**OKLAHOMA TOBACCO SETTLEMENT ENDOWMENT**

**TRUST FUND BOARD OF INVESTORS**

**REQUEST FOR PROPOSALS (RFP)**

**FOR**

**CUSTODY SERVICES**

**March 29, 2017**

OKLAHOMA TOBACCO SETTLEMENT ENDOWMENT

TRUST FUND BOARD OF INVESTORS

c/o Oklahoma State Treasurer

2300 N. Lincoln Boulevard, Room 217

Oklahoma City, OK 73105

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**Section One**

**GENERAL INFORMATION FOR CUSTODIANS**

* 1. **Introduction**

In November 2000, the people of the State of Oklahoma enacted Article X, Section 40 to the State Constitution. This new provision created the Tobacco Settlement Endowment Trust Fund into which a substantial portion of the State's share of the national tobacco settlement payments would be deposited. The investment management of this Trust Fund is vested in a five person Board of Investors chaired by the State Treasurer. The remaining members of the Board are appointed by the Governor, State Auditor and Inspector, the President Pro-Tempore of the Senate and the Speaker of the House of Representatives.

Earnings from the Trust Fund may be expended for research to fight cancer and other tobacco-related diseases, tobacco prevention and cessation, programs to promote public health, programs to enhance the provision of health care, a variety of education programs, and programs to enhance the health and well-being of senior citizens. A different board, called the Board of Directors of the Tobacco Settlement Endowment Trust Fund, makes all spending decisions for the earnings.

* 1. **Background**

1. Legal Authorization

The Board is charged with the investment of the Trust Fund. In addition to Article X, §40 of the Oklahoma Constitution, the Board's investment authorization is set forth in Section 6 of House Bill 1003 of the 2001 Legislative session (codified as title 62, §2306 of the Oklahoma Statutes.)

1. Support Services

The Board is supported by staff of the Oklahoma State Treasurer's office. The Board has retained NEPC as its Investment Consultant, the Bank of Oklahoma as its custodian bank and several investment managers.

* 1. **Description of Services**

1. Purpose

The purpose of this Request for Proposal (RFP) is to solicit information and interest from qualified firms to render Custody services to the Fund. The current vendor is the Bank of Oklahoma, and they will be encouraged to re-bid.

1. A representative staff member of the selected manager will be asked to

attend a quarterly meeting of the Board to present required or relevant reports and information. The manager should be prepared to meet with the Board and NEPC at other times as required.

* 1. **Minimum Qualifications**

Respondents to the RFP must meet all of the following minimum qualifications and requirements to be given further consideration.

FAILURE TO SATISFY THE FOLLOWING WILL RESULT IN THE REJECTION OF A CUSTODIAN.

1. Custodian must have one client with assets in excess of $800 million.

**Section Two**

**THE PROCUREMENT PROCESS**

1. **Explanation of Events**
2. Release of the RFP: The RFP will be released on **March 29, 2017**. Submission will consist of completing the cover letter listed below and sending it to the email addresses listed below, as well as completing the RFP listed under this search on the NEPC website.
3. Deadline to submit written questions: Managers may submit questions in writing as to the intent or clarity of this RFP by 4:30 p.m. Pacific Time on **April 7, 2017.** Managers must address all written questions to Ms. Stephanie McMurray [smcmurray@nepc.com](mailto:smcmurray@nepc.com) Managers must clearly label their questions so that it can be determined which RFP the manager is addressing. Inquiries not submitted in writing in accordance with these requirements will not be considered.

BOARD MEMBERS OR STAFF MEMBERS OF THE STATE TREASURER WILL

ACCEPT NO TELEPHONE INQUIRIES OR OTHER NON-WRITTEN INQUIRIES FROM PROSPECTIVE MANAGERS.

Telephone calls to verify receipt of written questions only are allowed to (617) 374-1300. Please ask for Stephanie McMurray.

1. Response to written questions: Written responses to all managers' written questions will be e-mailed by **April 14, 2017**
2. Costs of preparation: All costs of preparation and presentation associated with your response to this RFP will be the responsibility of the manager. Managers may be asked to make a presentation before the Board if selected as a finalist. The Board will reimburse none of the costs associated with this presentation.
3. Submission of proposals: Each custodian shall submit one cover letter. Letters must be signed by an individual with the authority to commit the firm, and the authority of the individual signing must be stated with the signature. The final submission must be received by 4:30 pm East Coast time, **April 26, 2017**.
4. The electronic copy of the cover letter shall be delivered to:

[smcmurray@nepc.com](mailto:smcmurray@nepc.com)

[lisa.murray@treasurer.ok.gov](mailto:lisa.murray@treasurer.ok.gov)

NO FAX TRANSMISSIONS OF THE RESPONSES TO THE FUND WILL BE ALLOWED. NO EXCEPTIONS TO THE SUBMISSION DEADLINE WILL BE ALLOWED.

1. Evaluation of the Participating Custody Providers: The evaluation will be performed by NEPC, and staff members of the State Treasurer's Office. This process will take place between **April 27, 2017, and May 29, 2017**. During this time, NEPC or staff of the State Treasurer may initiate discussions with firms who submit proposals, but proposals may be accepted without such discussions. Finalists will be notified on **May 31, 2017**. There is a real possibility that the fund will remain with their current custodian and therefore no Finalists named.
2. Finalists Interviews: The Board, NEPC and staff of the State Treasurer may be conducting oral interviews of the selected finalists at their discretion on **June 21, 2017.** Firms selected for final interviews will be contacted directly.
3. The Board is expected to make the final decision and announcement regarding selection of the awarded proposal by **June 21, 2017** or as soon as possible thereafter.

Respondents should use additional comment fields provided to make qualifying notes as applicable. All responses should be direct and clear.

**2.2 Cover Letter Format**

OKLAHOMA TOBACCO SETTLEMENT ENDOWMENT

TRUST FUND BOARD OF INVESTORS

Custodian Search

The Oklahoma Tobacco Settlement Endowment Trust is soliciting proposals from Custody providers.

[Insert firm name] is hereby submitting notification to participate in the above stated proposal process for the purposes of this Request for Proposal.

[Insert firm name] has read, understands, and agrees to abide by the proposal process as outlined in the complete Request for Proposal document.

