

Banking & Investments

And the Indiana code



Office of the Indiana
Treasurer of State

LEGAL ASPECTS OF PUBLIC INVESTING

Goals for investment of public funds:

Safety,
Liquidity and
Yield:

Diversification
of Investments

Legally
eligible
investments
that comply
with the
Indiana Code
(IC 5-13 et.
Seq)

INDIANA CODE 5-13: INVESTMENT OF PUBLIC FUNDS

- Chapter 4: Definitions
- Chapter 7: Local Boards of Finance
- Chapter 8: Designation of Depositories
- Chapter 9: Deposit and Investment Powers
- Chapter 11: Investment Cash Management System

PDIF INSURED ACCOUNTS

Make sure your deposits are PDIF insured

- Are they Public Funds? (IC 5-13-4-20)
 - Fees and funds in the possession of a “Public Officer” by virtue of that office.
 - Public Officer defined in IC 5-13-4-21
- Is the financial institution an approved depository?
www.in.gov/tos/deposit/files/approveddepositories.pdf

PDIF covers losses *above* FDIC limits

- FDIC coverage of \$250,000 per depositor

HOW TO MAXIMIZE YOUR FDIC INSURANCE COVERAGE

See IC 5-13-9-5.3

- Needs authorization by the board of county commissioners, or fiscal body of each political subdivision to invest in these interest bearing deposit accounts. Examples of this product are Certificate of Deposit Registry Service (CDARS) or Insured Cash Sweeps (ICS)
- Funds initially invested through an approved depository that is a participating depository in the CDARS or ICS programs
- Funds placed in a CDARS or ICS depository are then exchanged with other participating depositories via reciprocating agreements in lots up to \$250,000 to maximize FDIC coverage
- Public funds invested in this manner are not subject to any collateral requirements

AUTHORIZED BANK PRODUCTS (DEPOSIT ACCOUNTS)

See IC 5-13-4-7

- DDA Checking Accounts
- Negotiable order of withdrawal (NOW) accounts
- Passbook savings accounts
- Certificates of Deposits (CDs)
- Money Market Accounts
- Any interest bearing account that is authorized and offered by a financial institution in the course of its respective business

TRANSACTION ACCOUNTS:

Any deposit account other than a certificate of deposit

See IC 5-13-4-24

Special rules for political subdivisions

- See IC 5-13-9-4(a)
- Must establish transaction accounts in depositories with branches within political boundaries, subject to restrictions in IC 5-13-8-9(a) through IC 5-13-8-9(e).
- Exception for political subdivisions that cross county lines or those without a depository within its boundaries (or only one), or if no depository will offer a transaction account

Does not apply to county hospitals

CERTIFICATE OF DEPOSIT REQUIRED PROCEDURES

See IC 5-13-9-4(b)

Every investing officer must obtain 3 quotes on the specific rate of interest for the term of the certificate of deposit

- The quote may be taken by phone
- The quote must be recorded in a memorandum
- The quote must be retained as a public record
- If the deposit is not placed in the institution quoting the highest rate, the fiscal officer must note the reason why
- Can invest in CDs from any depository on state's approved list if county commissioners or political subdivision's fiscal body passes resolution authorizing it (expires on a date no later than **one year** after ordinance or resolution is adopted) See IC 5-13-9-5 (a)

MONEY MARKET MUTUAL FUNDS

See IC 5-13-9-2.5

Money Market Mutual Fund requirements:

- Must be rated **AAA**, or its equivalent, by Standard & Poors or Aaa, or its equivalent, by Moody's
- Portfolio of direct obligations of the United States Treasury or other obligations issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise or repurchase agreements with collateral of similar eligible securities.
- Must be purchased through an institution on the state's approved depository list
- Considered to have a final stated maturity of one day

INVESTMENTS IN ELIGIBLE SECURITIES

See IC 5-13-9-2

Securities backed by the full faith and credit of the United States Treasury or fully guaranteed and issued by any of the following:

- The United State's Treasury (Notes and t-bills)
- Federal agency
- Federal Instrumentality
- Federal government sponsored enterprise (Federal Home Loan Bank)
- Certain municipal securities - **See IC 5-13-9-2 (a)(3)**

