



Office of the State Treasurer

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Banking Guidelines

The State Depository Board has adopted the State Depository Board and Office of the State Treasurer Bank Policy (“OST Bank Policy”) and designated the State Treasurer to implement it. These guidelines have been adopted by the State Treasurer to clarify processes and procedures related to the OST Bank Policy. These guidelines serve as the resource for state officials in the performance of their duties and depositories desiring to do business with State Entities. Nothing herein shall be interpreted to conflict with the OST Bank Policy and the terms used herein shall have the meaning prescribed by the OST Bank Policy.

I. Correspondence

The OST Bank Policy and these guidelines require depositories and State Entities to submit correspondence to OST. All required correspondence must be submitted utilizing one of the addresses below unless otherwise indicated.

Email must be addressed to: OSTBanking@treasury.ga.gov

Mail must be addressed to: OST Banking
Office of the State Treasurer
200 Piedmont Avenue, Suite 1204 West Tower
Atlanta, Georgia 30334

II. State Entity Reporting

A. Periodic Reporting

At the beginning of each calendar year, OST will distribute an agency-specific bank registry to each State Entity which will identify information that each State Entity must provide for each depository account held or controlled by the State Entity, including but not limited to demand deposit and time deposit accounts. Each State Entity must review the agency-specific bank registry and confirm the accuracy of the information therein, make any necessary edits to correct erroneous information, and provide any missing information. If any information represented in the bank registry changes or otherwise becomes outdated after submission by a State Entity pursuant to this section, the State Entity must notify OST of the change and update the bank registry no later than the last day of the quarter during which the previously submitted information became outdated.

B. Reporting New Accounts and Services

State Entities are not required to request approval of the State Treasurer prior to opening a depository account under the circumstances described in Parts 1 and 2 of this subsection. Each State Entity which avails itself of this subsection must:

- a) Comply with its applicable internal policies;
- b) Execute a State Signature Card and Depository Agreement with the depository which will maintain the account prior to obtaining a new account and provide a copy to OST;
- c) Report each new account or acquisition to OST using the bank registry form accessible at ost.ga.gov within five business days; and
- d) Report each new service to OST within five business days.

1. Fraudulent Activity

State Entities are not required to request approval from the State Treasurer prior to opening a replacement account for a compliant account that was compromised by fraudulent activity so long as the replacement account will be maintained by the same depository as the compromised account and the depository services will remain unchanged. State Entities must report closure of the compromised account within five business days.

2. Mergers and Acquisitions

State Entities are not required to request approval from the State Treasurer prior to the acquisition of a compliant account by another approved state depository due to the merger or acquisition of the depository which previously maintained the account so long as the depository services will remain unchanged.

3. Office of the State Treasurer Services

Notwithstanding any other provision of these guidelines:

- a) State Entities may seek assistance from OST regarding the acquisition of any new accounts and services; and
- b) The State Treasurer may require a State Entity to remove funds from an account or eliminate a service that does not meet the minimum requirements of the OST Bank Policy or if doing so would otherwise be in the best interest of the state.

III. New Account and Service Approval

A. Request Submission

All new depository accounts or services, including replacement accounts, must be obtained by a State Entity by submitting a request to OST and receiving written approval from the State Treasurer or Board. Requests must be initiated by completing the appropriate New Bank Account or New Bank Service request form available at ost.ga.gov and submitting it to OST. OST will contact the State Entity requesting a new account or service if more information is needed. A request is not complete unless the State Entity submitting the request has adequately responded to any and all inquiries from OST.

B. Non-OST Bank Program Account Evaluations

Non-OST Bank Program accounts are accounts which have not been selected by the State Treasurer for inclusion in the OST Bank Program. The OST Bank Program is described in Section IV below. Most State Entity accounts are non-OST Bank Program accounts.

For each request for a new non-OST Bank Program demand deposit account, OST will prepare a Bank Fee Schedule which will identify the service(s) the account will require and the estimated monthly balance using the information provided by the State Entity pursuant to Subsection A of this section. OST will provide the Bank Fee Schedule to the State Entity requesting the new account and at least 3 potential depositories.

Depositories will be given the opportunity to complete the Bank Fee Schedule, within a prescribed timeline, with pricing to provide the services listed therein and any other information requested by OST. OST will provide the Bank Fee Schedule to the selected depositories. The State Entity may provide the Bank Fee Schedule to depositories which do not participate in the OST Bank Program, including the Incumbent Bank(s), provided that such depositories meet the minimum qualifications prescribed by the OST Bank Policy.