Please disclose below any campaign contributions and/or any contractual business with any Oklahoma Tobacco Settlement trustee or staff member. If you have nothing to disclose, please state so below:

Campaign contribution disclosure: ­­­­­­­­­­­­­­­­

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

Signature Date

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

Title

**2.3 Proposal Evaluation Process**

A. Evaluation Summary - Staff members of the State Treasurer and NEPC advisor personnel will evaluate the Custodians. The evaluation will determine which proposal is most advantageous to the Fund, taking into consideration the evaluation factors set forth below. The following process will be followed:

1. All custodians will be reviewed for compliance with the minimum mandatory requirement as specified in this RFP. Proposals that are not found to be in compliance will be rejected.

2. NEPC and/or staff of the State Treasurer will have the option to contact the custodian (s) for clarification of any portion of any proposal. Sources other than the information supplied by the custodian may also be used to verify that compliance with requirements of the RFP has been achieved.

3. Finalist custodian (s) may make presentations before the Board. The Board may select the successful custodian (s) on the basis of this presentation, the information presented in the response to the RFP, and evaluations by NEPC and staff of the State Treasurer.

**Appendix A**

**Oklahoma Tobacco Settlement Endowment Trust Fund**

PLACEMENT AGENT POLICY

1. **PURPOSE**

The following language describes the circumstances under which the Oklahoma Tobacco Settlement Endowment Trust Fund (“the Fund”) shall require the disclosure of payments to Placement Agents in connection with the Fund’s investments with external investment managers and custodians. External investment managers is a broad term which includes investment managers, general partners, and sponsors of hedge funds, private equity funds, real estate funds, custodians and other closed-end investment vehicles. The adoption of this policy requires broad, timely and updated disclosure of all Placement Agent relationships, compensation and fees. In the event the external investment manager and custodian utilizes a fund of funds approach, Placement Agent disclosure will only be required at the fund level, not of each underlying fund.

This Policy is to be applied to all agreements with external investment managers and custodian after the date this addendum is approved. It will also apply to existing external investment managers if, after approval, agreements are amended to extend the length of the agreement, renegotiate fees, increase the commitment of funds or change the agreement in a substantial way. In the event such amendments to the original agreement are made, the disclosure provisions of this Policy will apply to the amendment and not to the original agreement.

1. **GOALS**

Disclosure of all Placement Agent relationships, compensation and fees is intended to provide:

1. Transparency and confidence in the Fund’s investment decision-making without concerns of impropriety.

1. Supplemental information to the Fund’s Board members, Staff and Consultants when evaluating investment opportunities.
2. Investment decisions that are consistent with the Statement of Investment Policy.
3. **RESPONSIBILITIES**
4. Each of the Fund’s external investment managers and custodian are responsible for:
5. Providing the following information (subsequently referred to as the “Placement Agent Information Disclosure”) to the Fund’s Staff and its Consultant at the time investment discussions are initiated:
   1. A statement disclosing whether the external investment manager’s or custodian principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person or entity to act as a Placement Agent in connection with investments being considered or those that have already been made by the Fund (in the event there is a change to the existing agreement).
   2. A resume for each officer, partner or principal of the Placement Agent detailing the individual’s education, professional designations, regulatory licenses, and investment experience. If any of these individuals is a current Board member, Staff member or employed by the Consultant, or this is applicable to any of these individual’s immediate family members, this will be specifically noted.
   3. A description of any and all compensation of any kind provided or agreed to be provided to a Placement Agent, including the value, timing, and nature of the compensation.
   4. A description of the services to be performed or that are currently being performed by the Placement Agent and a statement as to whether the Placement Agent is utilized with all prospective clients or a subset of prospective clients.
   5. Copies of any and all agreements between the external investment manager or custodian and the Placement Agent.
   6. The names of any Fund Board members, Staff or Consultants who suggested the retention of a Placement Agent.
   7. A statement that the Placement Agent (or any of its affiliates, if applicable) is registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association and the details of such registration.
   8. A statement whether the Placement Agent, or any of its affiliates, is registered as a lobbyist with any state or national government.
6. Providing updates of any changes to any of the information included in the Placement Agent Information Disclosure within 14 calendar days of the date that the external investment manager or custodian knew or should have known of a change in the information originally provided.
7. Representing and warranting the accuracy of the information included in the Placement Agent Information Disclosure in any final written agreement between the external investment manager and the Fund with a continuing obligation to update any changes in accordance with Appendix A of this Policy.
8. The Fund’s Staff is responsible for all of the following:
9. Providing external investment managers and custodian with a copy of this Policy at the time that discussions are initiated with respect to a prospective investment or with respect to amendments to agreements with current investments.

1. Confirming that the Placement Agent Information Disclosure has been received prior to the completion of any due diligence and before any recommendation is made regarding prospective investments or amendments to agreements with current investments.
2. Declining the opportunity to retain or initiate an investment with an external investment manager or custodian if the Placement Agent Information Disclosure reveals that a Placement Agent was employed that is not registered with either the Securities and Exchange Commission or the Financial Industry Regulatory Association.
3. Securing in the final written agreement between the Fund and the external investment manager or custodian the following remedies in the event it is discovered that the external investment manager or custodian knew or should have known about any material omission or inaccuracy in the Placement Agent Information Disclosure or any other violation of this Policy:
   1. Whichever is greater, the reimbursement of any management or advisory fees for two years or an amount equal to the amounts paid or promised to be paid to the Placement Agent; and
   2. The authority to terminate immediately the investment management contract or other agreement with the external investment manager or custodian without penalty, to withdraw without penalty from the limited partnership, limited liability company or other investment vehicle, or to cease making further capital contributions (and paying any fees on these uncalled commitments) to the limited partnership, limited liability company or other investment vehicle.
4. Confirming that the final written agreement between the Fund and the external investment manager or custodian states that the external investment manager shall be solely responsible for, and the Fund shall not pay for (directly or indirectly), any fees, compensation or expenses for any Placement Agent used by the external investment manager or custodian.
5. Prohibiting any external investment manager, custodian, or Placement Agent from soliciting new investments from the Fund for a two year period after commitment of a material violation of this Policy.
6. Providing a copy of the Placement Agent Information Disclosure to the Board whenever decisions to invest in external investment managers or custodian are up for approval or whenever decisions to amend current external investment manager agreements are up for approval.
7. Compiling a quarterly report containing the names and amount of compensation agreed to be provided to each Placement Agent by each external investment manager or custodian as reported in the Placement Agent Information Disclosures, and providing the report to the Board.
8. Reporting to the Board at least quarterly any material violations of this Policy.
9. External investment managers and custodians shall comply with this Policy and cooperate with Staff in meeting their obligations under this Policy.
10. Only the Board can provide exceptions to this Policy and any such exceptions granted shall be reported to the public within 45 days.