Other eligible securities

- Securities issued, assured, or guaranteed by the IBRD or African Development Bank – See IC 5-13-9-3.3

SECURITIES – CRITICAL CRITERIA

- Use of a broker-dealer that is SEC licensed
- Use of a custodial bank that is on the state's approved depository list or has combined capital and surplus of at least \$10 million
- Securities may have a maximum maturity of 2 years unless authorized (up to 5 years) by a properly adopted investment policy under 5-13-9-5.7

REPURCHASE AGREEMENTS

See IC 5-13-9-3

- An agreement involving the purchase and guaranteed resale of securities
- Can be a one time commitment or an ongoing commitment
- Must have a final stated maturity of one day (overnight), rate renewed each day
- Must be fully collateralized; daily determination
- Must be made through a depository on the state's approved depository list

LOCAL GOVERNMENT INVESTMENT POOL

See IC 5-13-9-11

- Established within the office and custody of the treasurer of state
- An officer may pay any funds held by the officer into the investment pool for the purpose of deposit, investment, and reinvestment of the funds by the Treasurer of State on behalf of the unit of government paying the funds into the investment pool

LOCAL BOARD OF FINANCE

See IC 5-13-4-18, as established under IC 5-13-7

Local Board of Finance Members

- County – Board of Commissioners & County Treasurer
- County, with consolidated city – County Treasurer, Auditor, Assessor, Mayor, Controller, & President of Board of School Commissioners
- City- Executive & Fiscal Body
- Town – Fiscal Body
- Other – Fiscal body of each political subdivision

Local Board of Finance Responsibilities

Each local board of finance SHALL meet annually after the first Monday on or before the last day of January to complete the following:

- From the board's membership, elect a president and a secretary
- Receive and review the report required by IC 5-13-7-7
- Review the overall investment policy
- The report must contain a summary of all investments made during the previous calendar year

Consult your county attorney or counsel regarding this requirement

Cities, towns, and county hospitals are exempt from meeting requirements

POLITICAL SUBDIVISION INVESTMENT POLICY

See IC 5-13-9-5.7

The fiscal body of a subdivision may adopt an investment policy authorizing the investment of public funds of the political subdivision for more than 2 years and not more than five years.

The policy must:

- Be in writing
- Be adopted at a public meeting
- Provide for investment of public funds with the approval of the investment officer
- Provide that the investments must be made in accordance with this article
- Limit the total investments outstanding under this section to not more than 25% of the total portfolio of public funds invested by the political subdivision including balances in transaction accounts AND
- State a date on which the policy expires, which may not exceed four years
- An investing officer may contract with an investment advisor or other institutional money manager to make investments under this section

INVESTMENT CASH MANAGEMENT SYSTEM

See IC 5-13-11

County Board of Finance or the fiscal body for any other political subdivision and the investing officer of a political subdivision may contract with a depository for the operation of an investment cash management system

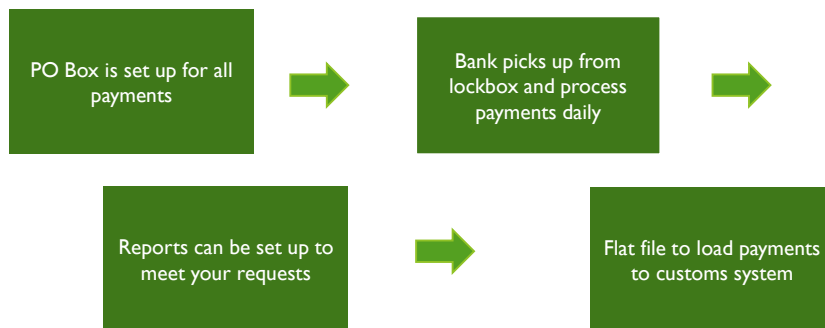
The contract must:

1. Be in writing;
2. Provide for the investment of funds by the depository with the approval of the investing officer;
3. Provide that the depository keep those records concerning the cash management system that would be required by the state board of accounts;
4. Provide that investments will be made in accordance with this article;
5. Provide that the depository may invest funds in the same investments and for the same terms as the treasurer of state may invest under this article;
6. Not have a term of more than two years;
7. Be awarded under the bidding provisions of IC 5-22.

