are considered for investment management or consultation subsequent to the adoption of this Policy.~~

### **I. PURPOSE**

StanCERA Retirement Board members, its employees, external investment managers and consultants are all subject to numerous legal requirements intended to ensure the ethical conduct of all parties involved in the prudent handling of the investment of StanCERA's ~~members' money monies~~ held in trust for ~~these members'~~ retirement benefits as governed by the County Employees Law of 1937 (or "1937 Act"). Ethical conduct by all parties includes the compliance to legal requirements, insuring that fiduciary responsibilities are maintained throughout all processes and preventing conflicts of interest in decision making.

This Policy sets forth the circumstances under which StanCERA shall require the disclosure of payments to Third Party Representatives (also known as Placement Agents) by external investment managers or consultants in connection with securing investment related business with StanCERA.

The purpose of this Policy is to enhance the transparency of investment related decisions by requiring broad and timely disclosure of the existence of any relationships between StanCERA external investment managers or consultants and other Third Party Representative(s) who serve as compensated representative(s) of the external investment manager or consultant to secure investment related business with StanCERA. The goal of this Policy is to help ensure that all investment related decisions are made solely on the merits of the investment opportunity, are reasonable and prudent from a fiduciary perspective and are consistent with StanCERA's Statement of Investment Policy.

### **II. Glossary of Terms**

#### **A. Consultant**

Person (s) or firms(s) including key personnel of such firms(s), who are contractually retained by StanCERA to provide advice to StanCERA on



investments, ~~External manager selection and monitoring, and other services, but who do not exercise investment discretion, generally.~~

B. External Manager (As defined in Government Code section 7513.8(b))

1. A person who is seeking to be, or is, retained by the StanCERA Board of Retirement or an Investment Vehicle to manage a portfolio of securities or other assets for compensation
2. A person who manages an Investment Fund and who offers or sells, or has offered or sold an ownership interest in the Investment Fund to the StanCERA Board of Retirement or an Investment Vehicle.

C. Investment Fund (As defined in Government Code section 7513.8(b))

1. "Investment fund" means a private equity fund, public equity fund, venture capital fund, hedge fund, fixed income fund, real estate fund, infrastructure fund, or similar pooled investment entity that is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, owning, holding, or trading securities or other assets.
2. Notwithstanding paragraph (1), an investment company that is registered with the Securities and Exchange Commission pursuant to the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and that makes a public offering of its securities is not an investment fund.

D. Investment Vehicle (As defined in Government Code section 7513.8(b))

A corporation, partnership, limited partnership, limited liability company, association, or other entity, either domestic or foreign, managed by an external manager in which a board is the majority investor and that is organized in order to invest with, or retain the investment management services of, other external managers.

DEFINITION OF THIRD PARTY REPRESENTATIVE (OR ~~PLACEMENT AGENT~~ Placement Agent (As defined in Government Code section 7513.8(f))

)  
For purposes of this Policy, a Third Party Representative (or Placement Agent) is defined as follows:

1. Any person or entity hired, engaged by, or acting ~~for the benefit of or on behalf of an external investment manager or an Investment Fund managed by an External Manager, and who acts or has acted for compensation~~ as a finder, solicitor, placement agent, marketer, consultant, broker or other intermediary to raise money or solicit investment funding from or to obtain access to StanCERA, either directly or indirectly.



a. In the case of an External Manager within the meaning of paragraph (1) of 75138(b), the investment management services of the external manager.

b. In the case of an External Manager within the meaning of paragraph (2) of 7513.8(b), an ownership interest in an Investment Fund managed by the External Manager.

2. Notwithstanding paragraph (1), an individual who is an eEmployee, officer, director, equity holder, partner, member, or trustee of an External Manager and who spends one-third or more of his or her time, during a calendar year, managing the securities or assets owned, controlled, invested, or held by the External Manager is not a Placement Agent.

~~of~~

~~an investment management or consultant firm who perform the marketing function of the firm are not considered Third Party Representatives (or Placement Agents) for the purposes of this Policy. Future Also, F~~ firms who are retained by StanCERA as a manager of multiple other investment managers (for example the current investment management in the allocation to U.S. small capitalization stocks) are not considered Third Party Representative(s) (or Placement Agents) for the purposes of this Policy.