**I. ORGANIZATION, ADMINISTRATION AND GENERAL INFORMATION**

1. Provide an executive summary of your organization’s Institutional Master Trust/Custody business unit.
2. Describe what differentiates your organization from other custodian banks. What is the value your organization provides to clients?
3. Does your organization focus on servicing any particular client types? If so, describe specific strengths and services/products your organization has for meeting the needs of the following client types: Corporate Defined Benefit Plans, Public Funds, Taft-Hartley Plans, Endowments/Foundations, Hospitals, and Defined Contribution Plans.
4. Include an organization chart of the Institutional Master Trust/Custody business unit, as well as an organization chart showing the position of the unit within the firm’s overall management structure. Describe the firm’s overall management structure, and how the Institutional Master Trust/Custody business unit fits within it.
5. Complete the following matrix for total Institutional Master Trust/Custody assets and clients by type and asset size for year-end 2016. Answer the question as asked and do not change the table. Describe what client types are included in the category labeled “Other”.

**Note**: In the section labeled “Total Investment Manager Clients”, we are attempting to determine how many investment managers employ the bank’s services for custody of their commingled fund/mutual fund/limited partnership investment vehicles.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | # of Clients | Assets Under Custody | Median Client Size | Largest Client Size |
| **Total Corporate Clients** |  |  |  |  |
| Under $50 Million |  |  |  |  |
| $50-$250 Million |  |  |  |  |
| $250-$500 Million |  |  |  |  |
| $500-$1,000 Million |  |  |  |  |
| $1-$5 Billion |  |  |  |  |
| Over $5 Billion |  |  |  |  |
| **Total Taft-Hartley Clients** |  |  |  |  |
| Under $50 Million |  |  |  |  |
| $50-$250 Million |  |  |  |  |
| $250-$500 Million |  |  |  |  |
| $500-$1,000 Million |  |  |  |  |
| $1-$5 Billion |  |  |  |  |
| Over $5 Billion |  |  |  |  |
| **Total Public Fund Clients** |  |  |  |  |
| Under $50 Million |  |  |  |  |
| $50-$250 Million |  |  |  |  |
| $250-$500 Million |  |  |  |  |
| $500-$1,000 Million |  |  |  |  |
| $1-$5 Billion |  |  |  |  |
| Over $5 Billion |  |  |  |  |
| **Total Endowment/Foundation Clients** |  |  |  |  |
| Under $50 Million |  |  |  |  |
| $50-$250 Million |  |  |  |  |
| $250-$500 Million |  |  |  |  |
| $500-$1,000 Million |  |  |  |  |
| $1-$5 Billion |  |  |  |  |
| Over $5 Billion |  |  |  |  |
| **Total Investment Manager Clients** |  |  |  |  |
| Under $50 Million |  |  |  |  |
| $50-$250 Million |  |  |  |  |
| $250-$500 Million |  |  |  |  |
| $500-$1,000 Million |  |  |  |  |
| $1-$5 Billion |  |  |  |  |
| Over $5 Billion |  |  |  |  |
| **Total Hospital Clients** |  |  |  |  |
| Under $50 Million |  |  |  |  |
| $50-$250 Million |  |  |  |  |
| $250-$500 Million |  |  |  |  |
| $500-$1,000 Million |  |  |  |  |
| $1-$5 Billion |  |  |  |  |
| Over $5 Billion |  |  |  |  |
| **Total Other Clients** |  |  |  |  |
| Under $50 Million |  |  |  |  |
| $50-$250 Million |  |  |  |  |
| $250-$500 Million |  |  |  |  |
| $500-$1,000 Million |  |  |  |  |
| $1-$5 Billion |  |  |  |  |
| Over $5 Billion |  |  |  |  |
| **Total Clients** |  |  |  |  |
| Under $50 Million |  |  |  |  |
| $50-$250 Million |  |  |  |  |
| $250-$500 Million |  |  |  |  |
| $500-$1,000 Million |  |  |  |  |
| $1-$5 Billion |  |  |  |  |
| Over $5 Billion |  |  |  |  |

1. What percentage of client portfolios are:
   1. Hedge Funds
   2. Private Equity Investments
   3. Real Estate
   4. Global Asset Allocation
   5. Other non-traditional investments
2. What percentage of the Corporate, Taft-Hartley, Public Fund, Hospital and Other clients described in response to Section 1, Question 5 are defined contribution clients? Provide the median and largest defined contribution client size for each client type.

**Note**: Please do not include assets for which your organization may be the recordkeeper for the Plan. We are attempting to determine the amount of experience your organization has providing custody services for defined contribution plans.

1. How many new Institutional Master Trust/Custody clients and assets have been added/lost in each of the past 5 years? Complete the matrix below. Also, for clients lost, provide reasons for termination.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Calendar Year** | **Added** |  | **Lost** |  |
| Year | Number | Dollar Amt | Number | Dollar Amt |
| 2012 |  |  |  |  |
| 2013 |  |  |  |  |
| 2014 |  |  |  |  |
| 2015 |  |  |  |  |
| 2016 |  |  |  |  |

1. Complete the following matrix for your organization’s Institutional Master Trust/Custody business unit.

|  |  |
| --- | --- |
|  | **# of People** |
| Client Service |  |
| Operations/Accounting |  |
| IT/Systems Support |  |
| Administrative Support |  |
| Securities Lending |  |
| Other |  |
| Total |  |
|  |  |

1. What turnover have you experienced in total client service/accounting/operations staff during each of the past three years? Of this turnover, what percentage were client relationship officers? (Provide number and percent turnover)
2. On average, how many accounts are assigned to each of the primary client relationship officers?
3. Do the primary client relationship officers have direct operational staff reporting relations? If not, list and describe the functional groups which support the client relationship officers in providing the service to the client. How long has the current form of organization been in place?
4. Explain, based on your organization’s structure, how the client relationship officer either answers client questions immediately, or how they refer to other relevant experts and how long that process takes. Who ensures follow up with the client relationship officer internally? How does your organization ensure that other experts respond to the client relationship officer in a timely manner?
5. What is the Institutional Master Trust/Custody unit’s plan for growth in staff and clients?
6. How much money was spent on product development for Institutional Master Trust/Custody during each of the past three years? What is the targeted amount for this year?
7. How many people are assigned to product research and development? What percentage of the Systems Support/IT staff referenced in Section 1, Question 9 do they represent? To whom do they report?
8. What is the Institutional Master Trust/Custody unit’s plan for product development?
9. Describe your organization’s commitment to service quality and customer service. Does your organization have a total quality management program? If yes, please describe. Do you survey your clients? If yes, how often? Please provide the most recent results.
10. What are the major business units of your organization? What percent of total annual revenues and profits does each represent? If the Institutional Master Trust/Custody unit is part of another unit, specify what percent of total annual revenues and profits the Institutional Master Trust/Master Custody division represents? Show this information for the past five years. Use the format below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Total Operating Revenue Breakout | For year ended 12/31/2012 | For year ended 12/31/2013 | For year ended 12/31/2014 | For year ended 12/31/2015 | For year ended 12/31/2016 |
| Major Business Unit 1 |  |  |  |  |  |
| Major Business Unit 2 |  |  |  |  |  |
| Major Business Unit 3 |  |  |  |  |  |

