



Indiana State
Treasurer's Office

INDIANA BOARD FOR DEPOSITORIES

KEEPING LOCAL FUNDS SAFE



What is the BFD?



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Overview

- Quasi-Governmental Agency
- Created by 1937 by IC 5-13-12 in response to bank failures during the Great Depression
- Keeps a list of approved depositories
- Manages the operation of PDIF
- Manages collateral to protect public funds
- The Treasurer is the Secretary/Investment Manager
- Governor, or his designee, is the Chairman

What is the PDIF?



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Insurance Fund:

- Covers the full amount of public funds over and above the amount covered by FDIC
- Deposit Accounts
- Unique to Indiana and a benefit to public entities
- 0.2% - 0.4% higher interest rate on public deposits
- \$300 million in assets
- Funded by fees on banks that could be deducted from the interest paid to public funds depositors

What are "public funds"?



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Public Funds defined by IC 5-13-4-20:

- Sec. 20. "Public Funds" means all fees and funds of whatever kind or Character coming into possession of any public officer by virtue of that office
- The term does NOT include: support payments made to the clerk of a circuit court under IC 31-16-9 (or IC 31-1-11.5-13 before its repeal) OR proceeds of bonds payable exclusively by private entity

Who is a “public officer”



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Public Officer defined by IC 5-13-4-21

- Sec. 21. “Public Officer” means any person elected or appointed to any office of the state or any political subdivision.
- “Public officer” includes any officer of all boards, commissions, departments, institutions, and other bodies established by law to function as a part of the government of the state or political subdivision that are supported wholly or partly by taxes or fees.
- “Public officer” does not include an officer of an independent body politic and corporate set up as an instrumentality of the state but not constituting a political subdivision

Who is a “Public Officer”?

- Any person elected or appointed to any political subdivision
- An officer of all: Boards, Commissions, Departments, Institutions, other bodies that function as a part of political subdivision. Supported wholly or partly by:
 - Appropriations from the treasury of the political subdivision
 - Taxes and fees

Who can become an approved depository?



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Eligible Approved Depositories

- A bank headquartered in Indiana or a national bank with a branch in Indiana
- A federal chartered savings association with a headquarters in Indiana or a branch in Indiana
- A federal chartered savings bank with a headquarters in Indiana or a branch in Indiana
- A state chartered credit union in Indiana that has assets of 3 million dollars or more with a headquarter in Indiana or a branch in Indiana

Collateral Requirements



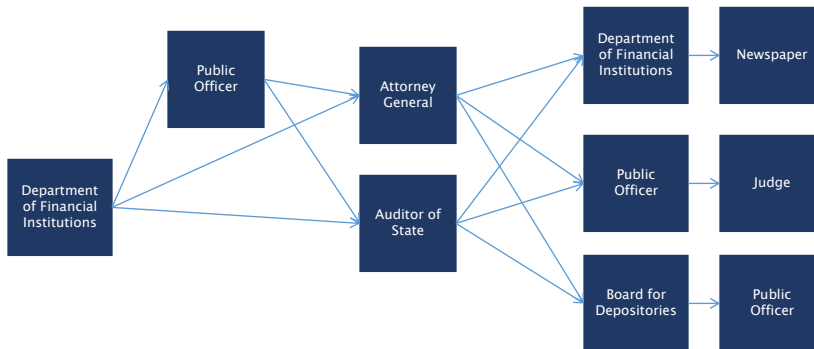
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Collateralization Matrix (Based on Bank Insight National Ratings gathered from SNL Financial)			
Bank Insight National Rating	Collateral Rate	Collateral Basis	Pledge or Pledge and Deliver
40 – 99	0%	N/A	N/A
20 – 39	50%	Average Daily Balance for the previous quarter	Pledge
0 – 19	100%	Actual Balance	Deliver

Recovery Process for public funds in a closed depository



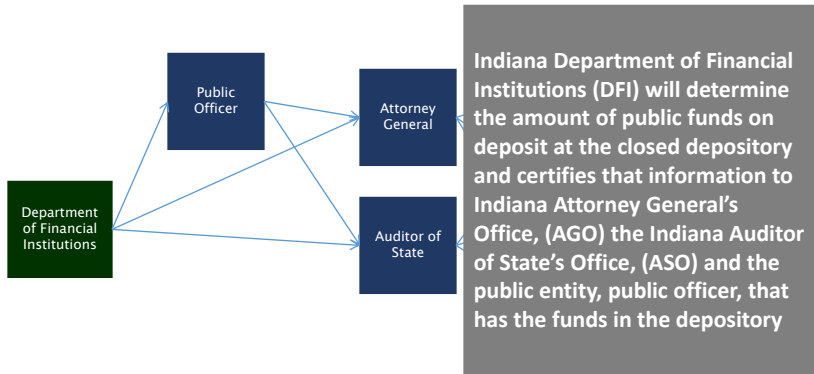
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Recovery Process for public funds in a closed depository