BANKING SERVICES & TREASURY MANAGEMENT

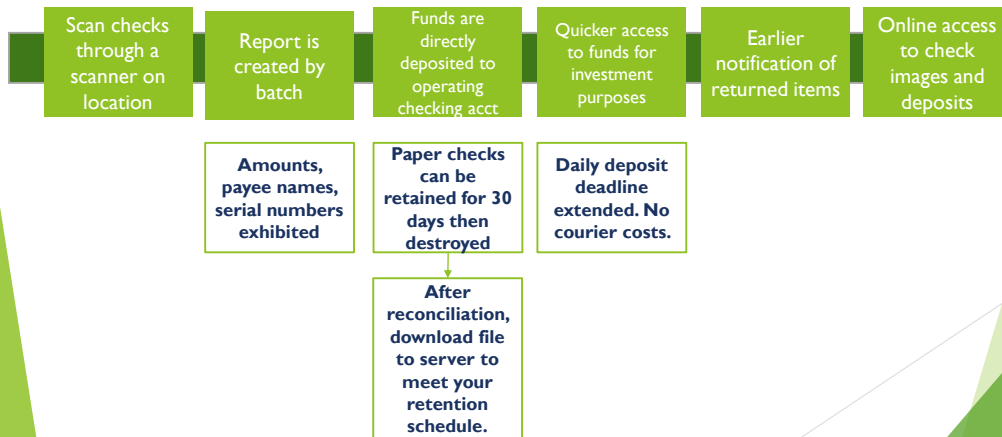
- Questions on banking services:
 - Deposit accounts
 - Lockbox
 - Remote capture
 - Positive pay
 - ACH and wire transfers
 - Charge Cards processing
 - E-Check payments
 - Direct deposit
- Suggestions on improving the processing of revenue or payments. Ways to decrease bank fees. Possibly earn interest on checking accounts to help offset fees.
- General operation questions both for accounts receivable and accounts payable.
- Contact Kim Logan at 317-233-0921 or email Klogan@tos.in.gov

BANKING SERVICES: LOCKBOX

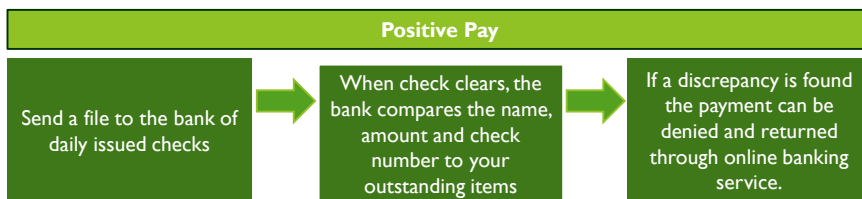


BANKING SERVICES: REMOTE CAPTURE

Remote capture/Image Transmission is the process of scanning and transmitting electronic images of paper checks to financial institutions



BANKING SERVICES: POSITIVE PAY FOR ISSUED CHECKS



A similar process can be used with a debit block on a checking account. This would allow you to decision all debits before payments posts to your checking account.

BANKING SERVICE: CHARGE CARD PROCESSING

Is an accepted form of payment for any local unit of government and can use State of Indiana's current contract to process charge cards

Contact:

Katie Potter
Financial Portfolio Contract Manager
Indiana Department of Administration
Indiana Government Center South
402 W. Washington St., RM W468

Phone: 317-234-4998

Email: kpotter1@idoa.in.gov

Local units of government can also use WEX card, T-card and P-card services under the State of Indiana's current contract.

Contact:

Abigail Chittenden
Vendor Contract Manager
Indiana Department of Administration
Indiana Government Center South
402 W. Washington St., RM W468

Phone: 317-234-6906

Email: Achittenden@idoa.IN.gov

QUESTIONS OR COMMENTS

Mike Frick
Deputy Treasurer

Indiana Treasurer of State's Office
200 W. Washington St., 242
Indianapolis, IN 46204
317-232-0140

mfrick@tos.in.gov
www.in.gov/tos/

Portfolio Manager



Office of the Indiana
Treasurer of State

Kim Logan
Deputy Treasurer

Indiana Treasurer of State's Office
302 W. Washington St., IGC-S E016
Indianapolis, IN 46204
317-233-0921

Klogan@tos.in.gov
www.in.gov/tos/

Treasury management, Banking
products and services, or general
operational questions.



