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State of Georgia Secure Deposit Program Policy

Pursuant to O.C.G.A §§ 50-17-50 through 50-17-60; 45-8-1 through 45-8-13.1 “and the other powers of the State Depository Board, the State Depository Board may establish policies and procedures related to the operation of a multibank pool, including, but not limited to, defining eligible collateral, establishing collateral limits, adopting the schedule of fees charged to covered depositories, establishing a formula to calculate different collateralization tiers, and reporting requirements”.

Herein the Georgia multibank pledging pool program shall hereafter be referred to as the Secure Deposit Program, (the “Program”).

I. Purpose

This Policy is intended to clearly communicate guidelines and requirements for all parties participating in the Program and to outline the responsibilities of the State Treasurer, Commissioner of Banking and Finance, the Administrator, Covered Depositories, Public Depositors, and Custodians as it relates to the activities of the Program. The exhibits to this Policy are incorporated by reference and the terms of such exhibits are made a part of the Policy. In the event of any conflict between this document and the exhibits, this document will control.

II. Definitions

For the purpose of this policy, in addition to the other terms as defined in Chapter 8 of Title 45 of the Official Code of Georgia, and related, the following terms are defined and shall have such meanings given thereto below whether or not such terms appear as capitalized in these general instructions:

- (1) “Administrator” shall mean the State Treasurer or any bank, savings association, trust company, or other qualified firm, corporation, or association to which the State Treasurer delegates any of the Treasurer’s rights or responsibilities with respect to administration of the Program.
- (2) “Board” shall mean the State Depository Board.
- (3) “Collateral Pledging Level” means the aggregate of the market value of the eligible securities pledged to secure a pool of public funds under the multibank pooled method, which shall be not less than the percent established by the State Depository Board for the Program.
- (4) “Commissioner” means the Commissioner of Banking and Finance.
- (5) “Covered Depository” means a depository approved by the State Depository Board that is either a:
 - a) Required Participant (O.C.G.A. §§ 45-8-1.4(A)(i)) – a financial institution that accepts Public Deposits in Georgia and that has total assets of more than \$50 billion, and has agreed to operate under the policies and procedures for the Program. After implementation of the Program, if a financial institution that accepts Public Deposits increases its assets so that it has total assets of \$50 billion or more, and is not a Voluntary Participant, then the financial institution shall notify the Treasurer and execute all

documents necessary for a Required Participant within thirty (30) days of its total assets exceeding \$50 billion. Further, after implementation of the Program, if a Covered Depository no longer has assets that total \$50 billion, then such financial institution shall notify the Treasurer and will automatically be deemed to be a Voluntary Participant whether or not the financial institution would otherwise qualify to be a Voluntary Participant; or

- b) Voluntary Participant (O.C.G.A. §§ 45-8-1.4(A)(ii)) – a financial institution that accepts Public Deposits in Georgia and that has total assets of less than \$50 billion and has agreed to operate under the policies and procedures for the Program.
- (6) “Custodian” means the State Treasurer, any Federal Home Loan Bank approved by the State Treasurer, or any bank, savings and loan association or trust company that has been approved by the State Treasurer, has agreed to operate under the policies and procedures of the Program and has agreed to be subject to the jurisdiction of the courts of Georgia or of the United States located in Georgia for litigation related to the Program. The Custodian shall also include the Federal Reserve Banks operating under the auspices of Operating Circular No. 9. Such circular shall be accepted in lieu of Program policies and procedures and court jurisdiction requirements.
 - (7) “Daily Pool Balance” means the total deposits, net of the FDIC insured amount, of each Covered Depository and the collective total of all Covered Depositories’ deposits in the Program accounted for daily.
 - (8) “Eligible Collateral” means the types of approved securities or letters of credit approved by the State Depository Board that may be used to collateralize deposits covered by the Program. The approved list of Eligible Collateral is shown in Exhibit A.
 - (9) “Event of Default” shall mean any of the following events or conditions: (a) The Covered Depository fails to make any return or repayment of Public Deposits to the Treasurer or any Public Body from accounts held by the Covered Depository as and when due or wrongfully dishonors any draft presented upon such accounts; or (b) the Covered Depository breaches any covenant made in this Security Agreement (Exhibit B); or (c) any bankruptcy case, assignment for the benefit of creditors, receivership, or other state, federal, or foreign insolvency proceeding is commenced by or against the Covered Depository or any of its respective properties; or (d) the Covered Depository becomes insolvent or is generally not paying its debts as they become due; or (e) the Treasurer determines that any material misrepresentation of financial condition has been made by the Covered Depository in any oral or written statement to the Treasurer or the Administrator; or (f) the Covered Depository discontinues its usual business, commences to dissolve, wind-up, or liquidate itself; or (g) the Covered Depository’s financial condition falls below the minimum capital ratios required to be considered “adequately capitalized,” as measured under the risk-based capital regulations of the Office of the Comptroller of the Currency, 12 CFR §3.100, Appendix a, as now or hereafter amended.
 - (10) “Fair Market Value” means the value of the Pledged Securities pledged to secure a Covered Depository’s Public Deposits as determined by any independent service that regularly furnishes such information to financial institutions in the United States as of the applicable date of a transaction or report; provided however, should such method of valuation be inapplicable or unacceptable to the State Treasurer in respect to any Eligible Collateral, Fair Market Value shall mean the value placed thereon by the State Treasurer.
 - (11) “Letter of Credit” or “LOC” means an irrevocable, unconditional letter of credit issued to the State Treasurer by an approved Federal Home Loan Bank to secure Public Deposits by any Covered Depository, to the extent permitted in accordance with the provisions of this Policy.
 - (12) “Loss Payment Fund” means the account set up by the Treasurer into which funds are deposited and from which the State Treasurer shall disperse as necessary monies to pay losses to Public Depositors of a defaulting Covered Depository and for other related purposes including expenses the State Treasurer incurs related to the payment of losses.

