



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

Steve McCoy
State Treasurer

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State Depository Board Deposit Placement Program Policy

I. Definitions

- A. "Board" means State Depository Board.
- B. "Deposit placement services" means the services contemplated by O.C.G.A. § 45-8-14.1.
- C. "Depository" means a depository that has been properly authorized to accept public funds under O.C.G.A. § 45-8-1(8).
- D. "FDIC" means Federal Deposit Insurance Corporation.
- E. "Initial depository" means the depository in which public funds must initially be placed pursuant to O.C.G.A. § 45-8-14.1(a)(1).
- F. "OST" means the Office of the State Treasurer of Georgia.
- G. "OST Bank Policy" means the State Depository Board and Office of the State Treasurer Bank Policy or any policy adopted by the board in replacement thereof.
- H. "Public depositor" means any public body that has an officer to hold public funds as those terms are defined by O.C.G.A. § 45-8-1.
- I. "Service provider" means any third-party service provider as described by O.C.G.A. § 45-8-14.1(a)(4).

II. Approval and Renewal of Service Providers

- A. Service providers shall apply for and receive approval from the board or State Treasurer prior to providing deposit placement services to a public depositor; provided that, the State Treasurer shall report all approvals to the board.
- B. Service provider applications shall include the following:
 - 1. A completed Exhibit A – Service Provider Initial and Renewal Application and Certification;
 - 2. The applicant's most recent independent rating agency report, if applicable;
 - 3. The applicant's most recent comprehensive opinion audit report and accompanying financial statements issued by a licensed, independent certified public accountant or firm of such accountants;
 - 4. Detail of all deposit placement services currently provided by the applicant in Georgia and all other states, including a state-by-state breakdown of the number of public depositors, the total public funds deposited, and the different deposit placement services utilized for public depositors; and
 - 5. Any other information required by OST.
- C. Approval to provide deposit placement services shall expire on June 30 of each year, subject to renewal by the board or State Treasurer.

- D. No later than May 1 of each year, each approved service provider shall submit a renewal application to OST including the following:
 - 1. A completed Exhibit A – Service Provider Initial and Renewal Application and Certification; and
 - 2. A revision or update of documentation required by Paragraphs B.2 through B.5 of this section or a certified explanation that revisions or updates are not applicable.
- E. The State Treasurer may approve complete renewal applications between meetings of the board; provided that, the State Treasurer shall report all approved renewal applications to the board.
- F. A list of approved service providers shall be available at ost.georgia.gov.

III. Revocation of Approval and Notification Requirements

- A. A service provider's approval may be revoked by the board or the State Treasurer upon the occurrence of any of the following events or circumstances which impact or are deemed likely to impact a service provider's ability to provide deposit placement services to one or more public depositors as determined by the board or State Treasurer, respectively; provided that, the State Treasurer shall report all terminated approvals to the board.
 - 1. A service provider makes any false or misleading statement on any application for approval or renewal, on any related documents, or in any communications to OST or related personnel;
 - 2. A service provider fails to continuously maintain insurance that meets or exceeds industry standards, including but not limited to, fidelity insurance, errors and omissions insurance, and cyber/privacy insurance;
 - 3. A service provider is or becomes subject to any disciplinary proceeding, enforcement action, or other regulatory action initiated by a regulatory agency;
 - 4. A service provider becomes subject to any bankruptcy, reorganization, or receivership proceeding, whether or not such proceeding was filed voluntarily by the service provider or on an involuntary basis;
 - 5. A change in facts or circumstances relative to the service provider, the deposit placement services, FDIC insurance coverage, or the financial industry as a whole, occurs that calls into question the continued viability of the service provider, the deposit placement services, or FDIC insurance coverage;
 - 6. A service provider fails to offer deposit placement services in a manner consistent with these policies, the information provided in its application for approval or renewal, or the service provider's own internal policies and procedures; or
 - 7. Any other event or circumstance which is deemed, in the best interest of the state, to require revocation of approval.
- B. Approved service providers shall notify OST within 10 days of the occurrence of any event or circumstance described in Paragraphs A.1 through A.7 of this section.
- C. Upon revocation of approval status, OST will provide written notice to the relevant service provider identifying the reason(s) for revocation.