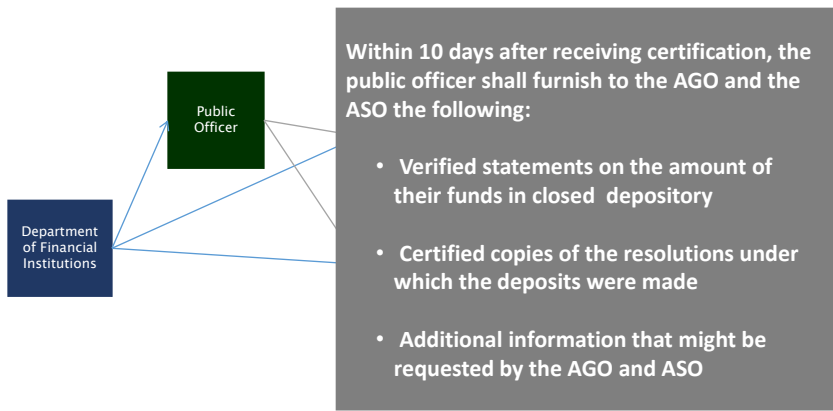
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Recovery Process for public funds in a closed depository



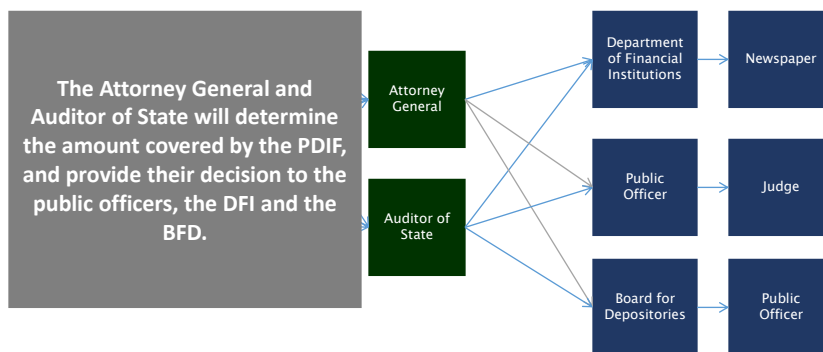
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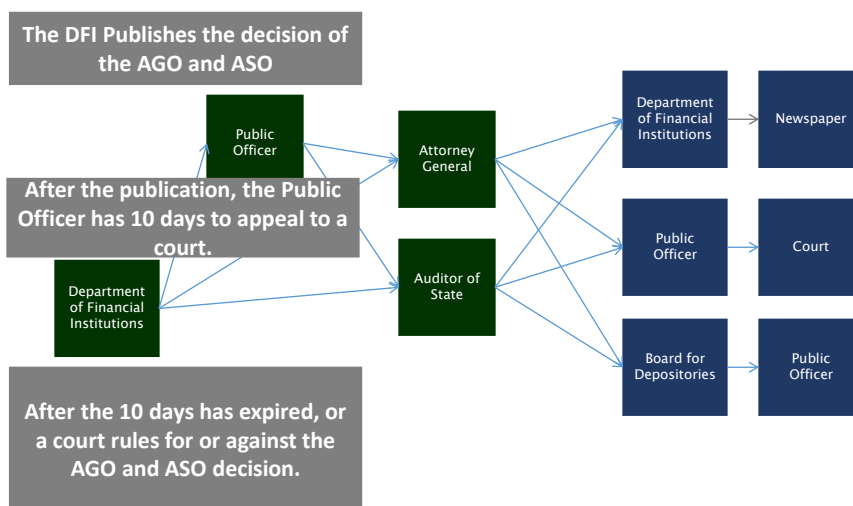
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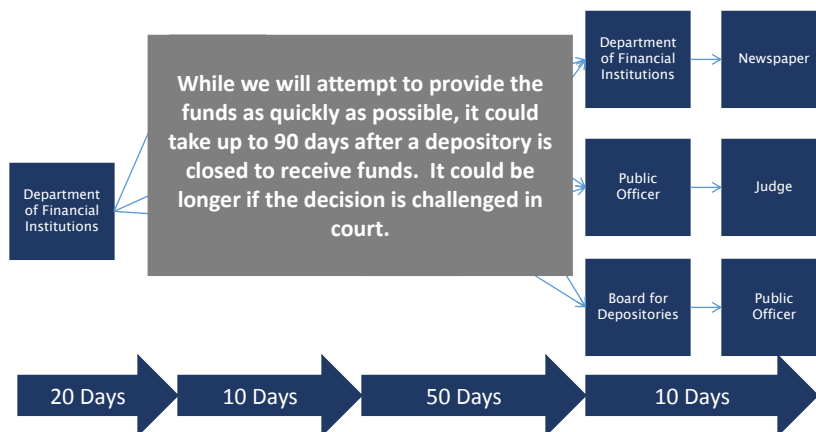
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Recovery Process for public funds in a closed depository



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13

Contact Information



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