1. What percentage of the revenue detailed above is attributable to defined contribution clients?
2. Discuss the financial stability of your firm, including the organization’s total assets and capital base. Provide information from your most recent S&P and Moody’s ratings reports, as well as a copy of your latest annual report.
3. Identify and describe any litigation or investigation by a regulatory authority that your organization or officers have been involved in over the last three years that relates to Institutional Master Trust/Custody services. Provide details even if the litigation does not affect the firm’s ability to service the account. Please describe the outcome of any investigation or litigation.
4. List all insurance coverage relevant to Institutional Master Trust/Custody functions. Indicate the type and the amount.
5. What responsibility does your organization accept for providing solutions to unusual situations? Provide a specific example of a situation in which your organization has provided a unique solution to a client (multiple if you can provide solutions for different client types). If a solution would require additional portfolio accounts and changes to reporting, would you request an increase in fees?
6. Describe any ongoing educational sessions, user conferences, publications or other means you have for keeping clients fully educated and for providing a forum for new ideas and needs. Do investment managers provide funding for any of these services? If yes, please specify.
7. How do you monitor legislative and/or regulatory changes affecting Master Trust/Custody administration? How are these changes communicated to clients?
8. Define your organization’s fiduciary responsibility. Specifically, what is the scope, depth and limitation of such fiduciary conduct relative to all services required by this RFI?
9. What other auxiliary services are offered through your organization? (i.e. transition management, securities lending, commission recapture, etc)
10. Provide contacts, addresses and telephone numbers of three references for Institutional Master Trust/Custody relationships of varying size and client type.

**II. PERFORMANCE MEASUREMENT, ANALYTICS AND COMPLIANCE**

1. Of the clients summarized in Section 1, Question 5, how many utilize your organization for performance measurement services? What is the breakdown between client types referenced in Section 1, Question 5?

|  |  |
| --- | --- |
| **Distribution of Clients by Type:** | **# of clients** |
| Corporate |  |
| Taft-Hartley |  |
| Public |  |
| Endowments/Foundations |  |
| Investment Managers |  |
| Hospital |  |
| Other1 |  |
|  |  |

1. How many portfolios (individual and aggregates) are represented in the above totals and what is the approximate value of these assets?
2. How many people work in the performance measurement group?
3. Describe your domestic and international performance measurement system. Is global performance evaluation provided before and after currency adjustments (realized and unrealized)?
4. Describe the methodology used to calculate performance.
5. Can you provide daily, monthly, quarterly and annual performance calculations, gross and net of fees? How soon after month-end is performance data available on-line? Does the client have the ability to create custom reports?
6. Can you produce custom benchmarks?
7. Are risk analytics part of the general performance measurement services, or would this be considered an additional service, with an additional fee?
8. Describe the systems and procedures for the processing, valuing and reporting of alternative investments including, real estate, private equity, venture capital and other non-traditional assets.
9. Do you provide guideline compliance monitoring services? On-line? What percentage of your clients utilize these services? What systems are in place to ensure accuracy and timely communication of any violations?
10. Does the custodian help to set up compliance rules?
11. Does the custodian provide any training on the compliance system?
12. What type of investment guidelines can be monitored (i.e., prohibited securities, maximum security weighting, maximum cash)?
13. Do you provide guideline monitoring for commingled funds?
14. Can you provide guideline monitoring for portfolio characteristics (i.e. average duration and average quality for fixed income portfolios)?
15. How flexible is the product for customization? Are there limitations on the level of customization?
16. Describe any elements of your performance measurement and analytic services that you believe to be unique.
17. How would your services complement the current performance measurement services provided through the consultant? Are you aware of any areas of redundancy that could be eliminated?
18. List all indexes and universes available for comparison, their source, and the manner and timing in which you receive them.
19. NEPC has entered into an agreement with Insignis, Inc. to electronically collect account data on our clients’ investment programs. NEPC requests that custodians participate in the Insignis program by providing daily and monthly electronic feeds of our client portfolio holdings and transaction information to Insignis. The feeds consist of existing data fields from your accounting system delivered in a format that has been agreed upon and tested by your technology group and Insignis. A comprehensive confidentiality agreement exists with both NEPC and Insignis to ensure the ongoing privacy and security of our portfolio information.
    * 1. Do you participate in the Insignis program?
      2. If not, are you willing to participate in the Insignis program?.

**III. INVESTMENT MANAGER RELATIONS**

**(Investment Reconciliation Process)**

1. What information delivery system do you offer investment managers? How is this system different from the information delivery system used by clients? If this is a different system, why is it different?
2. Are managers offered the capability to view their accounts on a real-time basis?
3. How do investment managers communicate trade instructions to your organization for settlement? What are the instruction deadlines?
4. How do you monitor investment manager satisfaction?
5. Describe your organization’s competitive advantage as it relates to servicing manager terminations and hires.
6. Does your organization have a separate investment manager liaison group that handles the reconciliation process? If so, please describe the structure of the group and how it communicates with the accounting group. If not, please describe how investment manager relationships are handled?
7. Describe the role your organization plays in the investment manager reconciliation process. What specific procedures are performed on the reconciliations prepared by managers? Are the reconciliations completed pre- or post-report mailing? Do you formally reconcile your records with those of the investment managers? Describe the process and frequency of reconciliation. Do you reconcile and research pricing and market value differences with the investment managers? Do you actively work with investment managers to ensure accuracy, or is it the sole responsibility of the investment manager to contact you in the event differences are discovered? How are reconciling items communicated to the client?
8. Does your organization monitor tolerance levels for pricing discrepancies with investment managers? How are pricing challenges resolved?
9. Describe your cost allocation method used when corporate actions occur (i.e. spin-off, reorganization). How do you handle discrepancies with investment managers for cost allocation rate?
10. What is your reconciliation policy and procedure of handling the commission recapture program with investment managers? How do you handle the commission recapture delay with the brokerage firms?
11. Do you have specific client service accounting staff with the responsibility of reconciling exception items between you and the alternative investment General Partners and/or investment managers? Is the process different when dealing with non-traditional investment managers?

