

IC 5-13-8

Chapter 8. Designation of Depositories

IC 5-13-8-1

Deposit of public funds; prerequisites

Sec. 1. (a) A political subdivision may deposit public funds in a financial institution only if the financial institution:

- (1) is a depository eligible to receive state funds; and
- (2) has a principal office or branch that qualifies under section 9 of this chapter to receive public funds of the political subdivision.

(b) The state board of finance shall make available information concerning financial institutions eligible to receive state funds as may be requested by a local board of finance. A local board of finance may rely on certificates described in IC 5-13-9.5-1(d) in determining to deposit public funds or reinvest public funds in the financial institution.

As added by P.L.19-1987, SEC.10. Amended by P.L.5-1988, SEC.37; P.L.66-1989, SEC.1; P.L.44-1990, SEC.2; P.L.2-1993, SEC.47; P.L.74-1995, SEC.2; P.L.18-1996, SEC.7; P.L.46-1997, SEC.5.

IC 5-13-8-2

Repealed

(Repealed by P.L.18-1996, SEC.33.)

IC 5-13-8-3

Repealed

(Repealed by P.L.18-1996, SEC.33.)

IC 5-13-8-4

Repealed

(Repealed by P.L.18-1996, SEC.33.)

IC 5-13-8-5

Repealed

(Repealed by P.L.18-1996, SEC.33.)

IC 5-13-8-6

Forms; filing copy of institution's statement of condition

Sec. 6. (a) The state board of accounts shall prepare and consolidate the forms that are required under this chapter or IC 5-13-9.5, or both, to eliminate unnecessary paperwork.

(b) These forms must be used by the state board of finance and the several local boards of finance and depositories in the performance of the duties imposed under this chapter. The rights of political subdivisions and designated depositories must be subject to modification by any statute and by all rules adopted by the department of financial institutions respecting withdrawal of funds in times of emergency.

(c) A financial institution designated as a depository under this

chapter shall, upon request of the appropriate investing officer, file with the investing officer a copy of the institution's most recent statement of condition filed with the institution's governmental supervisory body under the regulatory accounting principles as prescribed by the supervisory body.

As added by P.L.19-1987, SEC.10. Amended by P.L.18-1996, SEC.8; P.L.46-1997, SEC.6.

IC 5-13-8-7

Revocation of commission of depository to do business with Indiana resident

Sec. 7. (a) As used in this section, "Indiana resident" means any of the following:

- (1) An individual who is a resident of Indiana.
- (2) A political subdivision (as defined in IC 36-1-2-13) in Indiana.
- (3) A corporation, a limited liability company, a partnership, a limited partnership, a trust, an estate, or other legal entity that:
 - (A) is established under Indiana law; or
 - (B) maintains its principal office in Indiana.
- (4) A corporation, a limited liability company, a partnership, a limited partnership, a trust, an estate, or other legal entity that:
 - (A) is established under the law of a state other than Indiana; and
 - (B) carries out substantial business activities in Indiana, including the employment of individuals who reside in Indiana.

(b) As used in this section, "investment in an Indiana resident" means an investment in an interest-bearing obligation of a political subdivision (as defined in IC 36-1-2-13) in Indiana.

(c) The local board of finance under which any depository operates may at any time revoke the commission of any depository at a meeting called for the purpose of revoking a commission, of which the depository shall have been notified by advance written notice sent by first class or registered mail not less than twenty (20) days before the meeting and at which the depository has the right to be heard. Not later than thirty (30) days after a local board of finance revokes the commission of a depository, the local board of finance shall give written notice of the action to the board of depositories.

(d) The local board of finance may revoke the commission of any depository to do business with the political subdivision:

- (1) if the depository is unwilling or unable to perform banking services reasonably required by the local board of finance, considering the volume of transactions, that are:
 - (A) related to the public funds deposited in a deposit account described in IC 5-13-9-4(a); and
 - (B) required by the political subdivision served by the local board of finance to carry out the responsibilities of the political subdivision, as determined by the local board of finance;

(2) if the depository is unwilling or unable to comply with a state or federal statute, rule, or other regulation that governs the records or handling of public funds of the political subdivision served by the local board of finance, as determined by the local board of finance;

(3) if the depository ceases to qualify as a depository under this chapter, as determined by the local board of finance;

(4) if the depository fails to conduct lending activities in Indiana to such an extent that, at the end of each quarter, pursuant to the depository's certification, the sum of:

(A) the total principal amount of outstanding loans to Indiana residents; plus

(B) the total value of investments in Indiana residents; will at least equal the total amount of the public funds of the state and political subdivisions of the state that are on deposit in the financial institution; or

(5) for any cause that is adopted in the written rules of the local board of finance and that is directly related to the safe handling of public funds.