Investing for Indiana Local Units of Government

June 2019

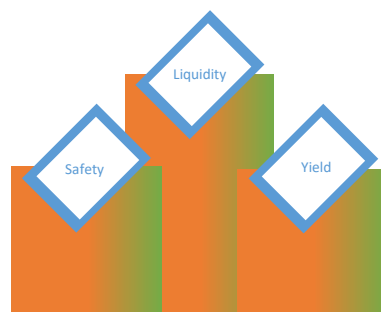
Purpose

The purpose of TrustINDiana is to provide all Indiana local units of government with a convenient, short-term investment opportunity carefully selected to optimize interest earnings while maximizing safety and liquidity.

TrustINDiana was created by and for Indiana local units of government.

Structure

Authorized by General Assembly's passage of Indiana Code 5-13-9-11(b), the State of Indiana created the TrustINDiana local government investment pool within the office and custody of the Indiana Treasurer of State.



Indiana Treasurer of State

Any local unit of government (e.g. counties, municipalities, school corporations, townships, and other units of local government) as well as the State of Indiana are eligible to use TrustINDiana for their cash investment needs.



Kelly Mitchell
Indiana Treasurer of State



Mike Frick
Chief Deputy Treasurer & Portfolio Manager

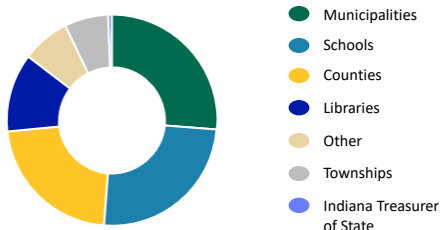


Duane Jasheway
Assistant Portfolio Manager



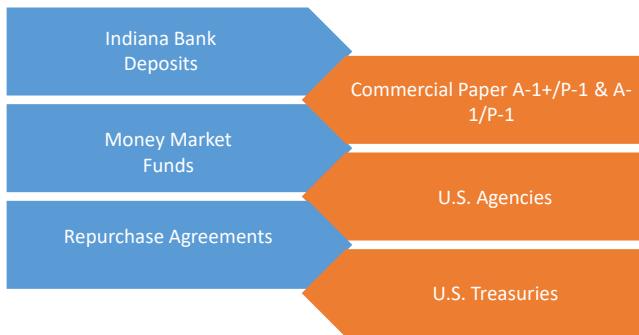
Ryan Locke
Deputy Treasurer, General Counsel, & Executive Director of the Board for Depositories

TrustINDiana Participant Breakdown*



Source: Public Trust Advisors. *Participant breakdown by entity type as of March 31, 2019.

Sample Portfolio Composition



More than **50%** of the portfolio is deposited in Indiana banks in accordance with Indiana Code 5-13-9-11.

Source: Public Trust Advisors. *As of March 31, 2019.



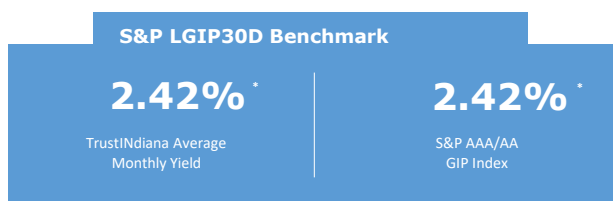
Investment strategy based on Indiana Statutes and TrustINDiana Investment Policy.

The TrustINDiana portfolio is marked-to-market daily and seeks to maintain a stable NAV of \$1.00 per share.



Performance

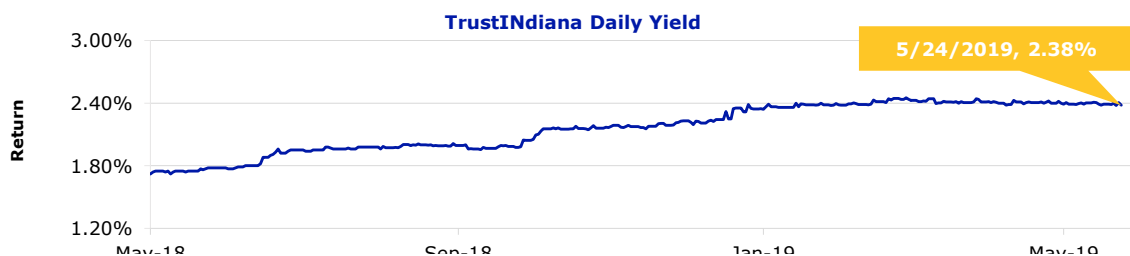
Our primary goal is to safeguard the public's funds through rigorous credit analysis and exposure management processes while optimizing interest earnings within the given investment parameters.



