

Sec. 3-11-3. Course and method of operations

(a) **Executive Office of the Treasurer.** The Treasurer has overall responsibility for the operation of the Office and provides supervision and direction with regard to all activities of the Office. By statute, the Treasurer is required to appoint a Deputy, who performs all duties of the Treasurer in case of the sickness or absence of the Treasurer. With the advice and consent of the Investment Advisory Council, the Treasurer appoints a Chief Investment Officer who, under the direction of the Treasurer, advises the Treasurer on investing the State's pension and trust fund's portfolio. In addition, the Treasurer appoints Assistant Treasurers, a General Counsel and Chief Compliance Officer who, under the direction of the Treasurer, advise the Treasurer on the investment of funds of the State, oversee the general financing procedure in the borrowing of money by the State, administer the State's unclaimed property program, the Second Injury Fund and the Connecticut Higher Education Trust, and perform such other duties as the Treasurer may direct.

(b) **Pension Funds Management Division.** In accordance with the Investment Policy Statement adopted by the Treasurer and approved by the Investment Advisory Council pursuant to section 3-13b of the Connecticut General Statutes, the division manages the invested assets of the State's pension and trust funds for which the Treasurer is the principal trustee.

The division is responsible for oversight of invested assets, either directly or through external investment managers retained by the Treasurer, as well as development of investment strategy and policy, and performs the following duties:

(1) The division monitors compliance with the asset allocation strategy adopted in the Investment Policy Statement, and manages asset rebalancing as required. Asset classes include public equities, fixed income, private equity, real estate and alternative investments. Investments are made in domestic, international and emerging markets.

(2) If the Treasurer determines to engage the services of external investment managers, staff will assist in the oversight and management of such managers, monitor contract compliance, evaluate manager and investment performance and make recommendations regarding the retention or termination of such managers.

(3) Staff performs risk management functions, including developing and managing processes for examining a broad spectrum of investment and operational risks across asset classes and investment programs.

(4) Operational functions performed by division staff include investment accounting for pension fund assets, reconciling financial reports of the master custodian bank on investment funds, and providing financial statements to the Treasurer and the Chief Investment Officer.

(5) At the direction of the Treasurer, the division may perform oversight in the selection and review of investment options available to Account Owners in the Connecticut Higher Education Trust.

(c) **Cash Management Division.** The division is responsible for the coordination of banking services for all State agencies and managing the State's cash transactions, banking relationships, and short-term investments as follows:

(1) **Bank Control and Reconciliation.** The division is responsible for assisting State agencies with banking issues and coordinating State banking services, including authorizing the opening and closing of State bank accounts, maintaining bank account records,

reconciling Treasury bank accounts, performing administrative services such as processing stop payments and check reissues and procuring new banking services as needed. The division prepares schedules for the annual report to the Governor and, in conjunction with that report, performs annual accounting of the State's internal and external cash flows. The division also authorizes the release of State payroll, retirement and vendor checks, and manages securities pledged under the State's insurance collateral program.

(2) **Cash Control.** The division manages the State's cash movements, which includes developing forecasts of available cash, funding disbursement accounts and concentrating cash from depository banks. The division prepares annual cash flow projections for State and bond rating agencies and for the primary retirement funds, monitors cash receipts and disbursements, places available cash into short-term investment vehicles and prepares the monthly cash report for the Connecticut General Assembly.

(3) **Short-Term Investments.** The division manages short-term investments of the State's temporary surplus cash, which includes managing the Short-Term Investment Fund pursuant to section 3-27a of the Connecticut General Statutes, the Medium-Term Investment Fund (STIF Plus) pursuant to section 3-28a of the Connecticut General Statutes, and investments pursuant to sections 3-24j, 3-24k and 3-31a of the Connecticut General Statutes. Duties include the investment of assets, monitoring custodian and transfer agent activity and preparing quarterly and annual performance reports on such funds.

(d) **Debt Management Division.** The division manages and coordinates all State of Connecticut bond and note issuance, including general obligation bonds, special tax obligation bonds, clean water fund bonds, University of Connecticut bonds, airport revenue bonds and short term borrowings, if and when the need arises, and maintains an overall program of debt planning and refunding. With respect to such bond and note issuance, the division: (1) coordinates the preparation of official statements and other disclosure documents, (2) coordinates the State's relationship with the credit rating agencies, (3) determines the structure, timing and the purposes included in each bond issue, (4) oversees the work of bond counsel, financial advisors and underwriters, and (5) coordinates the timing and size of bond issues with the expenditures of individual bond fund accounts and the overall cash flow needs of the state. The division also performs several tax-related functions to ensure that bond-fund programs and projects conform to Internal Revenue Code limitations and requirements for federal tax-exempt treatment. The Debt Management Division also coordinates the issuance of bonds with the quasi-public authorities which issue bonds.

(e) **Second Injury Division.** The division is responsible for the operation of the Second Injury Fund as follows:

(1) **Claims.** The division adjudicates second injury, uninsured and employer claims. Staff of the division reviews legal documents for errors or omissions; reviews medical reports for work capacity, injury compensability, treatment program, vocational rehabilitation potential and bill payment authorization; authorizes reimbursement requests for concurrent employment and cost of living adjustments; and negotiates stipulated settlements of claims.

(2) **Operations.** The division is responsible for all financial operations for the Second Injury Fund, which include collection of all employer assessments that fund the operations of the Second Injury Fund programs. The division processes bi-weekly claimant benefit

checks and checks for insurance carriers and other vendors. Staff monitors accounts receivable, performs audits of insurance companies and self-insured employers, and performs all collection activities, including collection of receivables as in the case of bankrupt or uninsured employers, overpayments, penalties and fines.

(3) Investigations. The division collects information and conducts investigations to detect and prevent fraudulent receipt of benefits, locate assets, assist in the litigation process, and monitor employer compliance with workers' compensation insurance coverage requirements.

(f) **Unclaimed Property Division.** The Unclaimed Property Division is responsible for collecting assets that are legally abandoned, safeguarding such assets and returning assets to the rightful owner when ownership has been proven. Staff of the division is responsible for performing operational and administrative functions as follows:

(1) Duties with respect to holders. The division:

(A) Prescribes the form and manner for reporting and payment of abandoned property by holders to the Office of the Treasurer, as required by section 3-65a of the Connecticut General Statutes;

(B) Receives reports of abandoned property filed annually by holders of such property;

(C) Maintains a permanent record of such reports; and

(D) Monitors holder reporting and conducts examination of records, which may be conducted under oath, to determine whether a holder is complying with its duties under the law.

(2) Collection and maintenance of property. The division:

(A) Conducts sales of property that the Treasurer has determined should be sold, and retains the proceeds of the sale for the benefit of the owner of the property;

(B) Performs collection activities, including receivables as in the case of bankruptcies, overpayments and penalties;

(C) Maintains computerized records of all abandoned property escheated to the State including holder reports as well as all claims initiated and processed; and

(D) Prepares biennial notice of property presumed abandoned and transferred to the Treasurer in the preceding years.

(3) Claims administration. The division:

(A) Provides claim forms and instructions on the documentation required to prove ownership of the various types of property that have been transferred to the Treasurer;

(B) Reviews and processes claims; and

(C) If claimant proves ownership, prepares documentation for settlement of claim and issuance of check.

(Effective December 28, 1993; Amended September 13, 2016)