### III. Application

This Policy is effective immediately upon adoption by the Retirement Board. This policy is intended to supplement any applicable provisions of state or federal law and to comply with such laws. This Policy shall apply to current external investment managers and consultants as well as those firms who are considered for investment management or consultation subsequent to the adoption of this Policy.

### IV. RESPONSIBILITIES

A.A. ~~OF Each External Manager is responsible for~~ providing the following information (collectively, the "Placement Agent Disclosure Form") to Staff promptly within 30 days of receipt of notification from StanCERA staff that the information needs to be supplied.

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CURRENT AND POTENTIAL FUTURE EXTERNAL INVESTMENT MANAGERS AND CONSULTANTS

Providing the following information (collectively, the "Placement Agent Disclosure Form") to Staff promptly within Each existing external investment manager and consultant shall provide the following information within 30 days of receipt of notification from StanCERA staff that the information needs to be supplied.

Each firm that is being considered for investment management or consultation subsequent to the adoption of this ~~Policy~~, Policy shall submit the following

[Type text]



information to the Retirement Board and its investment consultant BEFORE making any presentations to the Retirement Board. The information shall include:

1. A statement that the firm or any of its principals, agents or affiliates has (or has not) compensated or agreed to compensate, directly or indirectly, any Third Party Representative (or Placement Agent) in connection with any investment or proposed investment by StanCERA. If compensation of a Third Party Representative (or Placement Agent) has occurred or been agreed upon, items 2 – 8 need to be completed.
2. A resume for each officer, partner or principal of the Third Party Representative (or Placement Agent) detailing the education, professional designations, regulatory licenses, investment and work experience. The resume shall include whether the person is a current or former StanCERA Retirement Board member, StanCERA employee or consultant to StanCERA, or a member of the immediate family of a StanCERA Retirement Board member, StanCERA employee or consultant to StanCERA.
3. A description of any and all compensation of any kind provided or agreed to be provided to a Third Party Representative (or Placement Agent) including the nature, timing and value thereof along with written acknowledgment that the compensation is the sole responsibility of the investment manager or consultant.
4. A description of the services to be performed by the Third Party Representative (or Placement Agent)  
~~and a~~
- ~~2.~~ A statement as to whether the Third Party Representative (or Placement Agent) is used by the investment manager or consultant with all prospective clients or only a subset of prospective clients.
- 5.
- ~~3-6.~~ A written copy of any and all agreements between the investment manager or consultant and the Third Party Representative (or Placement Agent).
7. The name(s) of any current or former StanCERA Retirement Board member, StanCERA employee or consultant(s) to StanCERA who suggested the retention of the Third Party Representative (or Placement Agent).
8. A statement that the Third Party Representative (or Placement Agent) is registered with the United States Securities and Exchange Commission, the United States Financial Industry Regulatory Authority, the United States Commodity Futures Trading Commission or any similar regulatory agency in a country other than the United States including the details of such registration
- ~~4-9.~~ A statement whether the Third Party Representative (or Placement Agent) or any of its affiliates, is registered as a lobbyist with any state or national government, or with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar regulatory agent in a county other than the United States and the details of such registration or explanation of why no registration is required.



Investment managers and consultants shall provide to StanCERA any updated information of the above items (1 to 98) within 30 days of the change in information.

Investment managers and consultants shall agree to incorporate this Policy and compliance thereto as part of the investment manager's or consultant's agreement with StanCERA for services rendered. Investment managers and consultants will cooperate with StanCERA staff in monitoring and assuring compliance with this Policy.

In cases where there is uncertainty whether a disclosure should be made, the Policy should be interpreted to require disclosure.

Any Third Party Representative (or Placement Agent) shall, prior to acting as such, disclose to StanCERA the following:

1. All campaign contributions made by the Third Party Representative (or Placement Agent) to any elected StanCERA Retirement Board member during the prior 24 months and while the Third Party Representative (or Placement Agent) is receiving compensation in connection with a StanCERA investment.