(e) Upon revocation, the depository shall immediately render an accounting and make settlement for all public funds deposited with the depository.

As added by P.L.19-1987, SEC.10. Amended by P.L.74-1995, SEC.3; P.L.18-1996, SEC.9; P.L.46-1997, SEC.7.

IC 5-13-8-8

Repealed

(Repealed by P.L.46-1997, SEC.18.)

IC 5-13-8-9

Deposit of funds in depositories within respective territorial limits of political subdivisions; exceptions

Sec. 9. (a) All public funds of all political subdivisions shall be deposited in the designated depositories located in the respective territorial limits of the political subdivisions, except as provided in this section.

(b) Each board of finance of a political subdivision:

(1) that is not a city, town, or school corporation; and

(2) whose jurisdiction crosses one (1) or more county lines;

may limit its boundaries for the purpose of this section to that portion of the political subdivision within the county where its principal office is located.

(c) If there is no principal office or branch of a financial institution located in the county or political subdivision, or if no financial institution with a principal office or branch in the county or political subdivision will accept public funds under this chapter, the board of finance of the county and the boards of finance of the political subdivisions in the county shall designate one (1) or more financial institutions with a principal office or branch outside of the county or political subdivision, and in the state, as a depository or

depositories.

(d) The board of trustees for a hospital organized or operated under IC 16-22-1 through IC 16-22-5 or IC 16-23-1 may invest any money in the hospital fund anywhere in the state with any financial institution designated by the state board of finance as depositories for state deposits.

(e) If only one (1) financial institution that has a branch or principal office in a county or political subdivision is willing to accept public funds, the board of finance for the county or political subdivision may:

- (1) treat the financial institution that is located within the county or political subdivision as if the financial institution were not located within the county or political subdivision; and
- (2) designate one (1) or more financial institutions to receive public funds under the requirements of subsection (c).

(f) The investing officer shall maintain the deposits as follows:

- (1) In one (1) or more depositories designated for the political subdivision, if the sum of the monthly average balances of all the transaction accounts for the political subdivision does not exceed one hundred thousand dollars (\$100,000).
- (2) In each depository designated for the political subdivision, if subdivision (1) does not apply and fewer than three (3) financial institutions are designated by the local board of finance as a depository.
- (3) In at least two (2) depositories designated for the political subdivision, if subdivision (1) does not apply and at least three (3) financial institutions are designated by the local board of finance as a depository.

As added by P.L.19-1987, SEC.10. Amended by P.L.44-1990, SEC.4; P.L.2-1993, SEC.48; P.L.75-1995, SEC.1; P.L.74-1995, SEC.4; P.L.18-1996, SEC.10; P.L.46-1997, SEC.8; P.L.173-2003, SEC.1.

IC 5-13-8-10

Repealed

(Repealed by P.L.18-1996, SEC.33.)

IC 5-13-8-11

Repealed

(Repealed by P.L.18-1996, SEC.33.)

IC 5-13-8-12

Repealed

(Repealed by P.L.44-1990, SEC.8.)

IC 5-13-8-13

Resignation as depository

Sec. 13. Any depository designated under this chapter may resign as a depository and relinquish all public funds on deposit with the depository. The resignation is effective after thirty (30) days notice in writing to the state board of finance and after settlement with the

proper board of finance for all public funds on deposit with the depository.

As added by P.L.19-1987, SEC.10. Amended by P.L.46-1997, SEC.9.

IC 5-13-8-14

Prohibition of designation of depository for disqualification under IC 5-22-16.5

Sec. 14. A financial institution may not be designated as a depository under this chapter if the financial institution would be disqualified from being awarded a contract under IC 5-22-16.5.

As added by P.L.21-2012, SEC.2.