

## **Instructions for Investment Disclosure Report Form (SID-12)**

These instructions are intended for those who are completing the 2012 Investment Disclosure Report Form (SID-12) for a relief association that offers a defined-contribution or defined-benefit lump-sum, monthly, or monthly/lump-sum combination service pension with less than \$25 million in total market value. A plan that has a total market value of more than \$25 million, or has ever completed Form BID, must complete the BID-12 instead of the SID-12. The only other plans that are exempt from completing the SID-12 are those “fully invested” with the Minnesota State Board of Investment, according to the ID Waiver-12 Form. Please read the ID Waiver instructions to determine whether your relief association is eligible to file the ID Waiver-12 in place of the SID-12.

The SID-12, which consists of asset, investment, and cash flow information, is a required form that must be submitted annually by March 31 to the Office of the State Auditor if plan assets and liabilities are less than \$200,000, or by June 30 if plan assets or liabilities are at least \$200,000 or have previously exceeded this threshold. All figures must be reported as of December 31, 2012.

Please carefully read and complete each section of these instructions. If you have questions, please contact the Pension Division at 651-282-6110 or at [pension@osa.state.mn.us](mailto:pension@osa.state.mn.us).

Once you have completed the SID-12, please upload the form to the Office of the State Auditor’s website at <https://www.auditor.state.mn.us/safes/login.aspx>.

### **Materials Needed**

Before you begin completing the SID-12, you will need to gather the following:

- Contact information for the relief association contact person and investment advisor or broker;
- Quarterly bank statements and investment statements for the Special Fund;
- Mutual fund and exchange-traded fund information, if applicable, including ticker symbols; and
- Copy of the 2011 Investment Disclosure Report Form (SID-11) or 2011 Investment Disclosure Waiver Form (ID Waiver-11).

After you have gathered the necessary materials, you can proceed to the next section of these instructions.

### **Cover Page**

*Materials Needed: Contact information for the relief association contact person and investment advisor or broker.*

The purpose of the Cover Page is to provide the Office of the State Auditor with contact information and to ensure that the relief association has retained the necessary information.

1. Enter the name of the relief association contact person. The Office of the State Auditor uses this information to contact the relief association if any questions arise in regard to the SID-12. The contact person should be able to be reached during the business day. **THIS INFORMATION IS PUBLIC; IT WILL BE AVAILABLE TO ANYONE ON REQUEST.**
2. Enter the name of the relief association's investment advisor or broker, if applicable. The Office of the State Auditor may contact this person for information regarding the relief association's investments.
3. Click "Yes" or "No" to indicate whether the relief association has collected and retained a signed Broker Certification Form from each investment broker. If you do not use the services of an investment broker, choose "N/A."
4. Click "Yes" or "No" to indicate whether the relief association has collected and retained Statement of Economic Interest forms from the board members. These forms are to be completed annually.
5. Click "Yes" or "No" to indicate whether the relief association has collected and retained the Investment Business Recipient Disclosure Form. This form is to be completed annually.
6. Click "Yes" or "No" to indicate whether the relief association has collected and retained the necessary information as listed on the SID-12.
7. Click "Yes" or "No" to indicate whether the relief association amended its investment policy statement in 2012. If the policy has been amended, an updated copy must be submitted to the Office of the State Auditor.

### **Section 1**

*Materials Needed: Bank and investment statements for each quarter, and mutual fund and exchange-traded fund information, if applicable, including ticker symbols.*

The purpose of Section 1 is to provide the Office of the State Auditor with information about the investments that the relief association holds. All figures should be year-end market values for each asset class *and should include accrued interest.*

1. Enter Special Fund market values as of December 31, 2012, for each investment type within the total portfolio. Enter all interest earned in 2012 even if it was not received until 2013. For example, if the relief association's certificate of deposit earned \$100 in December 2012, but it was not credited until the beginning of January 2013, the \$100 must be included in the December 31, 2012 market value.

**Note:** Additional rows are contained in the SID-12 form to allow for entry of additional "Other" investments, mutual fund investments, and exchange-traded fund investments. To access these additional rows, click a cell in the last row of the applicable investment section and press the "Ctrl" and "u" keys. A row will be unhidden for an additional investment. Continue this process to unhide as many rows as necessary so that information for all of your "Other," mutual fund, and exchange-traded fund investments can be entered.

2. For State Board of Investment accounts, choose the appropriate investment account name. Enter the market value as of December 31, 2012, to the right in the corresponding row.

3. If you have "Other" investments that were not included in any asset class or in the SBI section and will not be included in the mutual fund and exchange-traded fund section, please enter a description of the investment in the "Describe Here" column and enter the market value in the corresponding row.

