



Promontory  
Interfinancial Network<sup>SM</sup>

WEDNESDAY'S  
News You Can Use

# Insured Cash Sweep Service & CDARS for Public Funds

Presented by: **Danny Capitel**



Carl Vinson  
Institute of Government  
UNIVERSITY OF GEORGIA



# Today's Presenter

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Danny Capitel is the Regional Director for the South Atlantic region at Promontory Interfinancial Network. He is responsible for growing and managing a portfolio of network banks within the region that utilize Promontory Network's suite of balance sheet management solutions. Mr. Capitel previously represented Bank Director Magazine where he established relationships with companies and organizations who marketed to the Community Bank's CEO, CFO and Board of Directors. He was Senior Vice President of National Accounts for Progeny Marketing Innovations/FISI Madison Financial and assisted banks in marketing to their retail customer segment.

Mr. Capitel began his career as an accountant in the private sector and moved to sales for Pitney Bowes and Dictaphone. Danny joined Promontory Interfinancial Network in September of 2004 when the company was a fledgling financial service and technology start-up. He has been instrumental in growing the company to be the largest deposit placement service provider in the country with 3,000 financial institutions in its network.

# Protecting Georgia Public Funds – Today's Expanded Deposit Options

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Presented by:

Danny Capitel, Managing Director  
Promontory Interfinancial Network

# Learning Objectives

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At the end of this session, you should be able to:

- Discuss the Insured Cash Sweep (ICS) service
- Recall when the deposit placement service became available for Georgia governments
- Identify the advantages to using ICS

# Seminar Agenda

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At the end of this session, you should be able to:

- Challenges facing government finance officers
- Typical cash management choices
- FDIC-insured cash management options—the law in Georgia for investment of public funds
- Examples of how government entities can use FDIC-insured deposit options
- What you need to know

# The Economic Landscape Today

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# Financial Stability is Top of Mind