4.2. All gifts, as defined in Government Code section 82028, given by the Third Party Representative (or Placement Agent) to any StanCERA Retirement Board member during the prior 24 month period ~~,-and~~Aand while the Third Party Representative (or Placement Agent) is receiving compensation in connection with a StanCERA investment.

**B. StanCERA staff are responsible for the following actions:**

~~4. Ensure that an agreement to comply with this Policy is incorporated in all current and future investment management agreements. Incorporate this Policy in all current and future agreements with investment managers and consultants.~~

1. Ensure that all existing External Managers complete and submit the Placement Agent Information Disclosure to StanCERA in a timely manner.

2. Ensure that future candidates for StanCERA investment management or consultant services provide all information as noted above and such information is forwarded to the Retirement Board BEFORE any presentation is made to the Retirement Board

~~2. Provide the Board with the disclosure information before any investment decision by the StanCERA Board with respect to that Ensure that all reported information is received in a timely fashion.~~

3. Manager. Promptly advise the Board of any material violation of this Policy.

**C. Sanctions for Policy Violations**

In the event of a material omission or inaccuracy in the information disclosed pursuant to this Policy, the following sanctions may be applied by the Retirement Board:

[Type text]



1. The reimbursement to StanCERA by the investment manager or consultant of the greater of the following:
  - a. Any investment management or advisory fees paid over four quarters or
  - b. An amount equal to the amounts paid or promised to be paid to the Third Party Representative (or Placement Agent)
2. Immediate termination of the investment management or consultation agreement without penalty to StanCERA, including withdrawal from a limited partnership, limited liability company or other investment vehicles and the cessation of any further capital contributions thereto.
3. A prohibition for the existing or potential investment manager or consultant or Third Party Representative (/Placement Agent) from soliciting new investments from StanCERA for five (5) years. The five (5) years may be reduced by a majority vote of the Retirement Board at a public session upon a showing of good cause.
4. Any other sanction(s) which in the opinion of legal counsel is prudent and assists the Retirement Board in meeting its fiduciary obligations.

#### **V. Policy Review**

This Board shall review this policy at least every three years.

#### **VI. Policy History**

Adopted by the Retirement Board on May 25, 2010

Amended \_\_\_\_\_

Reviewed and amended~~Approved /Adopted~~ by  
the Board of Retirement

\_\_\_\_\_  
Rick Santos, Executive Director

Approval / Adoption Date:\_\_\_\_\_





# Stanislaus County Employees' Retirement Association

832 12th Street, Ste. 600, Modesto, CA 95354 • PO Box 3150, Modesto 95353 • [www.stancera.org](http://www.stancera.org) • 209-525-6393 • 209-558-4976 Fax

## Placement Agent Disclosure Form

The Retirement Board ("Board") of the Stanislaus County Employees Retirement Association ("STANCERA") has adopted a Placement Agent Disclosure Policy ("Policy"), a copy of which is attached as Attachment No.1. Under the Policy, each External Manager must complete and deliver this Disclosure Form to STANCERA.

For purposes of this disclosure, "you" means the External Manager identified below and its affiliates, including the External Manager's and affiliates' respective officers, directors, partners, members, employees, contractors, and agents.

Name of External Manager: \_\_\_\_\_

Contact information for External Manager:

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact Person: \_\_\_\_\_

Contact Information: \_\_\_\_\_  
(email/phone/fax) \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
See Glossary of Terms in Policy.



## Placement Agent Policy

Page 2 of 6

1. Have you used a Placement Agent in connection with managing or seeking to manage assets for STANCERA in connection with a proposed or current investment?

Yes \_\_\_\_\_

No \_\_\_\_\_

If "Yes", complete the remainder of the Disclosure Form. If "No", skip the remaining items and sign on page 5.

2. a. The name(s) of the Placement Agent(s) used is:

\_\_\_\_\_  
\_\_\_\_\_.

b. Please attach a resume for each Placement Agent(s) detailing the person's education, professional designations, regulatory licenses, and investment and work experience. Please identify below all persons whose resumes are attached.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. a. Is External Manager solely responsible for payment of the Placement Agent's fee, or providing the compensation if not a monetary fee?