**IV. ACCOUNTING & REPORTING**

1. Discuss the level of automation of your Institutional Master Trust/Custody accounting system.
2. Describe procedures for ensuring that all interest and dividends for clients are paid.
3. Describe your ability to implement, establish and maintain a fixed income portfolio based on amortized cost. Describe the amortization methods available to the fund, frequency of processing, conversion experience, and the current value of fixed income being maintained by your firm using this methodology. Does this reporting comply with FASB 91, EIFT 89-4, and other relevant generally accepted accounting standards?
4. Describe your accounting procedures with regard to mortgage pass-through (i.e., GNMA, FNMA) and mortgage derivative (i.e., inverse floater) securities. How do you price these securities? What is your source and how do you account for pay down information? When do you credit principal and interest payments for each type of security?
5. Describe your experience with Alternative Investments. Can your accounting system track total commitment levels to alternative Investments, as well as capital calls against commitments and market values? Can your accounting system accommodate partnership accounting for limited partnership accounts fund to fund? Describe any special procedures for the processing, valuing and reporting of alternative investments including, real estate, private equity, venture capital and other non-traditional assets. Do you have any proprietary software for alternative investment accounting? If so, please provide a brief description.
6. Can your accounting system track hurdle rates and assist in validating investment manager fees by having breakpoints and the associated basis point fees?
7. Are clients with multiple funds given different corporate IDs for their various investments, or do you alternatively identify their fund simply by the name of the investment?
8. Provide a schedule of all accounting reports and include samples. How often are such reports produced?
9. Is reporting provided on a trade-date, accrual basis? Do asset valuation and transaction statements reflect pending transactions? Is accrued interest included in asset valuations? What, if any, transactions are not accrued?
10. How soon after accounting periods are fully audited reports available? How many days are the statements left open to record late receipt of trades completed and not settled? Do you offer a fee rebates in the event of late reports? How soon after fiscal year end are annual reports available? Can you accommodate a non-calendar year fiscal year end date? Can you provide interim valuations and reports to meet a one-time or ongoing special client need? Is there an additional charge? Do you currently do this for existing clients?
11. To what degree are the deadlines described previously met by stale pricing the investments, and what percentage of investment managers do not provide current market values to meet these deadlines? (Note: A breakdown by investment type would be helpful, i.e. traditional asset classes, hedge funds, private equity, real estate, global asset allocation, etc.)
12. When reporting stale values, do you identify the date of the reported value on your reports so clients can determine how stale the value is?
13. What steps are taken to ensure the accuracy of client reports? Who is responsible for ensuring accuracy? Does an account officer sign and certify the reports? What controls are built into the process? What is the turnaround time for correcting errors?
14. Do you have the ability to perform unitized accounting? How does it work? Is the unitized accounting fully automated into your accounting system?
15. Do you have the ability to provide all accounting data and reports on CD-ROM or diskette? Do you currently have a relationship with Insignis, a third party data provider that transmits data from your accounting systems to NEPC’s performance measurement software? If not, are you willing to establish such a relationship?
16. Can you carry the book value of securities at original cost, amortized cost or average cost? How do you compute realized gains and losses?
17. Do you have an accounting system for the commission recapture program? Can you provide payment detail at the security level?
18. Is fund accounting handled by your firm or is it subcontracted out to another company?
19. How long is your data retention period? How long is data available online vs. archived?
20. Please discuss your ability to provide information on portfolio holdings for proxy voting to outside investment managers or outside vendors. If you can provide proxy voting services internally, please discuss you capabilities and the associated costs.
21. What reporting is provided to assist in satisfying GASB Statement No.40, Deposits and Investment Risk Disclosures, requirements? Please provide examples.
22. What reporting is provided to assist in satisfying GASB Statement No. 28, Accounting and Financial Reporting for Securities Lending Transactions, requirements? Please provide examples.
23. What reporting is provided to assist in satisfying GASB Statement No. 53, Derivative Instruments, requirements? Please provide examples.
24. Are clients able to view accounting and reporting information on-line? When was your on-line access fully implemented? What types of reports can be generated?
25. Does the client have the ability to create custom reports? Is access available 24 hours a day?
26. Is data available real-time (access trade information as it changes throughout the day) or batch processed (data is updated each night)?
27. How long is data available on the system?
28. Do you offer a help desk for on-line services? Is there any special hardware or software required to use your online service?
29. Provide us with a description of your company’s daily valuation service process. Include your NAV calculation methodology.
30. Can you provide daily reconciliation of investment activity, corporate actions and valuations?
31. Explain your procedures to determine whether the daily calculated NAVs are reasonable.
32. What do you do in the event you discover an error in the daily NAV calculation? What are your materiality guidelines?
33. How are errors beyond acceptable tolerances corrected and will you indemnify for such errors?
34. What is the process for identifying and resolving share/market value differences between the investment manager, record keeper and you?
35. Can you accrue for fees and expenses in the NAV?
36. Please describe how you calculate NAVs for mutual funds and collective trusts. Can you receive prices directly from the investment manager or mutual fund? What is your time deadline?
37. Please describe your experience with calculating NAVs. How many portfolios do you calculate a daily NAV for? Do you have experience with calculating a daily NAV for fund-of-fund structures?
38. Describe how daily NAVs are fed to the recordkeeper. Why should we have confidence in your daily NAV and your ability to deliver it to the record keeper on time?
39. Some investment managers utilize third party administrators to produce market values for reporting purposes. Does your accounting system keep track of their names to ease in identifying market values upon receipt?
40. Some hedge fund of fund investment managers, for example, may have hundreds of underlying investments, each potentially creating their own K-1 reporting. Does your system have a way to assist in consolidating these reports?
41. Does your system have a general ledger interface managed by the bank? How much monthly input is required from the client?
42. Describe your process with respect to class actions, including how you inform clients, how you charge for reporting these items, and how you coordinate with overlapping periods with prior custodians.
43. Can you value and report options and futures instruments? If yes, how do you value these instruments? What capabilities and limitations in this area do you have?
44. Discuss your procedures for tracking and reporting failed trades.
45. How do you determine exchange rates for your reports?
46. Will you act as fiduciary on foreign exchange transactions?
47. Describe you systems, controls, and procedures for providing best execution on foreign exchange transactions? What reports or audit trails are available for monitoring each trade’s execution time, method, and other information necessary for the purpose of monitoring exchange rates used for best execution?
48. Describe your capabilities for filing all foreign tax reclaim forms, monitoring foreign tax liability and tax reclaim collection, including monthly reconciliations of tax reclaims from a prior custodian. Are there any additional fees associated with these services?
49. What are the fees associated with foreign exchange transitions?