4. If you have mutual fund or exchange-traded fund investments, enter the ticker symbol (e.g., MCQSX), the precise fund or account name (e.g., Mader Small Cap Fund), fund class (e.g. class A, B, or C), and dollar amount (e.g., \$30,126) as of December 31, 2012, in the lower portion of Section 1. Note that the fund family name (e.g., "Mader") is not sufficient. If the ticker symbol that you enter is for a mutual fund or exchange-traded fund that is contained in the program's fund list, the corresponding account name will be automatically displayed for you. You can type over the account name to make any necessary changes.

## **Section 2**

*Materials Needed: Bank Statements for each quarter, investment statements for each quarter, and a copy of the SID-11.*

The purpose of Section 2 is to provide the Office of the State Auditor with Special Fund cash flow and investment management fee data for each quarter of 2012. Because the Office of the State Auditor uses this information to calculate a rate of return for the relief association, please ensure the information provided is accurate.

1. Enter the total fund "Beginning Market Value" for the first quarter of 2012. The total fund includes all investments (e.g., mutual funds) and accounts (e.g., checking account) for the Special Fund. Verify that this number equals the "Ending Market Value" of the previous quarter. Note that the "Beginning Market Value" on January 1, 2012, should equal the "Ending Market Value" on December 31, 2011, from the SID-11. If it does not, please investigate the discrepancy before continuing to complete this form.

2. Enter the total fund "Ending Market Value" for each quarter of 2012. Please remember to add accrued income earned on investments, such as certificates of deposit, to the ending market values. Accrued income occurs when an account earns interest or dividends on the assets in the account during that period, but the income is not credited to the account until the next period. Some investment statements include accrued income, but since many do not, please contact an

investment advisor or the relief association's bank for instructions on calculating accrued income, if necessary.

**Note:** Additional rows are contained in the SID-12 Form to allow for entry of more “Cash Flows In,” “Cash Flows Out,” and “Investment Management Fees.” To access these additional rows, click on a cell in the last row of the applicable section and press the “Ctrl” and “u” keys. Rows will be unhidden for an additional cash flow. Continue this process to unhide as many rows as necessary so that information for all of your cash flows can be entered.

3. Scroll down to the “Cash Flows In” portion of this section. Click the arrow and select the type of “Cash Flows In.” If “Other” is selected, please type the description in the space provided. Type the date (mm/dd/yyyy) and the amount rounded to the nearest dollar for each “Cash Flows In.” Please do this for all money received by the Special Fund, *excluding* investment gains, interest, or dividends. Use the dates the transactions cleared the institution where the money was deposited. If you cannot obtain these dates, please approximate. The following are “Cash Flows In” examples:

- State Fire Aid
- Municipal Contributions
- Donations
- Transfers In
- Supplemental Benefit Reimbursements

4. Scroll down to the “Cash Flows Out” portion of this section. Click the arrow and select the type of “Cash Flows Out.” If “Other” is selected, please describe in the space provided. Type the date (mm/dd/yyyy) and amount rounded to the nearest dollar for each “Cash Flows Out.” Please do this for all money paid by the Special Fund, *excluding* investment losses. Use the dates the transactions cleared the institution where the money was paid. If you cannot obtain these dates, please approximate. The following are “Cash Flows Out” examples:

- Retirement Benefits
- Other Benefits
- Administrative Expenditures

5. Scroll down to the “Investment Management Fees” portion of this section. Click the arrow and select the type of investment management fee. If “Other” is selected, please describe in the space provided. Type the date (mm/dd/yyyy) and the amount rounded to the nearest dollar for each fee. Please do this for all periodic money manager fees, brokerage or investment advisor fees, front-end loads, deferred sales charges, and other investment management fees that the relief association incurred in the “Investment Management Fees” section. The following should *not* be included in this section:

- Money management fees that were netted from market values or investment earnings within an account;
- Commissions and other charges associated with investment transactions because they have already been deducted from the total cost of purchases and the net proceeds from sales; and

- Administrative fees such as those charged for audits or analysis of investment return. Instead, these fees should be included in the “Cash Flows Out” section as administrative expenditures.

6. Once you have completed Section 2, verify that the December 31, 2012, “Ending Market Value” matches the “Total Investments” at December 31, 2012, from Section 1.

### **Error Checks and Submitting**

Review the far right column. If any messages are displayed in red, it means that information was either omitted or entered incorrectly. Once all red messages have been corrected, you will be able to submit your SID-12. If you have questions regarding any messages that you may have received, please contact the Pension Division at (651) 282-6110 or at [pension@osa.state.mn.us](mailto:pension@osa.state.mn.us).

After you have reviewed all messages and corrected any errors, please retain a copy of the form for your relief association records and upload the form to the Office of the State Auditor’s website at <https://www.auditor.state.mn.us/safes/login.aspx>.

**Congratulations on completing the SID-12!**