Yes \_\_\_\_\_ No \_\_\_\_\_

If "No", explain:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. Will any part of the fee or other compensation be paid or provided directly or indirectly by STANCERA, the investment vehicle, or any investor(s) in the investment vehicle?

Yes \_\_\_\_\_ No \_\_\_\_\_

If "Yes", explain:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



4. Please describe in detail the services performed and/or to be performed by the Placement Agent(s) in connection with the Proposed Investment and attach a copy of any and all agreements between you and any third-party (non-employee) Placement Agent(s).

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5. Please describe any and all compensation of any kind provided, or agreed to be provided, to the Placement Agent(s) or to a third party at the behest of the Placement Agent(s), in connection with the Placement Agent's work for the External Manager on the Proposed Investment. This description should include the general structure and timing of such compensation, and we are not expecting specific dollar amounts or percentages.

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6. Please describe the relationship between you and the Placement Agent, and include whether the Placement Agent(s) is used with all of your clients or prospective clients or only a subset of your clients or prospective clients. If applicable, describe this subset of clients.

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7. a. Please list the name(s) of all current and former STANCERA board members, employees, and consultants, or a member of the immediate family of any such person that are either employed or receiving compensation of any kind provided, or agreed to be provided, directly or indirectly from the Placement Agent(s) in connection with the Proposed Investment. If none, enter "none" below.

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b. Please list the name(s) of any current or former STANCERA Board members, employees, and consultants, or a member of the immediate family of any such person, who suggested the retention of the Placement Agent(s) in connection with the Proposed Investment. If none, enter "none" below.

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8. Please state whether the Placement Agent(s), or any of its affiliates, is registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar state regulatory agency, or any similar regulatory agency in a country other than the United States. Also include any CFA (Chartered Financial Analyst) registrations conferred by the CFA Institute. Please describe the details of all registrations. If the Placement Agent(s) is not registered with any regulatory agency, please provide explanation as to why no registration is required.

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9. Please state whether the Placement Agent, or any of its affiliates, is registered (or is required to be registered as of a date certain) as a lobbyist with any state or national government. Please describe all such registrations.

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Any External Manager or Placement Agent that violates the Policy shall not solicit new investments from STANCERA for five years after the violation was committed. However, this prohibition may be reduced by a majority vote of the Board at a public session upon a showing of good cause.

Sanctions in the event of a material omission or inaccuracy in the Disclosure can include, but are not limited to:

- a. For failure to disclose a relationship with a third party Placement Agent, the reimbursement to STANCERA of an amount equal to the amounts paid or promised to be paid to that Placement Agent in connection with any investment by STANCERA.
- b. Immediate termination of the investment management engagement without penalty, or withdrawal without penalty from the limited partnership, limited liability company, or other investment vehicle, or suspension of any further capital contributions (and any fees on these recalled commitments) to limited partnership, limited liability company, or other investment vehicle.



Your attention is drawn to California Government Code section relating to Placement Agents. Please note, there may be other laws relevant to Placement Agents, and you and any Placement Agent you engage with respect to managing or seeking to manage STANCERA assets are strongly encouraged to consult your own legal counsel.

California Government Code section 7513.9:

- a. Any placement agent, prior to acting as a placement agent in connection with any potential system investment, shall disclose to the board all campaign contributions made by the placement agent to any elected member of the board during the prior 24-month period. Additionally, any subsequent campaign contribution made by the placement agent to an elected member of the board during the time the placement agent is receiving compensation in connection with a system investment shall also be disclosed.
- b. Any Placement Agent, prior to acting as a Placement Agent in connection with any potential system investment, shall disclose to the board all gifts, as defined in Section 82028, given by the Placement Agent to any member of the board during the prior 24-month period. Additionally, any subsequent gift given by the Placement Agent to any member of the board during the time the placement agent is receiving compensation in connection with a system investment shall also be disclosed.