- D. Upon receipt of the notice from OST described in Subsection C of this section, the relevant service provider shall no longer seek or accept additional deposit placement service business with any public depositors, including, but not limited to, new accounts with existing customers, and shall have five business days to request reconsideration by filing a written notice with OST clearly stating the reason(s) the service provider believes revocation is inappropriate.
- E. Following review of the request for reconsideration described in Subsection D of this section, the board or State Treasurer may rescind the revocation; provided that, the State Treasurer shall report all rescissions to the board.
- F. Upon receiving notification of reinstatement of approval status from OST, the relevant service provider may resume seeking and accepting additional deposit placement service business with public depositors, including, but not limited to, new accounts with existing customers.
- G. If a service provider does not file an appropriate request for reconsideration or the board or State Treasurer does not rescind the revocation after reviewing a request for reconsideration, OST will notify each public depositor which has identified the service provider on the most recent Exhibit B – Public Depositor Information form required by Paragraph B.6 of Section IV of this policy of the revocation of the service provider’s approval status as well as remove the service provider from the approved list available at ost.georgia.gov.
- H. Subject to Section VI, no provision of this policy shall be interpreted to revoke a service provider’s approval to continue providing deposit placement services with respect to accounts that existed prior to revocation of approval status.

IV. Public Depositors

- A. Public depositors subject to the OST Bank Policy shall ensure all funds are deposited and secured in accordance with the OST Bank Policy, including, but not limited to, as it relates to the use of deposit placement services. The OST Bank Policy applies to every department, board, bureau, or other agency of the state, except OST investment accounts.
- B. Public depositors other than those subject to the OST Bank Policy may use deposit placement services as prescribed by this policy; provided that, such public depositors:
 - 1. Only use the deposit placement services of a currently approved service provider which shall be confirmed by reviewing the list of approved service providers at ost.georgia.gov;
 - 2. Ensure that the use of deposit placement services and all related agreements fully comply with the public depositor’s internal policies and Georgia law;
 - 3. Initially place funds in a depository;
 - 4. Ensure that the initial depository executes a binding agreement to act as custodian for the public depositor with respect to such deposits and properly secures any funds held in excess of FDIC insurance in accordance with Georgia law and retain a copy of such agreement;
 - 5. Inform the service provider of public funds deposited at all depositories and immediately update the service provider of any changes in such relationships;
 - 6. Complete an Exhibit B – Public Depositor Information form and submit it to OST;
 - 7. Update the Exhibit B – Public Depositor Information form within a reasonable time, but in no event more than 30 days, following the occurrence of any event which would cause any change to the previously submitted form; and
 - 8. Within a reasonable time following receipt of notice from OST that a service provider’s approval status has been revoked, instruct such service provider to return funds to the initial depository.

- C. Although it is not advised that any public depositor utilize more than one service provider at any time, to the extent more than one service provider is approved, public depositors other than those subject to the OST Bank Policy may utilize more than one service provider; provided that, such public depositor:
 - 1. Documents safeguards put into place by each service provider to monitor and report full FDIC insurance coverage of all public funds placed in the service provider's deposit placement services program;
 - 2. Documents the additional safeguards the public depositor has put into place to ensure that all public funds on deposit, whether through multiple service providers or otherwise, are covered by FDIC insurance; and
 - 3. Monitors the application of such safeguards to ensure that all public funds on deposit are covered by FDIC insurance at all times.

V. Written Communication

- A. The addresses for applications, notices, and any other written communication of any kind which must be sent to OST pursuant to this policy are:
 - 1. Email: OSTBanking@treasury.ga.gov; and
 - 2. Mail: 200 Piedmont Avenue, Suite 1204, West Tower, Atlanta, Georgia 30334-5527.
- B. The notifications required by Subsections B and D of Section III of this policy shall be sent to both addresses identified in Subsection A of this section.
- C. Any written communication which OST is required to provide pursuant to this policy shall be emailed to the address stated on, to the extent applicable, the most recent initial and renewal application and certification or public depositor information form.

VI. Removal of Funds in the Best Interest of the State

Notwithstanding any other provision of this policy, the board and State Treasurer reserve the right to require a public depositor to instruct a service provider to return funds distributed by such service provider to the relevant initial depository immediately and discontinue business with such service provider if the board or State Treasurer, respectively, determines such action is in the best interest of the state; provided that the State Treasurer shall report all such requirements to the board.



