

**REVISION HISTORY:  
DIRECTIVE #12<sup>1</sup> – EMPLOYEE BENEFIT FUNDS – UNIFORM REPORTING AND  
AUDITING REQUIREMENTS**

<b>Release</b>	<b>Summary of Changes</b>
10/03/14 (CM #14-05)	<ul style="list-style-type: none"> <li>• Updates to whom the Directive’s filings should be submitted.</li> </ul>
02/28/97	<ul style="list-style-type: none"> <li>• Replaces the three former fund reporting categories with two new reporting categories, "funds with New York City contributions less than \$300,000" (Level I), and "funds with contributions of \$300,000 or more" (Level II).</li> <li>• Eliminates the restriction that insured benefits be obtained exclusively from firms listed in the Directive.</li> <li>• Eliminates the requirement to submit an annual <i>Insurance Costs</i> form.</li> <li>• Requires that all funds, regardless of the amount of the City's contribution, prepare accrual-based annual financial statements in conformity with Generally Accepted Accounting Principles, and must have the statements audited by an independent certified public accountant (CPA).</li> <li>• Requires funds to have written investment policies and attach a copy of the policy to their annual submission to the Comptroller's Office.</li> <li>• Requires funds to provide explanations for adverse trends and excessive fluctuations in administrative expenses.</li> <li>• Requires of all funds a <i>Key Ratio Schedule</i>, which contains the comparative analysis of certain financial indicators.</li> <li>• Strongly recommends that independent CPAs be selected through the use of a competitive proposal process.</li> <li>• Recommends that Benefit Funds contract only with firms included on the Office of the Comptroller's prequalified list of CPAs.</li> <li>• Strongly recommends that audit contracts not exceed four years in length.</li> <li>• Requires the independent auditor to provide the Benefit Funds with copies of any peer reviews performed in accordance with the AICPA's guidelines.</li> </ul>
08/02/82	<ul style="list-style-type: none"> <li>• Incorporates regulations issued by the Mayor’s Office.</li> <li>• Increases the information required in the Trustee Management Letter.</li> <li>• Clarifies changes to filing requirements, which are now based on amount and percentage of City contributions received by each fund.</li> </ul>
Initial Release	<ul style="list-style-type: none"> <li>• Establishes accounting, auditing, and financial guidelines for employee and retiree Benefit Funds, which receive contributions from The City of New York.</li> </ul>

<sup>1</sup> Note: Directive #12A applies to Municipal Labor Committee Union Employee Benefit Funds. Directive #12B applies to Non-Municipal Labor Committee Union Employee Benefit Funds.