

Oklahoma State Treasurer
Certificate of Deposit Operating Agreement

1. **Purpose:** This agreement between the Oklahoma State Treasurer’s Office (OST) and the Bank or Savings and Loan (Bank) or Credit Union (Bank) listed below applies to the placing, from time to time by OST, of collateralized time deposits, commonly known as Certificate of Deposit (CDs) with Bank. It shall constitute a continuing agreement until cancelled in writing by either party with thirty (30) days’ notice.

Bank Name: _____ Rtg #: _____
Address: _____
Address: _____ Phone: () _____
City, State: _____ Fax: () _____
Zip: _____

2. **Definitions:**

- a. **“Account”** means a bank account owned by the Bank through which all principal and interest related to Certificates of Deposit will move.
- b. **“Cancellation”** means when a Bank requests that an existing General Fund CD not be Renewed (See par. 10 below).
- c. **“Certificate of Deposit”** or **“CD”** means the placement of funds by OST with the Bank under this Agreement which contains the promise by the Bank to pay interest to OST and to repay the principal sum of money to OST on the Maturity Date.
- d. **“Commitment Date”** means the day that OST and the Bank agree on the terms of a CD.
- e. **“Duration”** means the number of days between the Issue Date and the Maturity Date.
- f. **“General Fund CD”** means a Certificate of Deposit placed with a State Bank at competitive market rates, in which the interest earned from these deposits is returned to the State’s General Fund.
- g. **“Issue Date”** means the day funds are actually transferred from OST to the Bank.
- h. **“Linked Deposit Program”** means the statutorily authorized programs administered by OST that is divided into three programs: The Agricultural Linked Deposit Program (2 O.S.2001, §§1761 et seq.), the Small Business Linked Deposit Program (62 O.S.2001, §§88.1 et seq.), and the Rural and Affordable Housing Linked Deposit Program (62 O.S. Supp. 2002, §§91.1 et seq.). Portions of these programs are funded using Certificates of

Deposit placed in State Banks by OST for typically one or two years. More detailed information may be obtained by contacting OST's Linked Deposit department.

- i. **“Maturity Date”** means the date on which OST's funds placed in a CD must be repaid to OST.
 - j. **“New Certificate of Deposit”** means the initial issue of a CD.
3. **Collateral:** The Bank agrees to comply with all OST administrative rules applicable to deposit collateral as well as the state statutes. Sufficient collateral will be pledged and in place before an application for CD funding is processed.
 4. **Interest Rates:** The interest rate for General Fund CDs will be the rate in effect on the Commitment Date. Interest rates for Linked Deposit CDs are determined by the OST Linked Deposit Department using the published Guidelines for the Linked Deposit Programs.
 5. **Interest Calculation:** Interest will be calculated on a 360 day basis.
 6. **Requests for Certificate of Deposit:**
 - a. **General Fund Certificates of Deposit (New CD):** A Bank wishing to obtain the initial funding for a General Fund Certificate of Deposit will contact the OST CD Desk and request funding. Once the OST CD Desk and the Bank have agreed upon the terms of the CD (Interest Rate, Issue Date, Maturity Date and Par Amount), the OST will complete its portion of the form (“Request for State of Oklahoma Certificate of Deposit”) and fax it to the Bank which will copy it onto the Bank's letterhead and sign in the appropriate sections. The Bank will then fax the completed request back to the OST CD Desk at 405.522.0056.
 - b. **Linked Deposit Certificate of Deposit:** Requests for this type of CD will be handled through the OST Linked Deposit Department under the published Guidelines for the Linked Deposit Programs.
 7. **Commitment Date:**
 - a. **General Fund Certificates of Deposit:** The Commitment Date for this type of CD is the day that the *OST CD Desk and the Bank* agrees on the terms of a CD. This is not to be confused with Issue Date (See par. 9 below). The Commitment Date will be a minimum of three (3) business days prior to the agreed upon Issue Date for a General Fund CD. The Bank must contact OST with its request before 3:00 P.M. or the Commitment date rolls forward to the next business day. Important: The interest rate for a request received after the 3:00 P.M. cutoff will still receive the interest rate in effect for the balance of that day, even though the Commitment Date has moved to the next business day. A Confirmation is sent to the Bank by OST on this date.