- (13) “Pledged Security or Securities” means Eligible Collateral which a Covered Depository has granted a security interest to the State Treasurer and as to which the Custodian has taken physical possession or, in the case of uncertificated securities, which the Custodian has registered to the State Treasurer. The term shall also include Letters of Credit and surety bonds held directly by the State Treasurer or a Custodian under the Program.
- (14) “Public Body” means not only the state, municipalities, counties, school districts, drainage districts, and other districts created or special purposes, but also every other political subdivision of the state and every board, bureau, commission, and department of the state or any subdivision thereof, or such other governmental entity approved by the Board.
- (15) “Public Deposit” means monies deposited in a Covered Depository by any public official for a public entity including demand deposits, time deposits, and certificates of deposit except certain deposits made by the State Treasurer (including negotiable certificates of deposit held in the State Treasurer’s portfolios) or otherwise exempted by the Board, in accordance with the policies of the State Depository Board (“exempt deposits”). A listing of all exempt deposits will be maintained by the State Treasurer and available to Covered Depositories holding such funds.
- (16) “Public Depositor” means any state or local entity with deposits of public funds, as identified by an FEIN.
- (17) “Required Collateral” means the amount of Eligible Collateral required to be pledged by a Covered Depository or, in the case of a Letter of Credit, such LOC issued to the State Treasurer as beneficiary, to satisfy a respective Covered Depository’s minimum collateral pledging tier requirement as determined by the State Treasurer.
- (18) “Treasurer” means the State Treasurer of the State of Georgia.

III. Designation as a Covered Depository

If Public Deposits are held in a Covered Depository, then such Covered Depository must comply with all the following requirements:

- (1) Be organized and existing under the laws of the state of Georgia, any other state of the United States, or the United States.
- (2) Be authorized pursuant to the laws of this state or the United States to conduct, and is conducting, the business of taking Public Deposits in this state.
- (3) Have deposit insurance under the provision of the Federal Deposit Insurance Act, as amended, 12 U.S.C. §§ 1811 et seq.
- (4) Be either a Required Participant, or be a Voluntary Participant that meets the qualification criteria stated in Section XI, Voluntary Participant Program Participation (Application and Approval Process).
- (5) Execute agreements as prescribed by the Treasurer including:
 - a) Security Agreement (Exhibit B)
 - b) Custodial Agreement as approved by Treasurer (except for Covered Depositories utilizing a Federal Reserve Bank as custodian in accordance with Section VII)
 - c) Voluntary Participant Application and Agreement, if applicable (Exhibit D)
- (6) Received written certification as a Covered Depository from the Treasurer.

- (7) Comply with all Program audit requirements on a timely basis.

IV. Collateral Pledging Levels

The Commissioner shall propose to the Board multiple tiers of collateralization specifying different percentages of Eligible Securities to secure Public Deposits. The required collateral tiers shall be established based upon financial condition scoring methodology proposed by the Commissioner and approved by the Board. The Commissioner, in conjunction with the Treasurer, will periodically review the methodology and make revised proposals to the Board in the event the Commissioner believes that the methodology should be revised.

