

Overview of Dedicated and Pooled Pledging Methods for Public Funds in the State of GA*

Category	Items	Dedicated Method	Pooled Method
Participating Bank	Which Banks Are Eligible to Participate?	Any depository bank operating in State of GA	<u>Only</u> depository banks operating in State of GA meeting the qualifications in OCGA 45-8-13. The bank must be eligible to be a depositor for State of GA, with limited exceptions.
	Who is Responsible for Monitoring the Financial Conditions of the Bank?	Depositor	Depositor; Georgia Banker Association (GBA) has the authority to request a bank that poses a serious risk to withdraw from the pooled method.
Collateral	Percentage of Pledge	110% of Deposit	110% of Deposit
	Calculation of Deposit to be Collateralized	Amount of deposit <u>less</u> FDIC insured amount, and <u>less</u> face amount of direct loans to the depositor	Amount of deposit <u>less</u> FDIC insured amount
	Eligible Pledge	Surety Bond; any one of more of the obligations enumerated in OCGA 50-17-59, or a combination thereof.	Surety Bond; any one of more of the obligations enumerated in OCGA 50-17-59, or a combination thereof, with more restriction in security selection.
	Pledge Compliance Timeline	10 business days	3 business days for security bond or securities pledged; 5 business days for FHLB LOC
	Collateral Pledged To	Depositor	State Treasurer
	Monitoring of Collateral	Depositor and the Bank	State Treasurer (outsourced to GBA Services, Inc.)
	Collateral Values	Under the terms of the agreement between the depositor and their Bank.	Monthly valuation provided to GBA by the bank's custodian with the market valuation set by an independent third party
	Ensure Adequate Pledge Amount	Depositor	Depositor. Neither the State Treasurer nor the State assumes liability for loss by a public depositor utilizing the pooled method for a collateral shortfall.
	Pledge or Release of Collateral	Upon approval by the depositor	Upon approval by GBA Services, Inc.
	Liquidation of Collateral in the Event of Bank Failure	Depositor under the terms of agreement with the bank's custodian	State Treasurer under the terms of agreement with the bank's custodian.
	Time to Liquidate Collateral in the Event of Bank Failure	Undetermined	5 business days.
Custodian	Custodian	Selected by the Bank	Selected by the Bank
	Safekeeping	By the bank's custodian under the terms of the agreement with their depositor.	By the bank's custodian under the terms of the agreement between the bank, the custodian, and the State Treasurer.
Contracts	Contractual Agreements	Between the depositor and the bank	Three agreements: <ul style="list-style-type: none"> - Between the State Treasurer and GBA Services, Inc. - Custodial agreement signed by the bank, the custodian and State Treasurer - Security Agreement signed by the bank and the State Treasurer
Fees Related to Collateral		Under the terms of the agreement between the depositor and the bank.	GBA Services is not compensated by the State Treasurer or the depositor. The cost of administering the pooled method is borne by fees paid to GBA Services, Inc. by the depository banks.

*The resource of this content is from the Georgia Bankers Association Services, Inc.