By signing below, you acknowledge and agree to comply with STANCERA's Placement Agent Disclosure Policy (attached) and that the Policy will be incorporated into and made a part of any contract or other agreement pursuant to which you manage assets for STANCERA. You also represent and warrant that the above information, and information attached is true and correct. You agree to all of the following:

1. To provide an update of any changes to any of the information included in this questionnaire response within 30 days of the occurrence of the change in information.
2. That for two years after leaving their position, former board members or administrators shall not receive compensation for appearing before or communicating with a STANCERA Board member or staff for the purpose of influencing the Board to take certain action regarding investments.
3. That all of the information provided to STANCERA pursuant to this Policy is public information and subject to disclosure under the Public Records Act.
4. That you will cause your engaged Placement Agent(s), prior to and during the time they are receiving compensation in connection with a STANCERA investment, to disclose to Staff any campaign contribution, gift or other item of value made or given to any member of the STANCERA Board or Staff or Consultant during the prior twenty-four month period.

Name of External Manager: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## MASS MEDIA POLICY Contact Guidelines

(Board Approved ~~June 11, 2008~~ November 22, 2016)

### **PURPOSE**

The purpose of creating guidelines for mass media contact is to ensure that the policies of the Retirement Board are accurately explained and reported, during inquiries made by representatives of the mass media. These guidelines are not meant to restrict the freedom of speech of staff and/or Board members, however; they are highly recommended as a reference for dealing with representatives of mass media.

### **SPOKESPERSON: RETIREMENT ADMINISTRATOR**

The general spokesperson for the Retirement Board and the Association is the Retirement Administrator. The Retirement Administrator is considered the authorized respondent to mass media inquiries. The Retirement Administrator may relay policies and/or practices that have been officially adopted by the Retirement Board. This includes making available any documents that have been presented to the Board, during open session, and are therefore matters of public record.

Neither the Retirement Administrator, a Retirement Board member nor any other StanCERA employee is authorized to publicly speculate on as to the intent or decisions or motivations of a Retirement Board member or the Retirement Board in the aggregate or staff. Personal opinions are just that and should be avoided. However, if a personal opinion is provided, the opinion should be identified as such, to the inquiring party.

The Retirement Administrator may, on occasion, delegate the “spokesperson” responsibility to a designated staff member.

### **NON-INITIATION POLICY**

As a general rule, the Association does not initiate any mass media contact without specific Board direction. The Retirement Board Chairperson and Administrator shall review all written press releases for their accuracy. Written or verbal information provided to mass media representatives that is not publically available through the StanCERA website or contained in a published agenda shall be reported to ~~the~~ Retirement Board Members, within 24 hours, ~~through e-mail, fax, or phone.~~

### **RESPONSES TO MEDIA REPORTS**

News articles related to the Association, even when positive in content, may provoke concern and misunderstanding from ~~the~~ StanCERA members and the community. If a news article contains inaccurate information, the Retirement Administrator, or designee will make every effort to contact the author and/or publication responsible and request a retraction or correction. Such instances shall be reported to the Retirement Board.

Editorials or opinion pieces will be addressed to “Letters to the Editor” and will only be submitted following Retirement Board review and approval.



**V. Policy Review**

This Board shall review this policy at least every three years.

**VI. Policy History**

Adopted by the Retirement Board on June 11, 2008

Reviewed and amended by the Board of Retirement

\_\_\_\_\_  
Rick Santos, Executive Director

Approval/Adoption Date: \_\_\_\_\_

**Historical Notes**

~~Board Approved June 11, 2008~~

Board Approved November 22, 2016



# **STALE DATED CHECKS & UNCLAIMED BENEFITS POLICY & PROCEDURE**

(Board Approved January 22, 2008)

Stanislaus County Employees' Retirement Association (StanCERA) issues warrants (checks) for Retiree Benefits, Active Member Refunds and Accounts Payable. Once a check is issued, the recipient has 180 days to deposit the check. If the check has not cleared StanCERA's bank after 180 days, the check is considered stale dated. StanCERA's complies with the provisions of California Employees' Retirement Law of 1937, Government Code section 31783.5 regarding stale dated checks.

## **POLICY:**

It is StanCERA's policy to review and process stale dated checks and unclaimed benefits on a quarterly basis. Threewe accounts (burial allowance, & benefit payments and accounts payable) will be set up to act as "holding" accounts for the funds.

