

781—13.2(12C) Definitions. As used in this chapter:

“Approved custodian” means a financial institution that has facilities for the safekeeping of securities and that has been approved under this chapter by the treasurer of state to serve as the treasurer’s agent in safekeeping collateral pledged to the treasurer of state to secure uninsured deposits of public funds.

“Bank” means “bank” as defined in Iowa Code section 12C.1, subsection (2a).

“Control,” including controlling, controlled by, and under common control, shall be presumed to exist if a pledging bank, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, 10 percent or more of the voting securities of any approved custodian. Control, including controlling, controlled by, and under common control, shall also be presumed to exist if an approved custodian, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, 10 percent or more of the voting securities of any pledging bank.

“Eligible collateral” means any one or any combination of the securities or other forms of collateral as described in Iowa Code section 12C.22, subsection 6, and acceptable to the treasurer. Cash shall be considered eligible collateral.

“Excess public funds” means:

1. For a bank, the amount by which the public funds deposited by a public unit having an aggregate market value plus accrued interest that exceeds the total capital of the bank as defined in Iowa Code section 12C.22, subsection 2.

2. For an out-of-state bank, the amount by which the public funds deposited by a public unit in an Iowa branch of the out-of-state bank having an aggregate market value plus accrued interest that exceeds the Iowa branch capital of the out-of-state bank as determined under Iowa Code section 12C.22, subsection 3.

“Letter of Credit” means an irrevocable and nontransferable Letter of Credit, upon which the payment of principal and interest is fully secured or guaranteed by the United States of America or an agency or instrumentality of the United States of America or in the form prescribed by the treasurer as provided on the treasurer’s Web site at www.treasurer.state.ia.us or in the treasurer’s office pursuant to rule 781—13.3(12C). Letters of Credit will be held in the treasurer’s vault.

“Market value” means the value of a pledged security calculated by the treasurer or the treasurer’s designee using the average of the closing bid and ask price from a nationally recognized pricing source (including but not limited to the Wall Street Journal, Bloomberg Financial Markets, Telerate, Reuter’s, or a nationally recognized broker dealer). If no nationally recognized pricing source is available, the market value shall mean pricing in a commercially reasonable manner or manner consistent with standard industry practices. Market value does not include accrued interest.

“Minimum collateral market value amount” means the minimum dollar amount of eligible collateral required to be pledged by a pledging bank to the treasurer to secure all uninsured public funds which shall at all times equal or exceed excess public funds.

“Out-of-state bank” means a bank that is chartered in a state other than Iowa and operates one or more branches in Iowa.

“Pledged collateral” or *“pledged securities”* means eligible collateral pledged by the pledging bank under the Master Custodial Agreement for the Deposit of Public Funds in Banks, the Pledge and Security Agreement, and any collateral additions or substitutions thereto evidenced by a joint receipt of custody or other evidence of control acceptable to the treasurer.

“Pledging bank” means a bank that is required to pledge eligible collateral pursuant to Iowa Code section 12C.22 and this chapter.

“Public funds” or *“public deposits”* means “public funds” or “public deposits” as defined in Iowa Code section 12C.1, subsection (2e).

“Public units” means the state or a political subdivision or instrumentality of the state including a county, school corporation, special district, drainage district, unincorporated town or township, municipality, or municipal corporation or any agency, board, or commission of the state or a political subdivision; any court or public body; an electric power agency; federal and state grant moneys of a quasi-public state entity under Iowa Code section 12C.1, subsection (2e), and this chapter. Public units additionally include, but are not limited to:

1. Transit authorities.
2. Municipal housing programs.
3. Solid waste agencies.
4. Waterworks.
5. City cemeteries.
6. County fair boards.
7. Regional planning agencies.
8. County care facilities.
9. County conservation boards.
10. Sanitary districts.
11. Iowa family farm development authority.
12. Iowa railway finance authority.
13. State board of regents.
14. State fair board.
15. State racing and gaming commission.
16. Iowa college student aid commission.
17. Iowa higher education loan authority.
18. Area education agencies.
19. Community action programs.
20. Community colleges.

Federal agencies, or political subdivisions thereof, are not public units under this chapter. Cooperatives, police and fire pension funds deposited for the benefit of the beneficiaries and fully covered by federal insurance, and bond sinking funds deposited pursuant to a bond covenant and which are fully covered by federal insurance are not public units.

"Rate-setting notice" means the monthly electronic posting of minimum deposit rates to public units by the rate-setting committee.

"Superintendent" means the superintendent of banking of the state of Iowa.

"Treasurer" means the treasurer of the state of Iowa.

"Uninsured public funds" or *"uninsured public deposits"* means any amount of public funds of a public funds depositor on deposit in an account at a financial institution that exceeds the amount of public funds in that account that are insured by the Federal Deposit Insurance Corporation.