

APPENDIX G

OKLAHOMA STATE TREASURER MASTER CUSTODY AND/OR SECURITIES LENDING SERVICES

Oklahoma Statutes - Title 62. Public Finance

§62-90. Securities lending program - Securities Lending and Custodial Fee Revolving Fund.

A. The State Treasurer may implement and engage in a securities lending program. As used in this section, "securities lending program" means any program, arrangement or agreement whereby the state deposits securities with a federally or state-chartered savings and loan association, a trust company, a state or national bank, or a broker-dealer registered with the National Association of Securities Dealers, Inc. and insured by the Securities Investors Protection Corporation, for the purpose of permitting the financial institution or broker-dealer to lend securities to a borrower approved by the State Treasurer in return for a fee or charge paid by the borrower for the use of such securities. All income from securities lending, less fees, shall be deposited into the Securities Lending and Custodial Fee Revolving Fund created in this section; provided, securities lending income in excess of amounts necessary to pay custodial or other banking fees, shall be deposited into the General Revenue Fund. Securities loaned under this program shall be subject to the collateral requirements specified by the State Treasurer. The State Treasurer must receive collateral equal to at least one hundred percent (100%) of the market value of the securities loaned, consisting of securities or instruments which the State Treasurer can purchase pursuant to Section 89.2 of this title. Nothing herein shall be deemed to prohibit the implementation of securities lending programs by the state retirement systems which are designed and managed by the boards of trustees of such systems.

B. There is hereby created in the State Treasury a revolving fund for the Office of the State Treasurer, to be designated the "Securities Lending and Custodial Fee Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of any monies transferred thereto by act of the Legislature and any monies which may be deposited thereto by the State Treasurer's Office as provided by this section. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Office of the State Treasurer for the purposes of paying custodial or other banking fees. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.