

## **Replace Retirement Trust Funds Supporting Cash Management**

The Treasury Division is funded with a variety of funding sources including retirement trust funds and other State funds. As part of its cost allocation plan, the Division analyzes the level of effort provided to each of these funds on an ongoing basis. It is vital that the State only charge the retirement trusts for the actual level of effort performed on the behalf of those funds. Otherwise, the State may be at risk of violating trust principles. It has been noted that through the trust allocation plan, the cash management function, which largely benefits the agencies and not the retirement trust funds, has billed a majority of its costs to the retirement funds. This fund change reverses that practice and reduces future unrestricted general fund retirement contributions because of the reduced spending from the retirement trusts for cash management.

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