The financial condition of all Covered Depositories shall be reviewed by the Treasurer each calendar quarter and, at the Treasurer's discretion more frequently for any or all Covered Depositories. The Treasurer will determine the specific collateral pledging tier for each Covered Depository utilizing the methodology approved by the Board. The Treasurer will notify each Covered Depository of its specific collateralization requirement each quarter or more frequently if a Covered Depository's collateral requirement changes within any quarter.

The Treasurer's review and determination of Collateral Pledging Levels shall include:

- (1) Review of financial condition evaluations from one or more nationally recognized rating services acceptable to the Treasurer and published quarterly. The Treasurer may utilize proprietary information from rating services that is not to be released as public information.
- (2) The Treasurer will determine the collateralization required by each respective Covered Depository and provide the preliminary results to the Commissioner for review and confirmation.
- (3) Upon the Commissioner's confirmation, the Treasurer will send notification to each Covered Depository.
- (4) Each Covered Depository will be required to adjust its Pledged Collateral to the required collateral level within three (3) business days of receipt of the Treasurer's notification.

V. Methodology of Determining Required Collateral

The Treasurer will consider the financial condition evaluations as required above to determine a financial condition score for each Covered Depository. The financial condition evaluation results from any rating service shall be on a scale of 0-99 or, if a rating service uses a different scale, that scale shall be converted by the Treasurer to a scale of 0-99.

Other pertinent information related to the overall financial condition of the Covered Depository may be taken into consideration at the discretion of the Treasurer.

The Board shall determine the rating evaluation services utilized and relative weightings assigned in determining the financial condition evaluation for each Covered Depository, and such shall be calculated by the Treasurer each quarter or more frequently if deemed necessary by the Treasurer.

The Treasurer shall notify each Covered Depository of the required collateral tier setting forth its required Collateral Pledging Level below. Each Covered Depository shall pledge to the Treasurer Eligible Collateral with a Fair Market Value equal to or more than its required collateral tier. Each Covered Depository shall be assigned by the Treasurer to one of the following collateral pledging tiers based upon its respective financial condition score.

Tier I

Required collateral not less than 25% of the net aggregate daily ledger balance of the institution's Public Deposits if the Covered Depository maintains a financial condition evaluation score of 65 or higher;

Tier II

Required collateral not less than 50% of the net aggregate daily ledger balance of the institution's Public Deposits if the Covered Depository maintains a financial condition evaluation score of 50 but less than 65;

Tier III

Required collateral not less than 75% of the net aggregate daily ledger balance of the institution's Public Deposits if the Covered Depository maintains a financial condition evaluation score of 35 but less than 50;

Tier IV

Required collateral not less than 110% of the net aggregate daily ledger balance of the institution's Public Deposits if the Covered Depository maintains a financial condition evaluation score less than 35;

Notwithstanding the required collateral tiers described above, the aggregate Fair Market Value of required collateral pledged by any Covered Depository shall not be less than 100% of a respective Covered Depository's Public Deposits that exceed 20% of the aggregate Public Deposits for all Covered Depositories in the Program.

Notwithstanding the required collateral tiers described above, the aggregate Fair Market Value of required collateral pledged by any Covered Depository shall not be less than 100% of a Covered Depository's Public Deposits that exceed 200% of a Covered Depository's common equity tier 1 capital as defined by applicable federal law and calculated from the Covered Depository's most recently filed Consolidated Report of Condition and Income.

Notwithstanding the required collateral tiers described above, the Board may increase the required collateralization level for any Covered Depository to an amount not to exceed 125% should economic or financial concerns warrant. Should the Treasurer, in consultation with the Commissioner, determine that an increase in the required collateral tier for a specific Covered Depository will be recommended to the Board and that an increase is required prior to the next scheduled Board meeting, the Treasurer may take such action on behalf of the Board. Any determination by the Treasurer to increase the required collateral tier for a Covered Depository over 110% shall be reported to the Board.

VI. Valuation and Eligibility of Collateral.

A Covered Depository shall value its collateral, other than Letters of Credit and surety bonds, at the Fair Market Value of the Pledged Securities as determined by an independent service that regularly furnishes such information to the financial institutions in the United States as of the applicable date of transaction or report: provided however, should such method of valuation be unverifiable or unacceptable to the Treasurer in respect to any Pledged Security or Securities, Fair Market Value shall mean the value placed thereon by the Treasurer.