- b. Linked Deposit Certificates of Deposit:** The Commitment Date for this type of CD is the day that the *OST Linked Deposit Department and the Bank* agree on the terms of a CD. This is not to be confused with Issue Date (See par. 9 below). The Commitment Date will be a minimum of three (3) business days prior to the agreed upon Issue Date for a Linked Deposit CD.
8. **Advance Notice Required to Issue or Cancel:** Any change of CD status will require a three (3) business day notice to OST in order to become effective on the morning of the fourth day. This applies to new issues, early cancellations and cancellations to prevent the automatic rollover of an existing CD. OST has instituted a 3:00 P.M. cutoff time each day for a change in CD status on the morning of the fourth day. **Example: A Bank, with a CD maturing on Thursday, decides that it does not want to renew its CD. The Bank must call OST three (3) business days prior to maturity date to prevent the CD from being renewed. In this particular case, the Bank would need to call OST on Monday prior to 3:00 P.M.**
9. **New Certificates of Deposit:** New General Fund CDs will be issued for periods of either 90 or 180 days, subject to the Oklahoma State Treasurer Certificate of Deposit Policy Statement. Interest rates will be established as outlined in this Policy. All Requests for new CDs must be received by 3:00 P.M. at least three (3) business days prior to the desired Issue Date of the new CD. The interest rate will be the rate in effect on the day of the request which shall also be the Commitment Date. **Example: The request for a new CD received on Monday by 3:00 P.M. will be issued on Thursday morning at whatever the prevailing rate was on Monday. A request received after the 3:00 P.M. cutoff time on Monday would move the Commitment Date to Tuesday and the Issue Date would move to Friday. The CD would be issued at the rate in effect on Monday.**
10. **Renewals:**
- a. General Fund CDs:** An existing General Fund CD reaching the end of the current 90 or 180 day period will be *automatically* replaced with a new CD which will be issued on the same date as the maturity of the old one (also known as a rollover). This will occur automatically unless notice of cancellation is received from the Bank a minimum of three (3) business days prior to maturity. At that time, a Request for Certificate of Deposit will be faxed to the Bank with the renewal terms completed. The Bank will have the appropriate officers sign the Request which will then be faxed to the OST CD Desk at 405.522.0056. It is the Bank's responsibility to notify OST of its intent not to renew at least three (3) business days prior to the Maturity Date, as stated in par. 8 above. Once a CD is renewed, any cancellation will be handled under the Early Cancellation provisions of this Agreement. The Principal amount and duration will remain the same. The issue date will coincide with the maturity date of the predecessor CD. The successor CD will be a new CD issued at the interest rate in effect three (3) business days prior to the Issue Date at the same par value as the maturing CD. **Example: A renewal CD issued to replace a CD maturing on Thursday will be entered into OST's systems on Monday using the interest rate in effect at that time.**

- b. **Linked Deposit CDs:** Renewals are not automatic (See par. 15 below) and will be handled in accordance with the published Guidelines for the Linked Deposit Programs.
11. **Early Cancellation:** The Bank or OST may request the termination of an existing CD prior to the Maturity Date. If the Bank requests early cancellation, OST may honor the request or refuse the request at the discretion of the State Treasurer. The earliest this can be accommodated is on the third business date after the request. The request must be received by OST by 3:00 P.M. OST may also request an early cancellation from the Bank. The Bank may honor or refuse such a request, however the State Treasurer reserves the right to cancel any or all Certificates of Deposit at any time without penalty in the event of a need or financial emergency, as the State Treasurer deems necessary.
12. **Movement of Funds:** OST and the Bank agree that all movements of principal and interest shall be the responsibility of OST and will be initiated by OST using the Automated Clearing House system (ACH). The Bank agrees to establish an account to be owned by the Bank and allow OST to move funds using ACH debits and credits as appropriate. The account will be funded by OST on the date of CD settlement by the Bank on CD maturity and by the Bank for CD interest when due. OST reserves the right to use the Fed Wire system at its discretion. If an ACH credit to fund a CD is returned in error by the Bank, interest will continue to accrue from the Issue Date. If an ACH debit to collect principal or interest is returned in error by the Bank, the Bank will be notified by OST to remit the funds plus interest at the daily rate of the CD in effect via Fed Wire to OST.
13. **Delivery Instructions:** The Bank will complete the attached schedule listing the delivery instructions for each account it establishes to receive funds. The list will include all accounts established for branches or subsidiaries of the parent executing this Agreement along with the appropriate routing numbers. The Bank assumes complete responsibility for the accuracy of all delivery instructions included in this Agreement. The attached schedule is made a part of this Agreement but can be amended in writing by the Bank. Such amendment should be executed by the same level of Officers signing this Agreement and shall be transmitted to OST by Certified Mail at the following address:
- Comptroller
Oklahoma State Treasurer's Office
2300 North Lincoln Blvd., Room 217
Oklahoma City, OK 73105-4895
14. **Confirmation of Terms:** On the Commitment date, the OST CD Desk and the Bank will agree to the terms of the CD to be issued. The form, Request for State of Oklahoma Certificate of Deposit will be completed by the Bank and OST, as outlined in Section 6a. This request/confirmation, along with other records of the Bank and OST, will constitute conclusive evidence of the deposit, accuracy of the terms and the consent of the Bank that the pledged collateral will secure the deposit.
15. **Linked Deposit CDs:** Historically, Linked Deposit Agreements, both Business and Agriculture, have had terms that were typically one to two years. These Linked Deposit