## **PROCEDURE:**

### **1. Determining Stale Dated Checks**

- a. The Auditor/Controller's Office will provide aGet list of outstanding checks six months old and older, by issue date from County's Check Recon System, every month.
- b. The funds are moved to a holding account in the General Ledger for up to 5 years.
- c. Attempt to locate payee per § 31583.5 using available search tools (e.g. Lexis Nexis, Berwyn, SPOKEO, DMV, etc.)

~~2. Contact the Accounts Receivable Division of the Auditor/Controller's Office and request a list of outstanding checks six months old and older.~~

### **3.2. Canceling Stale Dated Checks**

- a. Notify payee or beneficiary in writing that a check was issued more than six months ago and has not cleared our account. Provide the payee with a Cancelled Warrant Affidavit, a "Declaration to Obtain Duplicate of a Lost or Destroyed Check" form. If payee is deceased with no beneficiary, obtain an Affidavit Under California Probate Code Section 13101.
- b. 30 days later - If no reply from payee or beneficiary, notify ~~the payee~~ again in writing by certified mail.
- c. 30 days later - If still no reply, the funds will remain in the holding account for up to 5 years and could be re-absorbed into the reserves. the stale-dated check will be cancelled by StanCERA and a new check will not be reissued until a completed Cancelled Warrant Affidavit is received. and funds will be moved to holding account in General Ledger for up to 5 years.

#### 4.3. Re-issuing Stale Dated Checks

- a. Payee or beneficiary must provide a completed Cancelled Warrant Affidavit and Affidavit Under California Probate Code Section 13101 if applicable.
- b. Once the Affidavit required documents are received by StanCERA, a new check will be issued to the payee or beneficiary.

#### 4. Redeposit to Reserves (5 Years)

- a. At fiscal year-end following 5 years from the date of initial contact the funds will be moved from the holding account and deposited into the appropriate reserve.

#### 5. Unclaimed Benefits

- a. As in paragraph (1) Every reasonable effort is to be made to locate payee or named beneficiary.
- b. Notify payee/named beneficiary in writing that funds are available with appropriate forms included.
- c. 30 days later - If no reply from payee/named beneficiary, notification in writing by certified mail.
- d. 30 days later - If still no reply, the funds will be set aside as a payable / liability in General Ledger for up to 5 years
- e. At fiscal year-end following 5 years from the date of initial contact the funds will be moved from the holding account and deposited into the appropriate reserve.

#### Policy Review

The Board shall review this policy at least every three years.

#### Policy Historical Notes

Board Approved January 22, 2008

Reviewed & Amended

Approved /Adopted by the Board of Retirement

\_\_\_\_\_  
Rick Santos, Executive Director

Approval / Adoption Date: \_\_\_\_\_



## BOARD OF RETIREMENT RECORDS RETENTION POLICY

### I. Purpose

Information recorded in any form, paper or electronic, can be considered a record. StanCERA maintains those official records that document StanCERA's business matters. The purposes of this policy are to: (1) ensure that StanCERA maintains official records that are essential to its operation; (2) reduce recordkeeping costs; (3) improve the efficiency of recordkeeping; and (4) ensure legal compliance with state, federal and other regulatory record keeping requirements.

### II. Maintenance of Official Records

StanCERA will create and maintain trustworthy official records in order to preserve the rights of members and beneficiaries, promote quality decision-making and efficient business practices. A record is trustworthy when it has:

- Reliability- a full and accurate representation of the activities or facts to which they attest, and can be depended upon in the course of other transactions or activities.
- Integrity- protected against unauthorized addition, deletion, and alteration.
- Usability- able to be located, retrieved, presented and read

### III. Unofficial Records

StanCERA is not required to maintain unofficial records. Unofficial records consist of works in progress, copies of notes and records that have not been either finalized or approved. Records that do not yet reflect the official position of StanCERA and/or remain subject to change before completion are also considered unofficial. Publications and materials not produced by StanCERA, not produced at StanCERA's request or not required to be received by StanCERA are not official records. However, such a record may be official if it adds to a complete understanding of StanCERA actions, operations and responsibilities.