A Letter of Credit shall be treated as having a market value equal to its face amount for purposes of the Program. U.S. Dollar-denominated cash collateral representing proceeds from any draw on a LOC shall be valued at the face value thereof. Letters of Credit and surety bonds shall be held directly by the Treasurer or a custodian with the Treasurer's consent.

Collateral that does not receive a current market value by the pricing service utilized by a Covered Depository or its approved Custodian is deemed ineligible collateral and must be substituted immediately unless a Fair Market Value is approved in writing by the Treasurer.

VII. Custodians

Each Custodian designated by a Covered Depository shall be a Federal Reserve Bank that monitors pledged collateral under the appropriate Federal Reserve Bank's Operating Circular, or a Federal Home Loan Bank, a bank, savings association or trust company that:

- (1) Is organized and existing under the laws of the State of Georgia, any other state of the United States, or the United States; and
- (2) Has executed a Custodial Agreement in a form approved by the Treasurer; and

- (3) Agrees to be subject to the jurisdiction of the courts of this state, or of courts of the United States which are located within this state, for the purpose of any litigation arising; and
- (4) Has been approved by the Treasurer to act as a Custodian; and
- (5) Agrees to provide reports and confirmation of securities pledged to the Treasurer by each Covered Depository in the format prescribed by the Treasurer; and
- (6) Provides timely notification to the Treasurer when any Pledged Security matures, is redeemed, or otherwise is paid off; and
- (7) With respect to Pledged Securities, Custodian agrees to, without notice to or consent by the pledgor, comply with and perform any and all requests and orders directly from the Treasurer. These include, but are not limited to, liquidating all collateral and submitting proceeds directly to the Treasurer in the name of the Treasurer only or transferring all collateral into an account designated solely by the Treasurer. Custodian also agrees to cooperate fully with the Board and Treasurer in connection with any audit.

VIII. Obligations of Covered Depositories

In addition to other requirements outlined in this policy, each Covered Depository shall:

- (1) Each Covered Depository shall designate a Custodian from the Treasurer's approved list of Custodians and shall pay any fees and expenses incurred that are related to the Program.
- (2) Each Covered Depository shall notify Treasurer of all public enforcement actions immediately.
- (3) Each Covered Depository's Custodian must receive approval from the Treasurer before accepting, substituting or withdrawing any Pledged Securities.

With respect to Pledged Securities, all Covered Depositories, as pledgors, shall agree that the Treasurer may without notice or consent by the pledgor, require Custodian to comply with and perform any and all requests and orders directly from the Treasurer. These include, but are not limited to, liquidating all collateral and submitting proceeds directly to the Treasurer in the name of the Treasurer or transferring all collateral into an account designated solely by the Treasurer.

IX. Reports

Covered Depositories and Custodians participating in the Program will be required to submit reports in prescribed formats monthly to the Treasurer and the Administrator unless more frequent reporting is determined necessary by the Treasurer, as specified in Exhibit G. Required monthly reports include (but are not limited to) the following information on accounts secured by the Program:

Each Covered Depository shall provide a monthly report in a format acceptable to the Treasurer, as specified in Exhibit G.

Each Covered Depository's Custodian shall provide monthly reports to the Treasurer in a form and format prescribed of all Pledged Securities to the Treasurer as collateral for Public Deposits held in the Program, as specified in Exhibit G.

The Treasurer shall provide publicly available monthly reports that shall include:

- a) List of all Public Depositors and Custodians in the Program

- b) Total amount of Public Deposits, net of FDIC insurance, in the Program. FDIC insurance not to exceed \$250,000 per Public Depositor for any Covered Depository without advance written approval by the Treasurer.
- c) List of Covered Depositories, by name and FEIN
- d) Each Covered Depository's total deposits in the Program (gross and net of FDIC insurance coverage)
- e) The amount of each Covered Depository's required collateralization
- f) The amount each Covered Depository is over or under the total collateralization amount
- g) Notice that each Covered Depository is in compliance with Program collateralization requirements
- h) Pro rata share of each Covered Depository's balance as a percent of the total amount of deposits in the Program

X. Non-Compliance

The failure of either a Covered Depository or a Custodian to comply with these policies and procedures will result in a noncompliance fee being assessed by the Treasurer and payable by the noncomplying Covered Depository or Custodian, as specified in Exhibit G. Notwithstanding the imposition of a non-compliance fee, the Board will have the ability to determine that the Covered Depository no longer satisfies the requirements to be a Covered Depository.