Commitments were funded utilizing a series of CDs with ninety (90) day maturities over the life of the Commitment. **Example: Eight CDs over a two year Package term.** In some cases, a Linked Deposit CD amount may be increased or decreased on a quarterly basis depending on the amount of funding needed. The CD will still generate interest on a quarterly basis, which will be funded into the Account by the Bank for collection by OST as outlined above. The exact quarterly interest payment dates will be listed in the Linked Deposit Certificate.

BANK

OKLAHOMA STATE TREASURER

Chairman/President/CEO

Deputy Treasurer

Date

Date

Cashier

Phone: 405.521.3191

Date

Phone

For OST Use:

Reviewed:

OST Bank#: _____

Sec Ops Mgr: _____

Date Received: _____

Comptroller: _____

**Oklahoma State Treasurer
Certificate of Deposit Operating Agreement
Schedule of Delivery Instructions**

<u>Parent Bank Name:</u>	<u>Address:</u>	<u>Routing #:</u>	<u>Account #:</u>
1. _____	Box #: _____	_____	_____
	Street: _____		
	City: _____	State: _____	Zip: _____
	Phone:** _____	FAX:** _____	
	Contact Person: _____		

****Please list the phone numbers of the employees who will deal with OST on a daily basis regard CD transactions. The FAX number above is where OST will transmit Confirmations.**

<u>Branch/Subsidiary Name:</u>	<u>Routing #:</u>	<u>Account #:</u>
2. _____	Box #: _____	_____
	Street: _____	
	City: _____	State: _____ Zip: _____
	Phone:** _____	FAX:** _____
	Contact Person: _____	
3. _____	Box #: _____	_____
	Street: _____	
	City: _____	State: _____ Zip: _____
	Phone:** _____	FAX:** _____
	Contact Person: _____	
4. _____	Box #: _____	_____
	Street: _____	
	City: _____	State: _____ Zip: _____
	Phone:** _____	FAX:** _____
	Contact Person: _____	
5. _____	Box #: _____	_____
	Street: _____	
	City: _____	State: _____ Zip: _____
	Phone:** _____	FAX:** _____
	Contact Person: _____	
6. _____	Box #: _____	_____
	Street: _____	
	City: _____	State: _____ Zip: _____
	Phone:** _____	FAX:** _____
	Contact Person: _____	

7. _____
Box #: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone:** _____ FAX:** _____
Contact Person: _____

8. _____
Box #: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone:** _____ FAX:** _____
Contact Person: _____

9. _____
Box #: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone:** _____ FAX:** _____
Contact Person: _____

10. _____
Box #: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone:** _____ FAX:** _____
Contact Person: _____

11. _____
Box #: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone:** _____ FAX:** _____
Contact Person: _____

12. _____
Box #: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone:** _____ FAX:** _____
Contact Person: _____

13. _____
Box #: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone:** _____ FAX:** _____
Contact Person: _____

14. _____
Box #: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone:** _____ FAX:** _____
Contact Person: _____

15. _____ Box #: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone:** _____ FAX:** _____
Contact Person: _____

16. _____ Box #: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone:** _____ FAX:** _____
Contact Person: _____

17. _____ Box #: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone:** _____ FAX:** _____
Contact Person: _____

18. _____ Box #: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone:** _____ FAX:** _____
Contact Person: _____

19. _____ Box #: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone:** _____ FAX:** _____
Contact Person: _____

The above listed Parent Bank is providing these electronic delivery instructions to OST in order that OST may transmit funds to and from the Bank-owned accounts listed above, utilizing either the Automated Clearing House system (ACH) or the Fed Wire system, at OST's option. OST may rely on the above instructions until they are changed or revoked in writing by the Parent Bank per the procedures outlined in the Certificate of Deposit Operating Commitment.

Chairman/President/CEO Date

Cashier Date

For OST Use:
CAPS Entry: _____ Date: _____
Reviewed: _____ Date: _____