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EXHIBIT A – SERVICE PROVIDER INITIAL AND RENEWAL APPLICATION AND CERTIFICATION

State Depository Board Deposit Placement Program Policy

Applicant Service Provider _____

FEIN _____

Representative _____

Address _____

Email _____

Telephone _____

Date _____

Documentation

Please identify information the applicant service provider is providing by checking the applicable box:

- Most recent independent rating agency report of the applicant service provider;
- Most recent comprehensive opinion audit report and accompanying financial statements by a licensed, independent certified public accountant or firm of such accountants;
- Detail of all deposit placement services currently provided by the applicant service provider in Georgia and all other states, including a state-by-state breakdown of the number of public depositors, the total public funds deposited, and the different deposit placement services utilized for public depositors.

Please attach all documents related to the information being provided as indicated above to this application. For any information not being provided please attach an explanation regarding the reason such information is not being provided. Further, in the event additional documentation is requested by the Office of State Treasurer in order to fully evaluate the application, such information shall be submitted as an addendum to this application.

Certification

On behalf of the applicant service provider, I hereby swear and affirm that all information provided related to this application, including all supporting documentation, is true and correct to the best of my knowledge and belief. I further swear and affirm (please initial next to each):

1. I am the duly authorized representative of the applicant service provider and I possess the legal authority to make this and the following certifications on behalf _____ of myself and the applicant service provider;
2. I have read and understand the current state laws related to the deposit of funds

by public depositors and the State Depository Board Deposit Placement Program Policy, and the applicant service provider will abide by these laws and policy, as amended from time to time; _____

3. The applicant service provider will monitor public depositor accounts placed in the applicant service provider's deposit placement program to ensure full Federal Deposit Insurance Corporation coverage; _____
4. The applicant service provider has and will maintain insurance that meets or exceeds industry standards continuously while the applicant service provider is in approved status. The required insurance shall include, but not be limited to, fidelity insurance, errors and omissions insurance, and cyber/privacy insurance; _____
5. The applicant service provider is not subject to pending litigation, bankruptcy, or regulatory investigation, or detail of such circumstance(s) is attached hereto; and _____
6. The applicant service provider has adopted and will apply policies and procedures to: _____
 - a. Safeguard public depositor funds placed in the applicant service provider's deposit placement program;
 - b. Implement SOC1 and SOC2 reports;
 - c. Implement industry standard disaster recovery practices; and
 - d. Implement industry standard business ethics and codes of conduct.

In making the above certifications, I understand that any failure to make full and accurate disclosures may result in the denial of the application or revocation of the applicant service provider's approval status if such deficiency is discovered by the State Depository Board or State Treasurer after the application is approved.

Applicant Service Provider: _____

By: _____
Signature of Representative

Title: _____

I certify that the above representative this day produced the foregoing application and certification to me.

Subscribed and sworn to before me

this _____ day of _____, _____.

Notary Public

SEAL

My Commission Expires _____



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EXHIBIT B – PUBLIC DEPOSITOR INFORMATION

State Depository Board Deposit Placement Program Policy

Name of Public Body	_____
FEIN of Public Body	_____
Officer to Hold Public Funds	_____
Address	_____

Email	_____
Telephone	_____
Date	_____

Name of each financial institution where public funds have been or will be initially placed as part of a deposit placement arrangement as contemplated by O.C.G.A. § 45-8-14.1.

Name of each approved third-party service provider which is providing or will provide the deposit placement services contemplated by O.C.G.A. § 45-8-14.1.

Note: The State Depository Board and Office of the State Treasurer of Georgia advise public depositors against the use of more than one third-party service provider at any time.



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EXHIBIT C – SERVICE PROVIDER INITIAL AND RENEWAL APPLICATION AND CERTIFICATION DECISION State Depository Board Deposit Placement Program Policy

APPROVAL/DENIAL DECISION:

On _____ (date), the _____ considered the service provider initial and renewal application and certification submitted by _____, dated _____, and

APPROVED the application and certification.

DENIED the application and certification.

CERTIFICATION:

On behalf of the State Depository Board, as State Treasurer, I hereby certify that the applicant service provider is approved to provide deposit placement services in the State of Georgia as of _____(date) and such approval shall expire on _____(date) unless renewed.

OFFICE OF THE STATE TREASURER

By: _____
Steve McCoy
State Treasurer