

# State of Colorado Department of the Treasury

**Walker R. Stapleton**

State Treasurer

**Brett J. Johnson**

Deputy Treasurer



## TIME DEPOSIT RULES EFFECTIVE SEPTEMBER 1, 2009

### CORRESPONDENCE AND INQUIRIES

All correspondence relating to the Colorado Time Deposit Program should be addressed to:

Time Deposit Manager  
140 State Capitol Building  
Denver, Colorado 80203

Questions about time deposit policy or application procedures should be directed to Helen DiBartolomeo, Time Deposit Manager, at 303/866-5650.

### ELIGIBILITY

Banks and savings and loans must be certified as eligible public depositories by either the Colorado Division of Banking or the Colorado Division of Financial Services in accordance with the Public Funds Deposit Protection Acts, as amended. Contact the Colorado Division of Banking or the Colorado Division of Financial Services regarding certification and the collateralization of public fund deposits.

### CALL REPORTS

Each bank's and saving and loan's principal office shall place this office on a permanent mailing list to receive copies of their entire signed consolidated reports of condition sent quarterly to the depository's regulatory agency within forty-five days from the end of each quarter. The Treasurer reserves the right to request monthly statements of condition and other data at any

time before approving deposits. The current five quarters' complete signed consolidated statement of condition and requested reports must be on file with the Treasurer five working days prior to an application date. The maximum total state time deposit eligibility and deposit limits for each bank and savings and loan are calculated quarterly by the Treasurer's staff from copies of these reports.

### DEPOSIT LIMIT FORMULAS

Formulas for determining state time deposit eligibility are:

1 Banks: 80% of the current four quarter average of equity capital. The minimum deposit is \$100,000; the maximum is \$20,000,000.

2 Savings and Loans: 80% of the current four quarter average of risk-based capital (Office of Thrift Supervision Thrift Financial Report consolidated Capital Requirement Schedule

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CCR line 39). The minimum deposit is \$100,000; the maximum is \$20,000,000.

### FUNDS PLACEMENT AND AUTHORIZED APPLICANTS

Where branches exist, funds are placed with the bank or savings and loan principal office only. Only the officers of banks' and savings and loans' principal offices in the state of Colorado are eligible to apply for state funds.

Depositories shall appoint three authorized applicants (see Exhibit C). A person may be temporarily appointed to apply for state time deposits. Appointments, changes, additions, and temporary appointments must be confirmed via letter to the State Time Deposit Manager.

## APPLICATION PROCEDURE

Applications shall be telephoned to the Treasury - 303/866-5650 - between 10:00 a.m. and 2:00 p.m. Mondays (Tuesdays when Monday is a holiday). The following information is required:

- 1 Bank or savings and loan name and location;
- 2 Applicant's name and telephone number;
3. Wire instructions:
  - a. Federal Reserve - with transit (ABA) number, or
  - b. To correspondent bank - with name and account number;
- 3 Dollar amount - per term.

One application for each of the terms offered may be submitted. Application will be read back for confirmation or correction. Applications for deposit terms of one year or less shall be in the amount of \$100,000 or multiples thereof (\$200,000; \$300,000, etc.)

Applications will not be accepted after 2:00 p.m. on the application dates. Applications may be changed only between 10 a.m. and 2:00 p.m. on the application date. The Treasurer's Office reserves the right to accept or reject all or any portion of applications submitted.

The Time Deposit manager allocates all accepted applications based on current investable fund balances. Presently the State Treasurer, as official custodian of the public unit may be insured up to \$250,000

per public unit. Applicants should keep in mind that the deposit or portion thereof, including accrued interest may increase the bank's or savings and loan's collateralization requirements. However, every attempt will be made to insure the maximum possible.

## RATES AND RESULTS

Rates are set by the Treasurer based on current market information. Call the recording on 303/866-2728 after 9:45 a.m. on Mondays (Tuesdays when Monday is a Holiday) for this information.

## ACCEPTED APPLICATIONS

Accepted applications will be evidenced by a deposit agreement (see Exhibit A) issued by the Treasurer. The deposit agreement is the primary contract for the deposit. The terms of the agreement, payment dates and amounts due on those dates are printed on the agreement. The bank or savings and loan acknowledges, accepts and pledges compliance with all conditions of the deposit agreement and these time deposit rules via officer signature. The projected mailing date of agreements is within one working day following application. Please arrange for temporary accounting for the funds until deposit

agreements arrive.

