Office of the State Treasurer
200 Piedmont Avenue, Suite 1204, West Tower
Atlanta, Georgia 30334-5527
www.ost.ga.gov

BANKING GUIDELINES
for Fiscal Year 2012

Pursuant to its authority under Chapter 17 of Title 50 of the Official Code of Georgia Annotated, the State Depository Board ("Board") has adopted the State of Georgia Depository and Bank Fee Policy (the "Bank Policy").

The Office of the State Treasurer ("the Treasurer") is designated to implement the Bank Policy which requires any department, board, bureau or agency of the State of Georgia or schools under the auspices of the Board of Regents or Technical College System of Georgia ("Agency") that has a need to open a new depository account or to request a new banking service to request and receive approval of the Board by making a request through the Treasurer.

The Treasurer maintains a registry of all state bank accounts approved by the Board, including but not limited to those bank accounts approved by the Board to participate in the Statewide Banking Program (the "Bank Fee Program") in which bank fees are paid by the Treasurer.

The banking services for each Agency are to be reviewed every three years by each state entity in participation with the Treasurer, with the exception that colleges and universities under the auspices of the Board of Regents may opt to reevaluate their banking services every five years. Per the Bank Policy, colleges and universities under the auspices of the Board of Regents or the Technical College System of Georgia may opt to conduct searches for banks utilizing a standard RFP format provided by the Treasurer.

In the process of approving new bank accounts and/or new banking services and in the Treasurer's periodic review of Agency banking services, the Treasurer and/or Agencies may request banks to provide information regarding their experiences with and capability of providing certain more complex banking services as a factor to be considered in the evaluation and approval process.

BANK FEE PROGRAM ACCOUNTS

Statutory requirements for interest on deposits

§ 50-17-52.

The board shall make with depositories the most advantageous contracts for interest to be paid by them to the state for the use of the state's money which may be deposited therein, as provided by this article. In so doing, the board may authorize the state treasurer to negotiate with depositories explicit fees in payment for the state's banking services. Such fees shall be paid by the state treasurer from interest earned and shall be subject to the board's approval. In the event any depository so named shall refuse to make a satisfactory contract with the board as to interest to be paid and fees to be charged, it shall have authority to remove state funds from such depository.

ACCOUNT APPROVAL REQUIREMENT

To participate in the Bank Fee Program, each bank acknowledges that it must follow the Bank Policy (attached as Exhibit A) and these Guidelines. The Treasurer is only liable for fees related to accounts approved by the Treasurer and the Board that are in the Bank Fee Program. Agencies shall be responsible for payment of fees on accounts not in the Bank Fee Program but approved by the Treasurer and the Board.

No new bank accounts may be opened without the express approval of the Treasurer and the Board except for such instances in which the Treasurer provides initial approval of such accounts pending final approval by the Board at its next regularly scheduled meeting. Accounts or services may be terminated from time to time. The fees quoted by the bank and set forth on Exhibit B shall apply to all Agency accounts including, but not limited to, those in the Bank Fee Program unless otherwise approved by the Treasurer.

SERVICES AND COMPENSATION

Each bank shall be compensated for banking services in accordance with its fee schedule attached hereto as **Exhibit B**. Except as provided herein, beginning July 1, 2011 such schedule shall not be amended until after June 30, 2012 ("the Fiscal Year") without written approval by the Treasurer. Each bank may reduce any or all fees on the fee schedule during the Fiscal Year provided it delivers advance written notice to the Treasurer at least five days prior to the implementation of the reduction. Those fees specifically identified on Exhibit B as subject to regulatory assessment may be increased during the Fiscal Year to the extent of an increase in the regulatory assessment provided that the Bank provides Treasurer with advance written notice. The fees set forth in Exhibit B shall apply to all banking services provided to all Agencies during the Fiscal Year. A bank may amend its fee schedule for new banking services with permission of the Treasurer. Fees not expressly referenced in Exhibit B are not authorized and may not be paid by the Treasurer. Other than the fees authorized in Exhibit B, the Treasurer, the Board and any Agency are not responsible for any fees for services provided under the Bank Fee Program.

ADDITIONAL SERVICES

For accounts in the Bank Fee Program, a bank shall not be permitted to add any additional banking services that will involve an expense in excess of $ 1,500.00 per month without the prior written approval of the Treasurer.

OTHER AGREEMENTS

Any agreements which a bank utilizes in its regular course of business in opening and maintaining Agency accounts and which are necessary for the account and services required must comply with Georgia law.