XI. Voluntary Participant Program Participation (Application and Approval Process)

- (1) Financial institutions may apply to the Treasurer requesting to be a Voluntary Participant in the Program by submitting a Voluntary Participant Application and Agreement (Exhibit D) approved by the Treasurer.
- (2) The Treasurer, in consultation with the Commissioner, shall determine if an applicant meets the criteria to be eligible as a Voluntary Participant, including the following:
 - a) Tier 1 leverage ratio of 6 percent or greater; and
 - b) Return on average assets over the trailing twelve-month period of 0.0 percent or greater; and
 - c) Financial condition evaluation score of 35 or higher as determined in Section V., Methodology of Determining Required Collateral; and
 - d) Other factors considered relevant by the State Depository Board.
- (3) The Treasurer shall notify applicants if they meet the criteria for consideration as a Voluntary Participant.
- (4) If an applicant meets the criteria for consideration as a Voluntary Participant, the applicant shall send signed copies of the following agreements to the Treasurer:
 - a) Security Agreement (Exhibit B)
 - b) Custodial Agreement as approved by Treasurer (except for Covered Depositories utilizing a Federal Reserve Bank as custodian in accordance with Section VII)
- (5) Upon receipt of the signed agreements listed above, the State Treasurer, in his capacity as Administrator of the Board, in consultation with the Commissioner, may approve Voluntary Participant applications provided that any and all such approvals shall be reported to the Board at its next meeting.

- (6) The Treasurer shall notify the applicant by sending written certification designating the applicant as a Covered Depository. The certification shall be valid for one (1) year. Thereafter, the certificate shall automatically renew for consecutive one (1) year periods unless the Board decides not to renew the certificate. In such case the Treasurer shall send the depository written notification that the certificate will not be renewed.

XII. Voluntary Participant Withdrawal from Program

- (1) A Voluntary Participant may request not to have its certificate automatically renewed by requesting to withdraw in writing to the Treasurer no later than sixty (60) days from the scheduled expiration of its certificate.
- (2) If such withdrawal is accepted by the Board, the Treasurer will notify the requesting depository and set a date for withdrawal not earlier than thirty (30) days from such notice.
 - a) Written notice shall be by resolution of the withdrawing depository's Board of Directors. A list of current Public Depositors including their account number(s), address and month-end account balance will be provided to the Treasurer.
 - b) The contingent liability of the withdrawing Covered Depository shall continue for twelve (12) months after the certification described in paragraph (d) below has been received and approved unless the withdrawal is made within ninety (90) days of an institution acquiring a failed institution.
 - c) The withdrawing Covered Depository is responsible for notifying all of its Public Depositors that it is withdrawing from the Program.
 - d) The withdrawing Covered Depository shall provide to the Treasurer, when all Public Deposit accounts have been closed in the case of a Required Participant or withdrawal forms signed by each Public Depositor if a Voluntary Participant, a written certification by the Chairman of the Board, Chief Executive Officer or President that the institution no longer holds any Public Deposits subject to the Program and will not receive or retain any Public Deposits subject to the Program until it again becomes a Covered Depository.
 - e) The Treasurer shall, upon request, release Pledged Securities, as specified in Exhibit G, after the effective date of withdrawal and the certification described in paragraph (d) above has been received and confirmation that the Covered Depository has paid all Program fees outstanding.
 - f) The withdrawing Covered Depository will be removed from the list made publicly available of depositories participating in the Program.

XIII. Effect of Merger or Acquisition

- (1) Designation
 - a) When a depository not participating in the Program acquires, merges, consolidates, or undertakes other similar transactions with a Covered Depository, the resulting institution automatically becomes a Covered Depository for ninety (90) calendar days and assumes the Security Agreement (Exhibit B), Custodial Agreement, and reporting requirements of the acquired Covered Depository.
 - b) The acquiring institution shall comply with all policies, procedures and reporting requirements applicable to the Program.
 - c) Should the resulting institution desire to become a Covered Depository, the eligibility requirements of the Program must be met within ninety (90) calendar days.
 - d) The Treasurer may grant an application from the resulting institution for an extension of time for an additional sixty (60) calendar days to comply with the eligibility requirements should extenuating circumstances warrant.

- e) Should the resulting institution choose not to become a Covered Depository, the policy and procedures for Voluntary Withdrawal from the Program shall be followed.