After all completed Bank Fee Schedules have been timely received and evaluated by OST, OST will provide a summary report to the State Entity requesting the new account. The State Entity may select the depository it deems appropriate to provide depository services for the requested account from the summary report, provided it is the low-cost bidder. It may submit an exception request to OST to select another depository. The State Entity must notify OST of its selection and execute a State Signature Card and Depository Agreement for the account upon receiving final approval.

C. OST Bank Program Account Evaluations

For each request for a new OST Bank Program demand deposit account, OST will evaluate the request consistent with the requirements of the periodic evaluation described in Subsection IV.C, below.

D. De Minimis Bank Account and Service Evaluations

Accounts

1. State Entities may request non-OST Bank Program depository accounts for which balances do not exceed \$25,000 and the depository is a Qualified State Depository.
2. The appropriate New Bank Account Form and a pro forma analysis from the prospective depository indicating that the new account balances will not exceed \$25,000 are to be submitted to OST.
3. The State Entity shall receive guidance from OST on the protocols for obtaining bank bids. The State Entity must receive at least 3 bids and recommend the lowest-cost provider to OST unless the State Entity submits a business case acceptable to the State Treasurer to select another low-cost provider.

4. All selections recommended by the State Entity shall be reported to OST with a request for approval of the State Treasurer. The State Treasurer will report approved accounts to the Board.
5. Upon notification that such account has been opened, OST will add the account to the State Bank Registry.
6. An annual verification will be required by each State Entity for all accounts approved as De Minimis Bank Accounts stating that the above listed service charge and balance limits have not been exceeded.

Services

1. State Entities may request banking services for non-OST Bank Program accounts provided the additional services will not exceed \$500 per month.
2. Such request should include the appropriate New Bank Services Form and a pro forma analysis from the prospective depository indicating that the new service(s) will not exceed \$500 per month.
3. Requests for any new banking services shall be submitted to OST for approval by the State Treasurer. The State Treasurer will report expansion of existing banking services to the Board.
4. An annual verification will be required by each State Entity having approved De Minimis Banking Services stating that the above listed service charge limit has not been exceeded.

IV. OST Bank Program

A. Overview

The State Treasurer may select State Entity accounts for inclusion in the OST Bank Program. The State Treasurer shall assume responsibility for service charges applicable to accounts included in the OST Bank Program and shall receive any applicable interest earned. State Entities' OST Bank Program accounts will be evaluated every five years to ensure consistency with the state's cash management policies.

B. Depository Participation in the OST Bank Program

To participate in the OST Bank Program, a depository must initially request and receive written approval from the State Treasurer and acknowledge these guidelines. Depositories approved to participate in the OST Bank Program ("participating depositories" or "participants") must not enter into any agreement with a State Entity which is inconsistent with these guidelines, the OST Bank Policy, or other law. Failure to comply with these guidelines, the OST Bank Policy, or other law, is grounds for the revocation of approval to participate in the OST Bank Program and the removal of deposits, at the State Treasurer's discretion.

Participating depositories must provide OST with the following reports and documents:

- a) Monthly analysis statements for all OST and State Entity accounts in the OST Bank Program;
- b) Monthly deposit balances in each OST and State Entity account in the OST Bank Program;
- c) Monthly electronic transmission files (822 EDI files) providing the depository services and fees (“service charges”) for OST and State Entity accounts in the OST Bank Program. These files should be provided via the participating depositories’ secure websites; and
- d) Executed copies of the State Signature Card and Depository Agreement for each OST and State Entity account in the OST Bank Program.

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

- a) A listing of all State Entity depository accounts, to the best of its knowledge; and
- b) Verification of pledged collateral or FDIC insurance or guaranty coverage for all State Entity accounts.

C. Services and Compensation

Each participating depository must submit an annual fee schedule to OST by December 15 of each year. The annual fee schedule must identify the fees for all services which will be provided to State Entities during the subsequent calendar year. Each annual fee schedule submission must identify any changes from the previously submitted annual fee schedule.

Each participating depository shall be compensated for depository services in accordance with its annual fee schedule and the fees set forth in a participant’s annual fee schedule shall apply to all depository services provided to all State Entities during the calendar year. Fees not explicitly identified in a participant’s annual fee schedule are not authorized. No State Entity shall be responsible for the payment of any fees which are not explicitly identified in a participant’s annual fee schedule or any fees in excess of the amount identified in a participants’ annual fee schedule.

