

WIRE TRANSFER POLICY

I. PURPOSE

This Policy shall govern how SCERA staff prepares, initiates and approves wire transfers of Plan funds. To prevent unauthorized transfers or theft, the preparation and approval of wire transfer requests should not be authorized by the same individual or by two individuals in the same group.

A. Types of Wire Transfer

1. Recurring Wire Transfer to State Street Fund

A recurring wire transfer is one in which the wire is sent to an investment manager with an existing relationship with SCERA and State Street (Custodian) and there has been no change in the beneficiary bank information since the last wire transfer to the same manager.

2. New Wire Transfer to New State Street Fund

A new wire transfer is one in which the wire is sent to a new investment manager or where the beneficiary bank information has changed since the last wire to the same investment manager.

3. Recurring Wire Transfer to County Treasury

A recurring wire transfer to the County Treasury is one in which the wire is sent to the County of Sonoma's Treasury to hold and invest funds to pay for current SCERA staff salary and benefit costs where there has been no change in the beneficiary bank information since the last wire transfer to the County Treasury.

B. When to Use a Wire Transfer

1. Wire Transfers in State Street Electronic Cash Flow Module (eCFM) are only used to move money between SCERA's various investment managers for the purpose of executing transactions in accordance with investing and operational needs. This could include:

a) Rebalancing investment allocations

- b) Movement of money from distribution/sale of investments
- c) Movement of money for purchase of investments
- d) Movement of money for other investment transactions
- e) Movement of money to cover operational costs

C. Risks

1. SCERA staff must exercise caution and due diligence when moving funds between SCERA accounts.
2. Authorized signers should be reviewed
 - a) Annually,
 - b) Upon changes in work assignments,
 - c) Upon change in employment status of authorized signer.

D. Authority:

1. The Board of Retirement has delegated to the Chief Executive Officer (CEO) through the Chief Executive Officer Charter the authority to:
 - a) Ensure accurate payment of benefits to members, and address problems or errors in accordance with established policies and procedures (Section C1b),
 - b) Authorize payments, or empower a designee to authorize payments related to the administration of SCERA consistent with delegated authority, the Operating Budget, and internal controls of SCERA (Section D1d),
 - c) Implement and follow appropriate internal financial controls to safeguard the assets of SCERA (Section E1b),
 - d) Ensure effective and timely communications and working relationships with members and stakeholders on benefits and other appropriate matters relating to the administration of SCERA (Section H1b).

II. DETAILS

A. Banking Information:

1. New Wire Transfer or Change of Banking Information: The initiator must secure documentation from a known source at the receiving institution/investment manager/vendor to include: Account holder name, receiving bank name, bank account number, routing number, any additional

direction/required details. SCERA staff will call a known representative to confirm the change in banking information.

2. Recurring Wire Transfer Between SCERA Funds at State Street: Obtain current receiving bank account details provided by known Investment Manager and agree to programmed details in the Custodian Bank's eCFM system before the wire transfer can be initiated. SCERA staff will call a known representative to confirm the change in banking information.
3. Recurring Wire Transfer Between SCERA and County Treasury: Obtain current receiving bank account information from a known source at the County Treasury and confirm bank information in the Custodian Bank's eCFM system before the wire transfer can be initiated.

B. Validation:

1. Upon creation of all wire transfers, verify provided banking information agrees to programmed bank direction in the Custodian Bank's eCFM system. Documentation to support the wire transfer must be uploaded to the wire transfer transaction in eCFM.

C. Approval

1. The wire transfer must be approved by an individual not in the same group. The approver must review the banking information provided and supporting documentation attached to the wire in the Custodian Bank's eCFM system to confirm accuracy. Groups include:
 - a) Chief Investment Officer, Senior Investment Officer, and Investment Officer;
 - b) Chief Executive Officer and Assistant Chief Executive Officer;
 - c) Assistant Chief Executive Officer and Retirement Accounting Manager.

D. Alternative Procedure :

1. Wire transfer must be processed through the Custodian Bank's electronic authentication system, eCFM, with dual initiator and approver authentication. In limited circumstances, a wire transfer can be initiated through a written authorization from SCERA to SCERA's Custodian Bank representative where the Custodian Bank obtains approval from two other SCERA authorized

individuals. Custodian Bank representative will be responsible for uploading confirmation approvals to system to support the transaction.

III. SECURITY

A. Notification of Authorized Individuals:

The Chief Executive Officer, or in their absence the Chief Investment Officer, shall inform, in writing, the Custodian Bank of the names and positions of authorized persons and shall direct the bank that instructions are to be accepted from no other persons.

B. Authorized Individuals:

The following SCERA roles are authorized to initiate or approve wire transfers: Chief Executive Officer, Chief Investment Officer, Assistant Chief Executive Officer, Retirement Accounting Manager, Senior Investment Officer, and Investment Officer.

C. Programmed Approver Groups:

Custodian bank has confirmed that a hierarchy to support the separation of duties of initiator and approver by group has been programmed into Custodian Bank's eCFM system to ensure compliance of roles.

IV. REVIEW

The Board shall review this policy at least every three years to ensure that it remains relevant and appropriate.

V. HISTORY

This policy was adopted by the Board on 11/8/07.

This policy was reviewed and revised on 8/22/13, 7/27/17, 3/28/19 and 3/17/2022 and 5/22/2025.