

**Position Specification**  
**School Employees Retirement System of Ohio**  
**Chief Financial Officer**



SERS, with approximately \$18.8 billion in assets, located in Columbus, Ohio, is searching for a *Chief Financial Officer* (CFO) to join this highly regarded statewide public retirement system. The position is open as a result of the retirement of the current CFO, who joined the System as CFO in 2014.

**System Overview**

SERS is a statewide, cost sharing, multiple employer defined benefit retirement system for non-teaching persons employed by Ohio's public K-12 schools districts; vocational, technical and community schools; community colleges; and certain employees of the University of Akron. Serving over 227,000 active and retired members, and more than 1,000 employers, SERS provides retirement, disability and survivor benefits, and access to health care coverage for eligible benefit recipients and their dependents.

SERS' mission is *"To provide our membership with valuable lifetime pension benefit programs and services."* The System is governed by Ohio law, and the Retirement Board is responsible for the System's general administration and management. The Retirement Board comprises nine members: four elected employee members, two elected retiree members, and three appointed investment expert members. One investment expert is appointed by the Governor, a second by the State Treasurer, and the third jointly by the Speaker of the House and President of the Senate.

Every 10 years, the Ohio Retirement Study Council hires an independent auditor to assess the fiduciary performance of each Ohio pension system. In 2017, Funston Advisory Services reviewed six key areas at SERS: board governance and administration, organizational structure and staffing, investment policy and oversight, legal compliance, risk management and controls, and information technology operations. In summary, the auditor said "SERS is in a great position. It is fine-tuning rather than fixing big problems."

SERS maintains a diversified investment portfolio including global equities, global bonds, global private credit, global real assets, global private equity, and short-term securities. In February 2022, the portfolio's Fiscal Year returns and 3-Year returns, net of fees, were 1.64% and 1.29% above benchmark, respectively. In FY2021, the portfolio generated positive performance in both absolute and relative terms reporting a Total Fund return, net of fees, of 26.76% which exceeded the policy benchmark by 3.19%. SERS 35-Year annualized return of 8.6% exceeds the current actuarial assumption of 7.0%.

Overall plan funding remains sound with the funding ratio for pension benefits at 74.5% for FY2021, continuing a multi-year trend of gradual funding improvements boosted by the high 2021 market returns.

Public pension plans such as SERS positively impact local, state, and national economies. Of the 80,720 plus members receiving SERS' pension benefits, 91% live in Ohio. In FY2021, total pension benefit payments of approximately \$1.25 billion were distributed among Ohio's 88 counties, positively affecting the state's economy. For every dollar in employer contributions invested in SERS' pensions in FY2021, \$2.67 was returned to local economies.

For additional information, visit [www.ohsers.org](http://www.ohsers.org). A copy of the most recent valuation and Annual Comprehensive Financial Report is available at <https://www.ohsers.org/wp-content/uploads/2021/12/2021-ACFR-1.pdf>.

### **SERS Culture**

SERS is an organization where employees are empowered and valued, and where innovation is encouraged. A culture of openness, transparency and collaboration has led to implementation of best and leading practices throughout the organization. SERS is recognized as an employer of choice where employees enjoy their work, are recognized, and rewarded.

### **Finance Department Overview/Responsibilities**

The CFO reports to the Executive Director and is a member of the senior leadership team and serves as the liaison to the Treasurer of State's Office on custody matters and the Auditor of State's Office on external audit matters. The position also serves as the primary contact for the System's external auditors and actuarial firm.

The CFO serves as the in-house financial expert to the Retirement Board and provides education and advice on investment accounting and reporting, financial reporting, and the budget. As a member of the senior leadership team, the CFO participates in the strategic planning and organizational development processes and in the formulation of SERS' mission, objectives, and strategies. The CFO is also a non-voting member of the Investment Committee.

Leading a team of 25, the CFO is responsible for the activities of the finance department, which includes investment accounting and performance reporting, general ledger accounting, budgeting, accounts payable, accounts receivable, cash receipts, actuarial reporting, auditing, employer services, and other financial functions.