**V. SECURITY MOVEMENT AND CONTROL**

1. Describe your depository memberships (i.e., DTC, FRB) and the services you use at these depositories. Describe your system for registration and custody of assets.
2. Discuss the level of automation of your security transaction processing system.
3. How and where are physical settlements transacted?
4. What, if any, securities have been misplaced or lost in the last three years? If any, please describe the circumstances.
5. Are the custody and settlement groups solely dedicated to the Master Trust/Custody Department? What is the reporting relationship?
6. How and when are corporate actions processed?
7. How is purchase fail float credited to the Trust?
8. What percentage of fails did you experience in the last three years for sales and purchases?
9. Fail Float:
   1. How are accounts compensated?
   2. How do failed transactions affect cash balances?
   3. How frequently are managers advised of fails?
   4. Provide fail experience as a percent of trades
10. Explain your procedures or policy for:

## Income collection

1. Timely settlement of purchases and sales
2. When dividend and interest become available for reinvestment
3. Are you able to transmit proxy information to third party agents for clients?
4. Please answer the following questions regarding pricing:
5. What are your sources for pricing securities? Please provide a full schedule of all primary and supplemental pricing sources by asset class.
6. What procedures are in place to investigate unusual or significant pricing changes from the previous pricing period?
7. How do you price securities that are not listed on pricing services, such as private placements? Bank Loans?
8. What is the frequency of your pricing updates?
9. Do you utilize “matrix pricing” for fixed income instruments?
10. Describe your procedures and control points for identifying “abnormal” prices. What tolerance levels are used for the various security types?
11. Are clients allowed to specify alternative pricing sources? Explain.
12. Describe how difficult securities (I.e. infrequently traded bonds, derivatives) are priced.
13. Indicate your pricing sources for the following types of securities:

* Listed stocks
* Over-the-counter stocks
* International stocks
* Convertibles
* Corporate bonds
* Treasury bonds
* Agency bonds
* Mortgage pass-throughs and derivatives
* Asset-backed securities
* Commercial paper
* Non-U.S. bonds
* Bank Loans
* Real Estate
* Venture Capital
* Private Placements
* Futures
* Options

1. Do you have a brokerage division? If so, please describe in detail any expertise in transition trades and crossing capabilities.

**VI.** **SYSTEM CAPABILITIES & DISASTER RECOVERY**

1. What is the configuration and age of the existing hardware used for Master Trust/Custody processing?
2. Does the Master Trust/Custody unit have limitations on access to this equipment? How is access controlled?
3. Please answer each of the following questions about your disaster recovery plan:
4. Are there back-up capabilities for your systems in case of malfunction or disaster?
5. How many hours before data can be retrieved?
6. Is there a business continuity plan? Describe in detail.
7. How often do you test the plan?
8. When was the last test?
9. Have they been used during the past three years?
10. What was the longest duration of any such outage and what was the cause?
11. What has been put in place to prevent this occurrence again?
12. Do you have hot-site back up for systems? Do you have a backup location for personnel as well? Where are back-up sites located?
13. Does an outside auditor or consultant review the disaster recovery plan? Who?
14. Was the existing Master Trust/Custody software developed internally or externally? How is it supported? If developed and supported externally, who is the vendor?
15. Describe recent modifications of significance to the core accounting system, and to the security movement and control system. When were they implemented?
16. What enhancements of significance are you currently planning to make, and when do you expect to implement them?
17. Describe the system's security procedures.
18. What down-time have you experienced in the last year? What are the normal hours of availability?
19. Do you have one multi-currency system for domestic and global accounting?
20. Please discuss your plan / participant accounting system capabilities. Specifically, does your organization have the ability to track the participation of multiple plans or participants in one pool of assets? Please provide detail on how you would propose handling such a situation.

**VII.** **CASH MANAGEMENT**

1. What short-term investment vehicles are available for tax-exempt client use? Who manages these funds? Provide the guidelines, objectives, and management fees for each fund option.
2. Provide fact sheets that include performance history and expense ratios for each fund listed in question 1.
3. Do you charge a sweep fee? Describe all fees that are associated with cash management.
4. Describe the daily procedure for investing client cash. To what degree is the process automated?
5. When is STIF interest credited to the customer? Do you credit interest on due date without exception? If not, explain.
6. When are funds withdrawn for purchases? Credited for sales?
7. When do you invest funds received for interest, dividends and sales? When do you debit purchases?
8. Do you "make good" on any missed dividends?
9. How are instructions for wires and book transfer transactions communicated to you? Are there time restrictions?
10. How many of your clients currently utilize separate short-term cash managers to manage their cash balances?
11. Describe your cash forecasting ability to assist a separate short-term/cash manager in monitoring cash balances.
12. At what rate will the bank reimburse the client for the overnight use of client funds if the bank erroneously debits an account overnight?
13. Do you notify your clients of bank overdrafts? Does your organization charge fees for bank overdrafts? Do you determine the cause of the problem before charging the account?
14. In what currencies are short-term investments available?
15. Will investment managers be required to maintain cash balances at each sub-custodian location?
16. Which currencies pay interest on account balances? Is there a charge that is netted against these earnings?
17. List any countries where your standard cash management policies are currently not enforced and explain.

**VIII. CONVERSION**

1. Describe your approach to the implementation and conversion process. Include an estimated conversion calendar, including actions required on the part of the Fund and the Master Custodian and the timeframe to complete each task.
2. Do you have a conversion manual? If so, provide a copy.
3. What dedicated resources (personnel, equipment, training of personnel, consultants, etc.), procedures and controls will you provide or recommend in the conversion period to ensure that the conversion is completed successfully in both a timely and accurate manner?
4. How much time does a transition usually take?
5. What is the relationship between the transition team and the permanent account administration staff?
6. How do you handle transactions and claims that are in process during the transition/conversion period?
7. How do you handle the performance measurement files during the transition/conversion period?
8. Are you able and willing to backload historical data? Is there an additional fee?
9. Give a detailed description of any specific problems that occurred during transitions over the past year and solutions that were instituted.
10. Provide a summary of the problems that you reasonably expect to occur during a custody service conversion and your approach to resolving these anticipated problems.
11. What fees or costs might a client face transitioning away from your firm?