### IV. Process for Maintaining Official Records

A. Conversion of Paper Documents. All official member records that are currently stored at the StanCERA office and any additional official records designated by the Executive Director that are currently in paper format shall be converted into electronic documents. There shall be: (1) documentation of each step of the conversion process to ensure adequate proof of the chain of custody and (2) electronic storage so that the scanned documents cannot be added to, deleted, or otherwise changed. The paper documents will be kept for a period of time post conversion as outlined in the attached schedule.

B. Conversion of Paper Documents On Going Basis. All official records that are created or received in a paper format should be converted into an electronic format in such a manner that allows for the record to be trustworthy, efficiently stored and retrievable. There shall be: (1) documentation of each step of the conversion process to ensure adequate proof of the chain of custody and (2) electronic storage so that the scanned documents cannot be added to, deleted, or otherwise changed. After the conversion, the paper document will be destroyed unless there



are specific circumstances that it be kept, such as, but not limited to, a litigation hold or document preservation order.

C. Electronic Documents. All official records that are converted, created or received electronically shall be maintained and stored electronically in such a manner that allows for the record to be trustworthy, efficiently stored and retrievable.

D. Destruction of Electronic Documents. All documents that either originated electronically or are converted into an electronic form will be electronically stored “indefinitely” until such time that the Board directs staff otherwise. Staff will monitor the electronic storage capacity on an ongoing basis. If it is determined that there should be destruction of any electronic records, staff will present a destruction schedule for the Board’s approval.

## **V. Policy Review**

This Board shall review this policy at least every three years.

## **VI. Policy History**

Approved /Adopted by the Board of Retirement

\_\_\_\_\_  
Rick Santos, Executive Director

Approval / Adoption Date:\_\_\_\_\_

Revised \_\_\_\_\_

StanCERA

Schedule of Retention

SUBJECT: <b>RECORDS RETENTION</b>	PROCEDURE NUMBER:	
Office Guideline	ISSUE DATE:	REVISION DATE:
DIVISION: Administration	ISSUED BY:	APPROVED BY:

Material	Time in paper format	Convert to Electronic Format	Shred Date
Accessibility of Records policy			
Board Resolutions (maintain index indefinitely)			
Procurement of Products and Services policy			
ADA Compliance			
Safety			
Personnel			
Office Correspondence			
Trip Authorization and Supporting Documentation			

Source:

Additional Instructions:

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SUBJECT: <b>RECORDS RETENTION</b>	PROCEDURE NUMBER:	
Office Policy	ISSUE DATE:	REVISION DATE:
DIVISION: Member Services - Benefits	ISSUED BY:	APPROVED BY:

[illegible]

**Source:**

**Additional instructions:**

**StanCERA**

**Schedule of Retention**

SUBJECT: <b>RECORDS RETENTION</b>	PROCEDURE NUMBER:	
Office Guidelines	ISSUE DATE:	REVISION DATE:
DIVISION: Fiscal Services	ISSUED BY:	APPROVED BY:

Material	Time in paper format	Convert to Electronic Format	Shred
Accounts Payable expenditure vouchers and invoices (269 Gov't Code)			
Board Resolutions (maintain index indefinitely)			
Proposed Budgets, Final Budget, and Financial Statements (Printed Copy)			
Budget Workpapers			
Departmental Receipts			
Deposit Permits (26907.2 G.C.)			
Forms 1099			
Internal Audits			
Inventories of StanCERA Property			
Journal Vouchers			
Office Correspondence			
Purchasing Card Documentation			
Subpoenas			
Trip Authorization and Supporting Documentation			

**Source: Accounting Standards and Procedures for Counties, Appendix D, Record Retention**

**Additional Instructions:**

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SUBJECT: <b>RECORDS RETENTION</b>	PROCEDURE NUMBER:	
Office Guideline	ISSUE DATE:	REVISION DATE:
DIVISION: Governance	ISSUED BY:	APPROVED BY:

[illegible]

**Source: Accounting Standards and Procedures for Counties, Appendix D, Record Retention**

**Additional Instructions:**



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SUBJECT: <b>RECORDS RETENTION</b>	PROCEDURE NUMBER:	
Office Policy	ISSUE DATE:	REVISION DATE:
DIVISION: Investments	ISSUED BY:	APPROVED BY:

[illegible]

**Source:**

**Additional Instructions:**