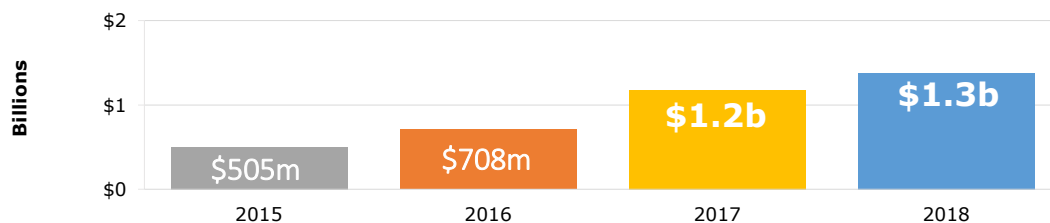
2018 -2019 TrustIndiana Average Monthly Yields					
Mar.	2019	2.42%	Sep.	2018	1.99%
Feb.	2019	2.41%	Aug.	2018	1.99%
Jan.	2019	2.38%	July	2018	1.96%
Dec.	2018	2.28%	June	2018	1.86%
Nov.	2018	2.19%	May	2018	1.76%
Oct.	2018	2.15%	Apr.	2018	1.68%

Source: Public Trust Advisors. *The benchmark, the S&P US AAA & AA Rated GIP All 30 Day Net Yield (LGIP30D), is a performance indicator of rated GIPs that maintain a stable net asset value of \$1.00 per share and is an unmanaged market index representative of the LGIP universe. Calculation methodology for the LGIP30D is the monthly average of the each week's seven day average rate as provided by Bloomberg. The S&P benchmark utilized in this comparison is a composite of all rated stable net asset value pools. GIPs in the index include only those rated based on S&P's money market criteria. Pools rated "AAAm" provide excellent safety and a superior capacity to maintain principal value while those rated "AAm" offer very good safety and a strong capacity to maintain principal value (Source: S&P Global Ratings). The comparison between this index and the portfolio may differ in holdings, duration, fees, and percentage composition of each holding. Such differences may account for variances in yield. Performance results for TrustIndiana are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.** *As of March 31, 2019. Data unaudited.

Competitive Return



TrustIndiana Growth



Source: Public Trust Advisors. Data unaudited. Year-end assets are as of December 31. Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.** Public Trust Advisors, LLC took over the management and advisory services effective May 1, 2015. All data prior to this date is from the previous Investment Advisor. As both Investment Advisors adhered to the investment policy there may be variances in yield, weighted average maturities, and portfolio composition due to differing investment style.

Benefits of Becoming a Participant

TrustINDiana leverages unique people, processes, and technology to maintain a low cost structure, resulting in more investment income returned back to our Participants.

Return

- Competitive daily yields
- Interest compounds daily

Liquidity

- Same-day liquidity (2:00 p.m. ET cut-off)
- Professionally managed portfolio

Convenience

- Secure online transactions
- Direct deposit of state payments

Additional Features

Deposits by wire or ACH

Secure online access for transactions and account statements

Audited annually by an independent audit firm*


Dedicated Client Service representatives


*External audits may not catch all instances of accounting errors and do not provide an absolute guarantee of accuracy.


MYACCESS Benefits

MYACCESS is a secure, online transaction system that allows Indiana local units of government to conveniently manage their investments and access reporting.

Key Features of MYACCESS:

- 

Participant-to-Participant Transfers
Initiate transfers to other taxing entities with a TrustINDiana account directly through MYACCESS
- 

Unlimited Subaccounts
Set up as many dedicated subaccounts for your convenience for things like payroll
- 




Future Dated Transactions
Entering future dated transactions ensures timely release, even if you are out of the office


Built to serve
TrustINDiana Participants!