### IX. SECURITIES LENDING

1. Do you offer a securities lending program? When was it established? Is it offered directly or indirectly? If indirectly, who provides the program?
2. What is total size of securities lending program? What is the dollar size of your securities lending cash collateral reinvestment commingled investment pools? Separate accounts? List the markets in which you currently participate.
3. Is securities lending available to all Master Trust/Custody clients? If not, explain.
4. How many Master Trust/Custody clients participate in your securities lending program? What percentage of your U.S. client base is that?
5. Describe your collateralization policy. What forms of collateral do you accept? If you use cash collateral, how is it invested? Describe your cash collateralization policy on both a domestic and global basis.
6. How is loan income apportioned to clients owning the same security? How are securities prorated from the various client accounts?
7. How do you provide equal opportunity to all participating clients to lend their securities? Do you use a rotation (queuing) system; have you ever overridden the allocation process to accommodate a client? Are there clients outside the rotation system?
8. How is borrower creditworthiness determined? Who is responsible for determining borrower creditworthiness and establishing and monitoring lending limits? What are your credit and lending limits? Can the client select or eliminate a given borrower for their account? Can the client establish a limit for loans to a given borrower?
9. Has your program ever experienced a borrower default? If so, explain.
10. Have you ever experienced a default/impairment in your collateral reinvestment commingled pools? Separate Accounts? If so, explain.
11. What has been the incidence of sell fails impacting your securities lending program?
12. Describe your policy when a sale fail occurs because a security was out on loan.
13. Do you provide any indemnification, insurance or bank guarantee, other than collateralization, to protect a client against loss on either borrower default or collateral reinvestment? If so, describe.
14. What is the compensation to the bank for administering the program? Please provide security lending revenue splits on a fully indemnified and non-indemnified basis.
15. Does administration include all recordkeeping and reporting? Does your securities lending system interface with your security movement and control system? Include a copy of sample reports.
16. How are holdings information and transactions communicated between parties (SWIFT, ISITC, E-mail, fax, etc.)?
17. On average, what percentage of eligible assets is on loan, and what is the average loan spread by asset type:

* Domestic large cap equities
* Domestic small cap equities
* International equities
* Corporate bonds – Investment grade
* Corporate bonds – High yield
* U.S. government treasures and agencies
* Mortgage pass-through securities
* Non-U.S. bonds
* Other

1. What is the current rate of earnings for each asset class identified in the previous question? How does this rate compare with past anticipated levels?
2. What is the current yield on the short-term assets in the securities lending program? Are assets invested in a commingled fund or as a separate portfolio? Are there any choices for investment vehicles? If yes, please describe.
3. What are your specific investment guidelines for the short-term investment of the assets? Provide the investment management guidelines. Include sectors for investment (i.e., governments and agencies, commercial paper, bank obligations), sector weighting constraints, maturity constraints and average maturity of the assets, and minimum quality guidelines (i.e. A1/P1). If there are multiple options for pooled investments, please provide all choices. Also, provide sample guidelines for separately managed accounts.
4. Is there a fee for managing the cash collateral? Are any other fees or charges deducted from the earnings remitted to the client before or after the earnings split? Is so, specify the amount(s).
5. Do you have any clients using a third party for securities lending or collateral reinvestment? If so, identify the lending firms / investment managers. Briefly describe your organization’s third party support services, specifically outlining advantages of your services. Are these services provided as part of the core custody services, with no additional fee? What system(s) do you use to support your clients’ third party lending programs? Is it the same system that is used for your proprietary securities lending business? NEPC clients reserve the right to utilize third party securities lending agents and collateral reinvestment mangers for all or part of their securities lending activity.
6. Include a sample securities lending contract. Describe all risks to which clients are exposed through the lending of securities, domestically and internationally, with your bank. Include a discussion of a potential bankruptcy of a borrower or a sub-custodian and the impact of foreign law upon the account.
7. How do you coordinate your securities lending activities with the client’s investment managers?
8. Describe the procedures and frequency of marking to market for all types of securities on loan. Is it based on each individual client’s positions or on the entire pool of securities with a particular borrower?
9. Describe your policy if your cash management area buys an instrument that drops below the credit parameters set forth in the investment guidelines?
10. Are there any countries in which you lend securities where securities lending is not regulated?
11. How often do you audit the securities lending program internally and externally? Who is your outside auditor?
12. What training do your securities lending professionals receive?
13. What internal controls, systems and procedures do you have regarding securities lending?
14. Do you keep your securities lending traders separate from the operational aspect of securities lending such as:

* delivery of loan securities
* receipt of collateral
* maintenance of borrower and/or client credit limits on the system
* mark to market process
* billing of borrowers and cash transfers
* oversight of daily cash collateral investment decisions
* transfer of cash to collateral investment accounts
* measurement of duration or other risk associated with the management of cash portfolios
* performance measurement and reporting

1. What is your timeframe for the recall of securities from a borrower? (Examples would be one day for U.S. government securities, three days for U.S. equities and corporate bonds and three to five days for foreign securities depending upon the country.)
2. What changes to the loan recall procedure will be made to accommodate T + 1?
3. Does your Securities Lending program permit the lending of securities to the custodian or a sub-custodian?
4. When is securities lending income credited to clients?
5. What reports on securities lending activity do clients receive and at what frequency? Do you provide collateral reinvestment transparency reporting, i.e. maturity schedules, credit quality, sector breakdown, guideline compliance, etc? Please provide samples.
6. Please describe your on-line capabilities for securities lending.

* + What type of reports can be generated?
  + Can the client download the data to create custom reports?
  + What is your practice in creating custom reports for clients?