At the option of the State Treasurer, accounts in the OST Bank Program will either earn monthly interest on collected balances at such rate as may be agreed to by the State Treasurer and the depository from time to time or receive a monthly net earning allowance based on the depository’s Earnings Credit Rate (“ECR”). For purposes of calculating the earnings allowance, a depository will treat all State Entity balances in all accounts in the OST Bank Program as if they were a single account to give the State Treasurer the benefit of any tiered Earnings Credit Rates paid on higher account balances.

1. Annual Fee Schedule Amendments

Each participating depository may amend its annual fee schedule to include new depository services with written permission from the State Treasurer. Each participating depository may reduce fees identified in its annual fee schedule with advanced written notice to the State Treasurer at least five days prior to implementation of the change. Additionally, those fees specifically identified in a participating depository’s annual fee schedule as subject to regulatory assessment may be increased during the calendar year to the extent of an increase in such regulatory assessment, provided that the participant provides the State Treasurer with written notice 15 days in advance.

The submission of a completed Bank Fee Schedule which includes lower fees than indicated on a participating depository's annual fee schedule will be deemed notice to amend such annual schedule to conform to the lower fees represented on the completed Bank Fee Schedule, contingent upon the participant's selection to provide depository services based on such Bank Fee Schedule. Upon submission of a Bank Fee Schedule which includes lower fees than indicated on participant's annual fee schedule, such participant must explicitly identify any such differences and the applicable duration. A participant which must amend its annual fee schedule pursuant to this paragraph must submit such amended schedule within five business days following notice of selection.

2. Exception: Non-OST Bank Program Accounts

A participating depository may complete a Bank Fee Schedule with lower fees than specified by its annual fee schedule so long as the participant explicitly identifies any such differences and the applicable duration. Notwithstanding any other provision of these guidelines, if the Bank Fee Schedule relates to a non-OST Bank Program account and the participant explicitly requests the application of this exception:

- a) The participant shall not be required to amend its annual fee schedule upon selection to provide depository services based on such Bank Fee Schedule; and
- b) The lower fees shall apply to all accounts maintained by the participant with the State Entity for which the Bank Fee Schedule was prepared, except any OST Bank Program accounts.

Within five business days of notice of a participating depository's selection pursuant to this exception, such participant must submit an agency-specific fee schedule to OST and the applicable State Entity.

This exception shall not be construed to require any State Entity to pay or any participant to charge higher fees than indicated on the participant's annual fee schedule.

3. Specific Prohibitions Related to Services and Compensation

Fees for providing merchant card services or any other services which are not provided directly by a participating depository are not permitted to be billed by analysis charges to accounts in the OST Bank Program without prior written approval from the State Treasurer.

Participating depositories may not provide services to any State Entity by way of an amendment to, "tie-in" to, or "piggyback" on an existing contract for depository services with another State Entity without prior approval of the State Treasurer.

Participating depositories may not debit accounts in the OST Bank Program for the payment of service charges without prior written approval from the State Treasurer.

D. Periodic OST Bank Program Account and Non-OST Bank Program Account Evaluations

OST will evaluate State Entities' OST Bank Program accounts and Non-OST Bank Program accounts at least once every five years to ensure compliance with the state's cash management policies. For each account, OST will prepare a Bank Fee Schedule which will identify the service(s) the account utilizes and the historical monthly balance using the information reported by the participating depositories pursuant to Subsection IV.B, above, and any information which must be obtained from the applicable

State Entity. OST will then provide the Bank Fee Schedule to the selected banks for a specific State Entity banking evaluation. Each of the selected banks will be required to complete the Bank Fee Schedule with pricing to provide the services listed therein.

After the completed Bank Fee Schedules have been reviewed and evaluated, OST will provide a summary report to the State Entity. The summary report will identify which depository or depositories the State Entity may select to provide depository services. If the State Entity does not wish to select a depository identified by OST, the State Entity head may request an exception from the State Treasurer.

If following a periodic evaluation, it is determined that a State Entity will transition depository services to a new depository, the State Entity must open replacement accounts with the new depository and execute the State Signature Card and Depository Agreement and send a copy to OST no later than three months following the evaluation. The State Entity must close the accounts being replaced no later than six months following the evaluation.

Receipt of Banking Guidelines acknowledged by:

Name of Banker

Name of Depository

Date