Banks and savings and loans will draw a non-negotiable, non-transferable certificate of deposit from the information contained in the agreement. The public unit fund name will be printed on each agreement. The certificates must be made out to the named Public Unit, Colorado State Treasurer, Custodian. Certificates drawn to represent deposits must agree exactly with all conditions and provisions of the deposit agreement. The word "Custodian" must follow "Colorado State Treasurer". Please use the specific PDPA identification numbers required for the certificates issued as follows: Treasury General Cash - 010022005101; Department of Labor and Employment - 010014005101; and Water Conservation Board - 080036005101. The applicable payment instructions and "via wire" should appear on the certificate face. The Treasurer's Tax ID number is 846000537. Normally an alternate will sign agreements for the Treasurer. However, the Treasurer's or alternate's name should not appear on the certificate. The original of

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each deposit  
agreement issued  
and its matching  
certificate of  
deposit are to be  
mailed together  
to this office  
within two  
working days of  
receipt by the  
depository.

## FUNDS TRANSFER

Good funds will be transferred per the depository's instructions from the Treasurer's Account at the Chase Bank, N.A. Transfers are processed within established conventions. If notice of credit is not received by 1:00 p.m. on the settlement date, please notify this office by calling 303/866-5650.

## INTEREST AND PRINCIPAL PAYMENTS

Principal and interest is due and payable without notice on the stated due dates. Interest is computed on a 360 day basis and for the exact number of days between payment dates. Payment dates and amounts are printed on deposit agreements. These are the only acceptable dates for payment. The depository will pay at least one day's interest for each day the payment is late at the higher of the contracted rate or the current market rate as determined by the time deposit manager.

All interest and principal due should be transferred in the aggregate amount (total principal and interest due for all deposits with the same maturity) to Chase Bank N.A.,

ABA #021-0000-21, for credit and advice Treasurer, State of Colorado, account #193489208. Payments by check will not be accepted.

Totals appear on the "Notice of Cash Due" (see Exhibit B) mailed to each institution prior to payment dates. Wiring instructions are printed on the notice. The "Notice of Cash Due" and accompanying maturing certificates are mailed from this office approximately ten calendar days prior to the due date. Cash due notices are sent in a pre-printed envelope stating, "Attention: Cashier, Certificate of Deposit Payment Notice".

DEPOSIT INSURANCE AND COLLATERALIZATION

Currently certificates of deposit may be written for the following public fund units: Treasury General Cash, Department of Labor and Employment and the Colorado Water Conservation Board. If any of these departments or boards have NOW, Money Market Demand Accounts, savings accounts or certificates of deposits in addition to our time deposit with your bank or savings and loan, the funds will be aggregated and the insurance applied to the aggregate rather than the individual deposits. The NOW, Money Market Demand Accounts, savings accounts, certificates of deposit of other state agencies and institutions whose public unit status has not been established and ascertained by the FDIC may be aggregated with the Treasury General Cash time deposits and the federal insurance applied to the aggregate.

Any amount in excess of \$250,000 (including accrued interest) deposited by a public unit shall be collateralized as required by the Public Deposit Protection Acts, article 10.5 of title 11, C.R.S., as amended, or article 47 of title 11, C.R.S., as amended. Contact the Colorado Division of Banking (303) 894-7575 or the Colorado Division of Financial Services (303) 894-2336 about collateralizing of deposits above the insured amount.

EARLY WITHDRAWAL OF DEPOSITS AND PUBLIC DEPOSIT PROTECTION ACT COMPLIANCE

In the event of an early withdrawal by the Treasurer, the Treasurer will be subject to an early withdrawal penalty as set forth in Regulation D of the Board of Governors of the Federal Reserve System 12 C.F.R. Sec. 204.2 (c)(1) with the following exceptions: the depository's eligibility as an eligible public depository is revoked; the depository is in violation of the Public Deposit Protection Acts, article 10.5 or 47, title 11, Colorado Revised Statutes as amended; the depository is in violation of the state time deposit agreement or rules; the depository or its successor attempts to alter the agreement in any manner. If the Treasurer determines any of these exceptions apply, the Treasurer may, at his/her discretion, call any or all outstanding deposits, time deposits and accrued interest thereon for payment immediately without penalty.

DEPOSITS WITH NEWLY OPENED BANKS, SAVINGS AND LOANS, AND CONVERTED BANKS

Upon certification as an eligible public depository a newly opened bank or savings and loan may apply for initial deposits of state funds through the first six months of operation. A converted bank, following conversion from an industrial to a commercial bank and upon certification as an eligible public depository and completion of six months of operation, may make application for an initial deposit. The period for submitting applications for initial deposits will extend only through the end of the first year of operation as a new or converted depository. The initial deposit will not exceed the maximum FDIC insured amount. Deposits are due and payable at the end of the term. The interest rate will be set by the State Treasury Department. Applications for the balance of a depository's deposit limit under the current formulas may be submitted upon completion of twelve months of operation. The depositories will supply the Time Deposit Manager with complete quarterly consolidated reports of financial condition and any other information requested. All other rules contained herein apply.