MYACCESS Benefits

Additional MYACCESS features:

<p>No Fees, No Minimum Balance</p> <p>The convenience of a checking account without the fees or minimum balance requirements.</p> 	<p>Unlimited Transactions</p> <p>No limit on transactions and no transaction fees from TrustIndiana.</p> 	<p>Dual Authentication</p> <p>MYACCESS considers your username and password and identifies your computer location for added safety.</p> 
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 **Masked Bank Accounts**
Passwords and security questions help ensure authorized online access, but masking account numbers is one step further to maintain the confidentiality of your accounts.

 **Cyber Security**
MYACCESS features high-level data security including the use of a secure, multi-factor credentialing solution.

You may incur fees associated with wires and/or ACH transactions by your bank, but there will be no fees charged from TrustIndiana for such transactions.

Your Resources

Our team is available online, via email, and over the phone to help with any questions you may have. For example, we can help with:

- 1 Rate information
- 2 New accounts
- 3 Adding subaccounts
- 4 Changes to existing accounts




TrustIndiana Client Services Hours of Operation:


Monday – Friday 8:00 a.m. – 5:00 p.m. ET


Daily Cut-Off Time for Transactions:

2:00 p.m. ET

 (888) 860-6242

 www.trustindiana.in.gov/client-services/

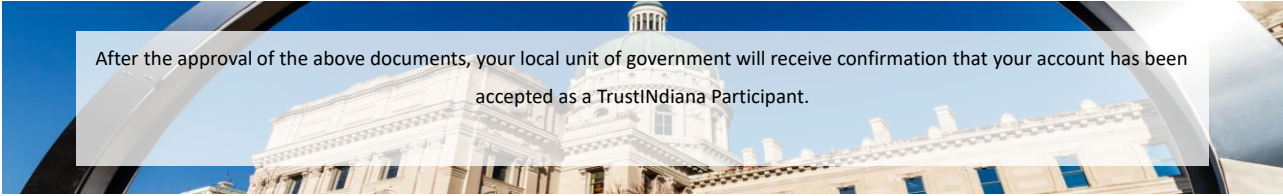
 clientservices@trustindiana.in.gov

 717 17th St. Suite 1850
Denver, CO 80202

How to Join

Enrolling in TrustINDiana is simple. Visit the [Document Center](#) to download the enrollment documentation needed.

- 1 Read the TrustINDiana Information Statement.
- 2 Complete the TrustINDiana Account Registration Form.
- 3 Submit the TrustINDiana Account Registration Form to the TrustINDiana Client Service Team.



After the approval of the above documents, your local unit of government will receive confirmation that your account has been accepted as a TrustINDiana Participant.

Visit Our Website

Wondering how much money you could have earned on your investment? Take a look at our investment calculator and see the potential revenue your investments could earn.

How much could you have earned?

www.trustindiana.in.gov

Amount Invested

Start Date

End Date

[Calculate My Investment](#)

You would have earned
\$18,651.57
on your investment if you started on
January 1, 2018

[Yields Disclaimer](#)

Data unaudited. Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**

Investment Income



If you were to invest any of the following amounts in TrustINDiana for the entire year of 2018, here is what you could have earned on your investment:

\$10,000 = \$186.52

\$100,000 = \$1865.16

\$1,000,000 = \$18,651.57

\$10,000,000 = \$186,515.67

Data unaudited. Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses. Daily yield is the dividend factor multiplied by the number of days in the year.

Introducing TrustINDiana Term Series



Specially designed for TrustINDiana Participants to meet their longer-term investment needs



An additional and complementary service alongside the local government investment pool



Provides TrustINDiana Participants with the option to invest in fixed-term investments with maturities ranging between 90 and 365 days



Each Series will consist of deposits held at eligible Indiana financial institutions