INTEREST

At the option of the Treasurer, accounts in the Bank Fee Program will either earn monthly interest on collected available balances at such rate as may be agreed to by the Treasurer and the bank from time to time or receive a monthly net earnings credit rate ("ECR"). For purposes of calculating the ECR, a bank will treat all Agency bank balances in all accounts in the Bank Fee Program as if they were a single account to give the Treasurer the benefit of any tiered ECRs paid on higher account balances.

PROPOSALS TO AGENCIES

Banks will provide the Treasurer with copies of any proposal for banking services for any Agency accounts that are included in the Bank Fee Program.

PROHIBITIONS

Fees for providing merchant card processing services are not permitted to be billed by analysis charges to bank accounts in the Bank Fee Program without prior approval of the Treasurer.

A bank participating in the Bank Fee Program shall not provide services to any Agency by way of an amendment to, "tie-in" to or "piggyback" on an existing contract for banking services with another Agency without prior approval of the Treasurer.

A bank may not debit an account in the Bank Fee Program for the payment of bank service charges without prior approval of the Treasurer.

REPORTS

Banks in the Bank Fee Program must provide the Treasurer with the following reports and documents:

1. Monthly bank analysis statements on Treasury and Agency accounts in the Bank Fee Program.
2. Monthly Deposit Balances on all Treasury and Agency accounts in the Bank Fee Program.
3. Monthly electronic transmission files (822 EDI files) to provide bank fees and services for Treasury and Agency accounts in the Bank Fee Program. These files should be provided via the bank's secure website.
4. Executed copies of State Agency Signature Cards and Depository Agreements for each Treasury and Agency account in the Bank Fee Program (attached as Exhibit C).

Banks may be asked to provide certain other reports and information from time to time, including but not limited to the following:

1. A listing of all State of Georgia Agency bank accounts with their bank, to the best of their knowledge.
2. Verification of pledged collateral or FDIC insurance or guaranty coverage for all Agency accounts.

TERM

These Banking Guidelines for the Fiscal Year shall commence on July 1, 2011 and may be posted on the website of the Office of the State Treasurer at **www.treasury.ga.gov**. Any change or amendment by the Treasurer will be provided in writing to the banks participating in the Bank Fee Program.

Any Agency account may be terminated by the Treasurer and/or Agency acting on behalf of the Board should the Bank no longer be qualified as a state depository or should the Board otherwise determine to limit the state's financial exposure to a Bank.

NOTICES

All reports and notices to the Office of the State Treasurer shall be sent via email to rcain@treasury.ga.gov and smccoy@treasury.ga.gov. Monthly statement mailings should be addressed to:

Rhen Cain, Director of Banking Services
Office of the State Treasurer
200 Piedmont Avenue
Suite 1204 West Tower
Atlanta, Georgia 30334

ACCOUNTS NOT IN BANK FEE PROGRAM

ACCOUNT APPROVAL REQUIREMENT

An Agency shall be responsible for payment of fees on accounts not in the Bank Fee Program but approved by the Treasurer and the Board.

No new bank accounts may be opened without the express approval of the Treasurer and the Board except for such instances in which the Treasurer provides initial approval of such accounts pending final approval by the Board at its next regularly scheduled meeting. Accounts or services may be terminated from time to time. The fees set forth on Exhibit B shall apply to all Agency accounts unless otherwise approved by the Treasurer.

SERVICES AND COMPENSATION

Each bank shall be compensated for banking services in accordance with its fee schedule attached hereto as **Exhibit B**. Except as provided herein, such schedule shall not be amended during the Fiscal Year without written approval by the Treasurer. Each bank may reduce any or all fees on the fee schedule during the Fiscal Year. Those fees specifically identified on Exhibit B as subject to regulatory assessment may be increased during the Fiscal Year to the extent of an increase in the regulatory assessment provided that the Bank provides Treasurer with advance written notice. The fees set forth in Exhibit B shall apply to all banking services provided to all Agencies during the Fiscal Year. A bank may amend its fee schedule for new banking services with permission of the Treasurer.

OTHER AGREEMENTS

Any agreements which a bank utilizes in its regular course of business in opening and maintaining Agency accounts and which are necessary for the account and services required must comply with Georgia law.

INTEREST

Accounts will either earn monthly interest on collected available balances at such rate as may be agreed to by the Agency and the bank from time to time or receive a monthly net earnings credit rate ("ECR").

TERMINATION OF ACCOUNTS

Any Agency account may be terminated by the Agency and/or the Treasurer acting on behalf of the Board should the Bank no longer be qualified as a state depository or should the Board otherwise determine to limit the state's financial exposure to a Bank.

Receipt of Banking Guidelines acknowledged by:

_____

Name of Banker

_____

Name of Banking Institution

_____

Date