**X. GLOBAL CUSTODY**

1. Does your organization have the ability to custody separately managed, non-U.S. assets? If not, what relationships has your firm established to meet the needs of clients who wish to utilize separately managed non-U.S. accounts? Is there an additional layer of fees associated with such solutions?
2. When did the firm begin providing Global Custody? Provide a brief history of your global custody operations including the dates of implementation of key elements and enhancements.
3. What are the total global assets under custody and/or administration? Total non-US assets under custody and/or administration?
4. How many clients do you currently have currently using global custodial services?
5. Briefly describe your Global Custody capabilities including those items which currently set you apart from the competition.
6. How long have you used your current global accounting software? What major enhancements have you made in the last three years? Is it fully integrated with the domestic custody system?
7. What are the divisions of responsibility among headquarters, the overseas office(s), if any, and the sub-custodians?
8. For each country in which you provide custody services, list your custodial agent bank and the year that the current relationship was initiated. How many assets are held with each sub-custodian?
9. What criteria do you use to select your global sub-custodians? How frequently do you review your sub-custodian relationships? How often does your organization assess political and market risk in a foreign country? In the past three years, what sub-custodians have been terminated? Please list and give the reason for termination.
10. Outside of the U.S., do you use any central depository facilities? Describe your settlement and clearing facilities for depository eligible and physical securities.
11. How are settlements communicated?
12. When are funds withdrawn for purchases and credited for sales?
13. Describe, in detail, your ability to handle foreign exchange transactions including all the alternatives available.
14. What are your dividend and income collection and crediting policies, by country? How much of the foreign tax receivable is collectable? On a quarterly basis, please provide an aging of the tax receivable and estimates of the collectability.
15. Describe your tax reclaim policy and procedures. How do you notify clients of any changes in local tax laws? How frequently are reclaims performed?
16. How does your multi-currency accounting system handle forward foreign exchange contracts? Please describe in detail and include definitions of terms used.
17. How does your multi-currency accounting system handle options? When a put or call is sold short, please describe the processing method? What is different in the handling of short options carried over a month end as compared to closing out in the same month?
18. How frequently do you reconcile your records with depositories and your sub-custodians – cash, securities, and corporate actions?
19. Describe the controls you have in place to ensure the integrity of the sub-custodian settlement and custody reporting.
20. Does your insurance coverage apply to securities held in your sub-custody network?
21. Do you publish a country and market practices manual which includes a summary of trading, settlement, income collection, etc. practices for each country in your network?
22. Is your firm able to provide a segregated account to clients in all markets you serve?
23. Are accounting and reporting capabilities available in both local currency and in U.S. Dollars? Please describe. What foreign exchange rate is used to convert to U.S. dollars? Are the investment managers notified to use the same foreign exchange rate? How do you determine exchange rates for your reports?
24. What percentage of the Master Trust/Custody business unit’s revenue comes from foreign exchange trading? Please provide dollar amounts, as well as the percentage of revenue for each of the last five years.
25. Describe how you handle "failed" transactions and how these are reported to the client. Provide statistics by market on the percent of trades settled on time.
26. Describe your systems, controls and capabilities, to identify, track and manage class action litigation or settlement proposals for securities either currently held or previously owned and eligibility requirements for participation in such actions. Are these reconciled with the investment management firm? Describe any differences from your domestic (U.S.) systems, controls and capabilities. Is there an additional fee associated with this service?
27. Describe your domestic and international safekeeping network. How many markets are currently covered in your sub-custodian network? Provide the name of each sub-custodian agent and the amount of assets held with that sub-custodian.

**XI.**  **AUDIT CONTROLS**

1. Who is responsible for monitoring audit recommendations made to management? Describe the process and provide a recent example.
2. Provide copies of your most recent “C”, annual report, 10-k and 8-k filings, and SAS 70 report.
3. Provide copies of any Internal Control opinions issued by your independent auditors specifically related to your custody services within the last three years.
4. Are you willing to afford staff from the State Treasurer’s Office, the Office of the State Auditor, and contracted CPA firms continued access to the corporate audit reports and the working papers of the custodian’s internal audit division?
5. List your current credit rating from all credit agencies that rate your organization for the past four fiscal years along with the specific part of your firm that was rated.
6. Are trust department records and procedures included in audits by your external auditor? To what degree? What level of certification is provided with annual reports? May client auditors examine bank records pertaining to client accounts?

**XII. BENEFIT PAYMENT PROCESSING**

1. Describe your organization’s normal operations in support of pension payments. In the description, please follow the receipt of the retirement initiation through the mailing of pension payments. Include details on each department that is involved in the process, and how each interfaces with one another, as well as NEPC clients throughout the process.
2. Describe the controls that are in place in support of pension payments. Describe the controls throughout the entire payroll process and provide examples of any reports that are produced and reconciliations that are performed throughout the payroll process.
3. Is benefit payment processing done internally or through an outside service provider?
4. What processes do you outsource to third party vendors (e.g. check printing, check mailing, death audit services, etc.)?
5. Describe the normal pension payment cycle. Indicate the dates for file maintenance, check preparation and mailing, etc.
6. Do you offer any online services pertaining to benefit payments? What reports are available? Please provide samples.
7. Will you send other mailings to participants?
8. What systems record changes in beneficiary status (e.g., addresses, mortality, check clearing)?
9. What is your procedure for initiating a stop payment order?
10. Describe your multiple address capability and indicate whether you will electronically transfer funds to pensioner checking accounts.
11. Do you offer tax withholding services?
12. Do you offer ACH, controlled disbursement and/or wire transfers for disbursement processing?
13. Can a separate cash management account be linked to accommodate request for payments and subsequent withdrawals? What type of reporting is available to track expenses through such an account? List and describe all associated fees for this type of account.
14. Which methods are you able to distribute payments? (EFT, Check, Debit Card, list any other methods)
15. For Periodic and Lump Sum payments are you able to pay on: 1st business day? 1st of the month? End of the month?
16. Does your firm allow cashing of lump sum check payments with amounts greater than $9,999.99 at your financial institution?
17. Do you allow participants to pick up periodic benefit checks at your facility?
18. Payroll File Maintenance:
    1. Will clients have the ability to maintain the payroll file online?
    2. Will your system accommodate a batch upload process via a file for the purposes of making large-scale changes to the payroll file?
    3. Will you provide a reverse file feedback to clients?
19. Will your firm be responsible for quarterly and/or annual tax reporting?
20. Will your firm be responsible for remitting the following payroll withholding:
    1. Fed tax remittance
    2. State tax remittance
    3. IRS tax levies
    4. Child support
    5. Group Health Insurance
21. Will you provide online images of checks paid?
22. What types of customer service will you provide to:
    1. Participants receiving Benefits (e.g. online services access to request duplicate tax returns, change of address, change direct deposit and lost check replacement)
    2. The Fund itself as a client
23. Will you provide reports such as those listed below in a format that can be used by clients to update in-house databases? In what formats are the reports available?
    1. Disbursement Register
    2. Payroll Reconciliation – Changes from Previous Month’s Benefit Payroll
    3. Re-deposits, Re-Issues
    4. Outstanding Checks
24. What is your process for recovering payments made to a deceased participant when a death certificate is submitted? What if there is no death certificate?
25. What is your turn-around time for replacing lost checks?