The CFO also has responsibility for administering and reporting on the System's \$132 million budget (\$100 million of investment expense and \$32 million of administrative expense), and for maintaining appropriate internal controls, policies, and procedures to ensure accuracy and compliance with laws, accounting, and auditing standards.

Some of the essential duties and responsibilities include:

- Review all Investment Department policy, plans, guidelines, and objective changes and report any anomalies, foreseeable problems, or conflict to the Chief Investment Officer and Executive Director, as necessary.

- Oversee the recording and reconciliation of investment account records in relationship to custodians and with investment managers.
- Report the calculated performance of each investment account and the overall performance of the fund.
- Assist the Investment Department in assessing structural risks associated with alternative investment managers, both in initial manager determinations and during on-going manager reviews.
- Formulate and coordinate production of the System's annual budget that reflects SERS' strategic plan and objectives; monitor actual expenditures and analyze variances in actual expenditures to planned budget amounts.
- Maximize cash earnings potential, including timely collection of all monies owed to the System, and appropriate payment of all expenses.
- Provide accurate cash forecasts, both long-term and short-term, for operational and investment cash flow requirements.
- Coordinate data flow and other needs of the independent actuary on required annual reporting or special requests for actuarial analysis.
- Coordinate annual external audit; review and implement any audit recommendations.
- Oversee production of internal management reports and GAAP external consolidated financial reports; analyze and report results to executive staff and Retirement Board.
- Oversee production of the Annual Comprehensive Financial Report and submittal to the GFOA Excellence in Financial Reporting program.
- Assess and identify potential financial and operational risk within the finance department in support of the SERS enterprise risk management program.
- Review and discuss quarterly financial statements and administrative expenses with the Retirement Board.

### **Key Objectives**

According to the Executive Director, CFO and members of the senior leadership team, the finance department is properly resourced, operates effectively, and is well respected in the organization. Some of the key activities the CFO will oversee in the next two years include:

- Coordinate the RFP for a new external auditor in 2023 with the Auditor of State's Office
- Coordinate an actuarial audit in 2023.
- Implement a new reconciliation software in 2023.
- Replace the accounting software in 2024.

### **Qualifications and Preferences**

SERS is searching for a strategic financial leader with a minimum of seven years of relevant accounting/finance experience, preferably in a public pension fund or public sector, and at least five years in a senior management position. Other qualifications and preferences include:

- Bachelor's degree in accounting, finance or business or combination of equivalent experience; Master's preferred.
- CPA preferred.
- Public accounting experience is a plus.

Experience interacting with boards and key stakeholders is preferred as the CFO regularly reports to the Retirement Board and is the primary spokesperson on financial matters to member and employer groups, Ohio legislature committees, and the media.

### **Leadership Competencies and Characteristics**

The ideal candidate is an organizational leader who will become a trusted advisor and thought leader to the Executive Director. As a member of the senior leadership team, the CFO must work collaboratively with other executives to guide the System and advance its mission; always with a holistic focus of doing what is best for the organization.

The CFO must be a team player who communicates in an open, honest, transparent, and forthright manner. A leader who is comfortable raising issues and sharing their opinions and willing to have courageous conversations is desired. The CFO must have the ability to adapt and be agile (flex between tactical and conceptual), and the emotional intelligence to effectively lead change.

The CFO must be an optimistic, inspirational, and forward-thinking leader, who fosters a high-performance culture and is supportive of best practices and brings innovative ideas to advance efficiency and performance.

As the System's top financial officer, the CFO must have the confidence, poise and presence to effectively communicate complex financial matters to the Retirement Board, financial experts, and other various audiences. The CFO must have a passion for public service and respect the requirements of working in a public environment.

### **Compensation**

The CFO is an exempt position and an "at will" employee. Compensation is designed to attract the best-qualified finance leader and includes a base salary, retirement benefits (24% annual contribution – 14% employer paid and 10% employee paid, SERS does not participate in Social Security), and attractive benefits package, including reimbursement for education and professional training. SERS also provides relocation assistance.

**For additional information or to apply**, please contact Hudepohl & Associates, [info@hudepohl.com](mailto:info@hudepohl.com) or (614) 854-7300.