**A New Investment Option for
Your Local Government**

Example Term Series

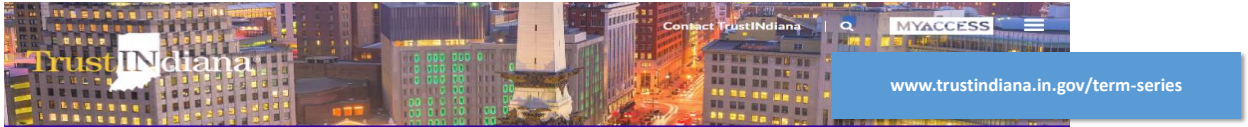


Current Rates

Term	Rate
3-Month	2.61%
6-Month	2.65%
9-Month	2.67%
1-Year	2.67%

Rates quoted are net of all fees. Performance comparisons will be affected by changes in interest rates. The above approximate yields are subject to change based on availability. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**

Each Term Series must be held to maturity to potentially achieve the investment objectives. No assurance can be given that a Term Series will achieve its investment objectives. Term Series deposits are held at financial institutions approved by the Indiana Public Deposit Insurance Fund (PDIF) and comply with both Indiana State Law and the TrustINDiana Investment Policy. Withdrawing investments before maturity may incur penalties and fees including the possible loss of all interest income. Some of the underlying deposits may be subject to early termination penalties.



TrustINDiana Term Series

What is TrustINDiana Term Series?

The TrustINDiana Term Series Fund (Term Series) is a specially designed feature for active TrustINDiana Participants. The Term Series allows Participants who meet certain criteria to invest in fixed-term investments with maturities between 90 and 365 days. Each Term Series will consist of deposits in financial institutions designated by the state as a depository of public funds.

How Does TrustINDiana Term Series Work?

Monies that are directed to a Term Series by an active Participant will be invested by the Investment Advisor in accordance with Indiana Law and eligible Indiana banks. Each Term Series investment is an independent transaction of the respective Participant that may be pooled with other Term Series investments of other Participants, creating a new fund within the Term Series program.

- 1 The TrustINDiana Participant(s) that wish to participate in a Term Series will pool together their monies to be invested in conjunction with other participating TrustINDiana Participant(s) (if applicable) at the time of the Term Series creation.

FAQs

- Q** When are Term Series initiated?
- A** Series are initiated on the 10th and 20th days of each month.
- Q** Do I have to hold my Term Series to maturity?
- A** Yes, Term Series investments must be held to maturity in order to achieve the investment objectives. Early withdrawals may result in penalties including the loss of interest.
- Q** What is the minimum investment?

FAQs

- 1 **When are Term Series initiated?**
Series are initiated on the 10th and 20th days of each month.
- 2 **Do I have to hold my Term Series to maturity?**
Yes, Term Series investments must be held to maturity in order to achieve the investment objectives. Early withdrawals may result in penalties including the loss of interest.
- 3 **What is the minimum investment?**
The minimum Term Series fund amount is \$500,000.
- 4 **Are the quoted rates net of fees?**
Yes, all rates quoted are net of fees, and interest is paid at maturity.
- 5 **Can I open multiple Term Series?**
Yes, Participants may hold investments in multiple Term Series funds with maturities ranging from three months to one year.

Contact



Cindy Barger

Director of TrustIndiana



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Mobile: (317) 519-9845



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Disclosure

This presentation is for informational purposes only. All information is assumed to be correct, but the accuracy has not been confirmed and therefore is not guaranteed to be correct. Information is obtained from third party sources that may or may not be verified. The information presented should not be used in making any investment decisions and is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. All comments and discussion presented are purely based on opinion and assumptions, not fact. These assumptions may or may not be correct based on foreseen and unforeseen events. All calculations and results presented are for discussion purposes only and should not be used for making calculations and/or decisions. The data in this presentation is unaudited.

Performance results for TrustIndiana are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is not an indicator of future performance or results. Any financial and/or investment decision may incur losses.**

The investment advisor providing these services is Public Trust Advisors, LLC, an investment adviser registered with the U.S. Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940, as amended. Registration with the SEC does not imply a certain level of skill or training. Public Trust is required to maintain a written disclosure brochure of our background and business experience. If you would like to receive a copy of our current disclosure brochure, privacy policy, or code of ethics, please contact us.

Benchmarks are provided for illustrative purposes only. Comparisons to benchmarks have limitations because benchmarks have volatility and other material characteristics that may differ from the portfolio. Performance results for benchmarks do not reflect payment of investment management/incentive fees and other fund expenses. Because of these differences, benchmarks should not be relied upon as an accurate measure of comparison.