

FREQUENTLY ASKED QUESTIONS

DEPOSITORY FAQ

- **What is the Public Funds Collateralization Program web application?**

The Oregon State Treasury has developed the Public Funds Collateralization Program (PFCP) web application to provide qualified depositories with a secure and convenient way to enter and submit required program reporting and request security pledges and releases, as required by Oregon Revised Statute (ORS) 295. It is mandatory for depositories to submit their weekly/monthly/quarterly financial information and security pledge and release requests via this application. After submission of the Pledge Agreement, Initial Required Treasurer Report and initial registration form, authorized depository staff members will be provided with information about how to get started using the PFCP web application. OST will provide detailed instructions on how to access the web application, submit reports, make security pledge/release requests and view current and prior period reports.

- **What are uninsured public funds deposits?**

Typically, uninsured public funds deposits are all Oregon public fund deposits that exceed the amount insured by the FDIC or NCUA. When calculating the balance of uninsured public funds, only include accounts that would qualify for FDIC or NCUA insurance coverage. If you are unsure if an account balance should be included in your calculation of uninsured public funds review ORS 295.001(24), ORS 295.002, ORS 295.004, ORS 295.022 and ORS 295.101. If you are still unsure, contact program staff at 503-378-3400 or public.funds@ost.state.or.us for assistance.

- **In what denomination do we report Treasurer Report financial information?**

Call report ratios should be reported as a percent (i.e. 12.4, not .124). Monetary amounts may be rounded to the nearest whole dollar if desired.

- **Where do I mail pledge agreements, initial treasurer reports, and registration information?**

Oregon State Treasury
Public Funds Collateralization Program
Attn: Katie Roth, Public Funds Coordinator
350 Winter Street NE, Suite 100
Salem, OR 97301

- **Is Federal Home Loan Bank of Des Moines the only custodian bank?**

Currently, Federal Home Loan Bank of Des Moines is the only custodian approved by the Oregon State Treasury. Additional custodians may be added in the future.

- **Do we need to have securities transferred to our Federal Home Loan Bank custody account before we take on any deposits?**

Yes, if line three of your Initial Treasurer's Report includes an amount for estimated uninsured Oregon public funds deposits in the first quarter, securities must be transferred to your FHLB custody account before you take on these deposits. If a zero balance was reported for this line item, you will begin pledging securities as soon as you file a Treasurer's Report that includes an uninsured public funds balance.

ORS 295.015 requires a depository to maintain on deposit with the depository's custodian, at the depository's own expense, securities that have a value at least equal to the depository's minimum collateral requirement. A depository's minimum collateral requirement is initially calculated when they join the PFCP, then subsequently on either a weekly or monthly basis—depending on the depository's capitalization level.

So, in practical terms, the process would work as follows:

The depository becomes a qualified depository for public funds, and is required to report monthly based on its capitalization level. A beginning minimum collateral requirement (MCR) is calculated for the depository based on the Initial Treasurer's Report. Securities with a value at least equal to the beginning MCR must be deposited with the custodian when the depository begins accepting public funds.

On an ongoing basis the depository accepts public funds deposits throughout the month, and reports their new public funds balance on their monthly report. The depository's MCR is recalculated as part of the reporting process, and the depository must then pledge securities with a value at least equal to the new MCR.

Depositories should submit security pledge requests via the PFCP web application within three days of an MCR change to ensure sufficient time for review and processing. Per ORS 295.015(3)(b), a depository must ensure that appropriate securities are deposited with the custodian within five days of an MCR increase.

- **When assigning PFCP system permissions to depository employees, a Signer must be an “officer of the depository” in order to be allowed to submit Treasurer Reports. How do you determine if someone is an “officer of the depository”?**

An “officer” is someone who can legally obligate the depository through his or her actions. An employee who normally authorizes the submission of the depository's quarterly regulatory reporting, or is legally responsible for the accuracy of that reporting, would be an appropriate Signer.