XIV. Payment of Losses

The Program exists to protect Public Depositors from losses resulting from an Event of Default by a Covered Depository. Should an Event of Default occur, the following procedures shall be followed to reimburse Public Depositors for their losses:

- (1) The Treasurer will post a notice related to the default on the OST website providing instructions and the process for Public Depositors to file claims.
- (2) The Treasurer will direct the Custodian for the Covered Depository that defaulted to liquidate Pledged Securities and deliver proceeds to the Treasurer or to deliver the Pledged Securities to a Custodian designated by the Treasurer. The Treasurer will liquidate such Pledged Securities in a timely and orderly manner. If the Treasurer is unable to liquidate Pledged Securities or if the Custodian fails to liquidate Pledged Securities within seven (7) business days, the Treasurer may assess each of the remaining Covered Depositories an amount equal to its pro rata share of the shortfall as provided in paragraph (7) below.
- (3) Public Depositors must file a loss claim with the FDIC.
- (4) Each Public Depositor must provide the Treasurer a copy of its FDIC claim showing the total amount of its uninsured deposits together with a form specified by the Treasurer, as specified in Exhibit E.
- (5) The Treasurer will aggregate claims to determine the amount of funds needed to satisfy all claims.
- (6) After all claims are paid and the Treasurer's expenses are reimbursed, any remaining securities pledged or cash from the sale of securities formerly held by the defaulting Covered Depository will be released to the FDIC.
- (7) Should the amount of the funds raised by the sale of the Pledged Securities as specified in "(2)" above be insufficient to cover all claims for uninsured deposits, together with the Treasurer's expenses, the Treasurer will assess each of the remaining Covered Depositories in the Program an amount equal to its pro rata share of the shortfall. Such assessment shall be determined by multiplying the total amount of the loss to all Public Depositors by a percentage which represents the average share of Public Deposits (less the amount of Public Deposits insured by FDIC deposit insurance) held by the Covered Depository during the previous twelve (12) months divided by the average total Public Deposits (less the amount of public deposits insured by FDIC deposit insurance) held by all Covered Depositories in the Program during the same twelve (12) month period, excluding the Public Deposits of the defaulting institution. Should a Covered Depository no longer have Public Deposits in the Program, that Covered Depository will nevertheless maintain liability for any losses caused by an event of default for the subsequent twelve (12) months. That institution will be assessed pursuant to the formula set forth above.
- (8) Assessments will be due to the Treasurer within five (5) business days and deposited into the Treasurer Loss Payment Fund to be held in trust on behalf of the Program. If a Covered Depository fails to pay its assessment when due, the Treasurer is authorized to satisfy the assessment by liquidating collateral pledged by the Covered Depository.
- (9) The Treasurer will pay from the Loss Payment Fund all the claims outstanding to Public Depositors as well as expenses incurred by the Treasurer.
- (10) Public Depositors receiving payments for their claims will sign an Assignment Agreement (Exhibit F) with the Treasurer for their claim pending with the FDIC.

- (11) If any Public Depositor receives a claim payment directly from the FDIC exceeding the amount stated in Exhibit E, such funds shall be sent to the Treasurer for deposit into the Loss Payment Fund.
- (12) When FDIC declares that all claims have been paid from the defaulted Covered Depository, any money remaining in the Loss Payment Fund, less the Treasurer's expenses, will be distributed to the Covered Depositories then participating in the Program in a ratio comparable to their percentage of each Covered Depository's pro rata share of the total deposits in the Program at such time.

XV. Audit

The Program will be subject to an annual audit by the State Auditor or a third-party independent auditor approved by the State Auditor. The scope of the audit will be determined by the State Auditor.

XVI. Administration

The Board approves the Treasurer contracting with GBA Services, Inc. to serve as the Administrator with such responsibilities, duties and fees included in the Program Administrator Contract.

XVII. Fees

The cost to administer the Program will be paid by the Covered Depositories. The State Depository Board shall set all Program fees, as specified in Exhibit G.

XVIII. Exhibit Listing

Exhibit A – Schedule of Eligible Collateral

Exhibit B – Security Agreement

Exhibit C – Account Exemption Certification Request

Exhibit D – Voluntary Participant Application and Agreement

Exhibit E – Loss Claim Form

Exhibit F – Assignment Agreement

Exhibit G – Program Participation, Requirements, Reports, and Fees

Approved by the State Depository Board on October 4, 2023.