

Adopted

Amendment to Cash Management Rule

Section 9-4.4

August 2, 2024

9-4.4. Cash Management Procedures

The use of any cash management system utilized by FPIF for cash transactions, including both one-time transactions and recurring monthly withdrawals, will be subject to standard requirements, terms, and conditions for such system. By utilizing such a system, a Participating Pension Fund agrees to abide by any applicable requirements, terms, and conditions.

FPIF recommends that Participating Pension Funds [comply with guidance from the Illinois Department of Insurance concerning the amount of cash to be kept in local accounts: monies not imminently needed to make benefit payments or cover reasonable imminent expenses must be held at FPIF](#) ~~keep an estimated two months of expenses in a local account. The amount of cash kept in the local account will fluctuate and will necessitate transfers to and from FPIF.~~ Requests to redeem cash from FPIF can be made on a monthly basis.

Requests for transfers from FPIF to a Participating Pension Fund must be sent to FPIF by 5:00 pm central time on the 1st [day](#) of each ~~of~~ month. Requests properly submitted on or before the 1st [day](#) of each month, will be processed for transfer by the 14th [day](#) of the month. The request for transfer must be made in the manner prescribed by FPIF.

If a Participating Pension Fund has a surplus of dollars in the local account, it should transfer the funds to FPIF for investment. Transfers from a Participating Pension Fund to FPIF will be invested on scheduled investment dates. For the purpose of this Chapter, "investment dates" mean the 7th, 14th, 21st, 28th [days](#) and the last business day of each month, or the business day immediately preceding the 7th, 14th, 21st, or 28th [day](#) of the month if the date falls on a weekend or bank holiday. FPIF recommends that Participating Pension Funds initiate the transfer of funds to FPIF at least three business days in advance of an investment date in order to ensure the transfer of funds is invested on the investment date. The Account Representative shall send transfers to FPIF in the manner prescribed by FPIF.

It is the responsibility of the Participating Pension Fund to ensure enough money is kept on hand to meet benefit obligations and to act in their fiduciary capacity as board members in the administration and payment of monthly retirement benefits and expenses. If a Participating Pension Fund believes an unforeseen circumstance dictates an expedited transfer from FPIF in a manner inconsistent with this Chapter, the Participating Pension Fund shall submit a request for an expedited transfer in the manner prescribed by FPIF. A request for an expedited transfer shall include a detailed explanation of the need for an expedited transfer and FPIF shall, in its sole discretion, determine whether the reason provided is sufficient cause for an expedited transfer.