**U.S. Budget Deficit to Top  
\$1 Trillion for Next Decade**

– nytimes.com, January 29, 2020

**U.S. economy expands modestly  
but trade tensions weigh, Fed  
survey shows**

– reuters.com, January 15, 2020

**Wall Street slumps as  
coronavirus spreads around  
the globe**

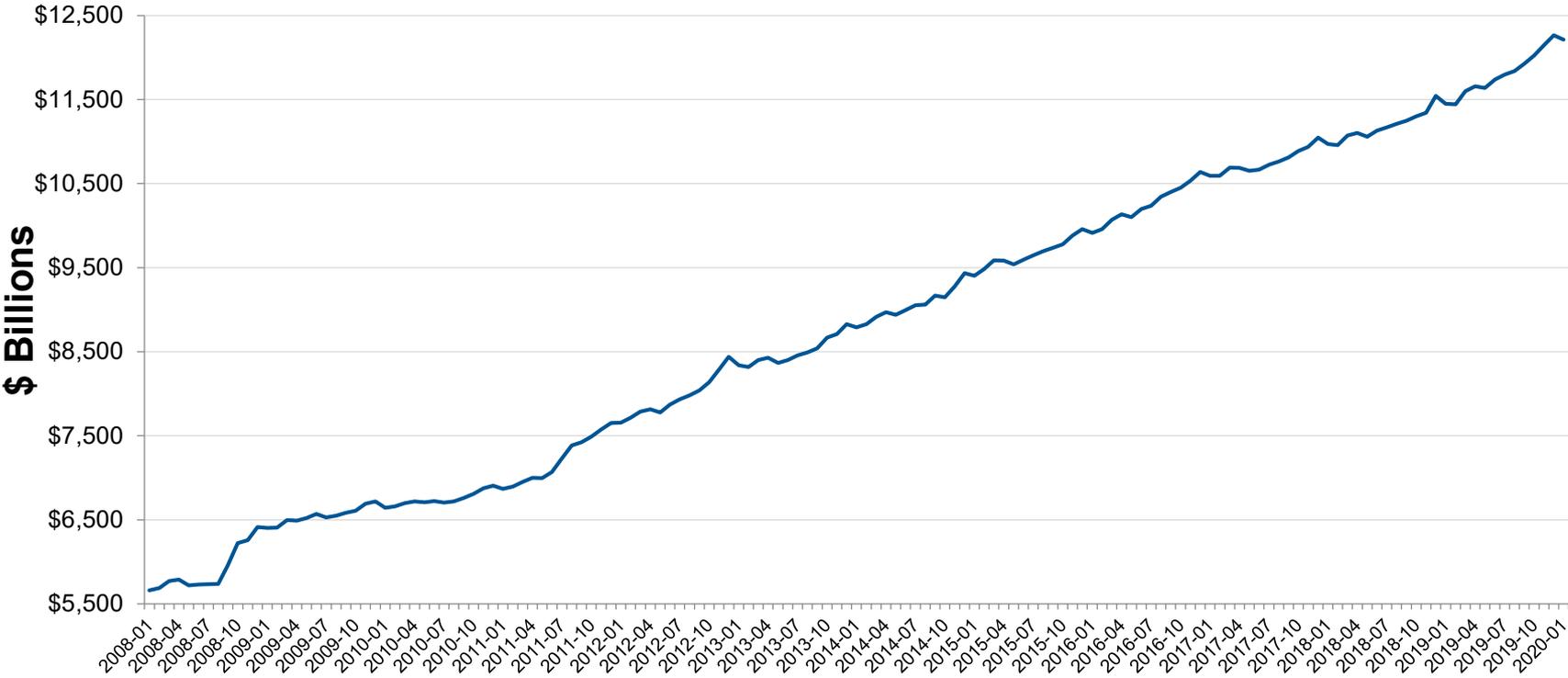
– ft.com, February 24, 2020

**Stock-market rout triggers scramble for safe  
havens**

– marketwatch.com, February 24, 2020

# Investors' Cash Holdings Remain Significant

## Bank Deposits



Sources: Board of Governors of the Federal Reserve System, H.8 Assets and Liabilities of Commercial Banks in the United States, (May 17, 2019), <http://www.federalreserve.gov/releases/h8/current>. These deposits are reported on a not seasonally adjusted basis Association of Financial Professionals.

# Government Organizations Require Security

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As you know ...

- Governments typically entrust depositories with millions of dollars in checking accounts, savings accounts, and certificates of deposit.
- The safety of public funds is paramount—so much so that government entities generally are required to protect their deposits through insurance, collateralization, or other means.



# Government Finance Officers Face Additional Challenges

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- Today, budgets are tighter and government entities are expected to do more with less.
- Government finance officers have to manage intermittent cash flows.
- Changes to money market mutual fund ( MMMF ) industry regulations require some MMMFs to report daily changes in asset values, which can complicate accounting or make certain MMMFs ineligible for consideration by government entities.
- Financial institution regulations related to bank capital requirements have resulted in government entity deposits becoming more expensive for certain banks and more desirable for others. This can affect the rates government entities are offered for deposits.

# Government Finance Officers Face Additional Challenges

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## Investment guidelines and requirements:

- Maximize investment returns while minimizing risk
- Preserve adequate liquidity
- Fully protect funds—most states require deposits to be collateralized or fully insured
- Keep funds local—government entities may be subject to statutes or may prefer to keep the full amount of their deposits in their own communities

In Georgia, the list of legally permitted temporary investments for local governments tends to be fairly conservative.

# Typical Cash Management Choices

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# Typical Cash Management Choices

Local governments in Georgia can temporarily deposit funds in time deposit accounts or certificates of deposit issued by a bank or trust company located and authorized to do business in Georgia.

## Interest-Bearing Time Deposit Accounts; Traditional CDs

### PROS

- Earn interest

### CONS

- Deposits over \$250,000 (the standard FDIC insurance maximum per insured capacity) are uninsured
- To access FDIC insurance greater than \$250,000, time spent opening multiple accounts, dealing directly with multiple banks
- Withdrawal limitations can restrict the availability of funds

# Typical Cash Management Choices

Local governments in Georgia can invest in U.S Treasuries, obligations of U.S. agencies, bonds or certificates of indebtedness of this state, and CDs of banks insured by the FDIC.

## Bonds\*, Notes\*, Treasury Bills

### PROS

- Safe
- Keeps funds local for Georgia and local government obligations

### CONS

- Low yield

\*Local government investment in the debt of other local governments is subject to the approval by the Office of the State Treasurer.

# Typical Cash Management Choices

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Local governments in Georgia can deposit funds in investment pools. Market risk is taken by the investment pool, not the municipality.

## Approved Cooperative Investment Pools

### PROS

- Pools are liquid (primarily short-term paper and cash)

### CONS

- Funds may not remain local

# Typical Cash Management Choices

## Repurchase Agreements and Collateralized Deposits

### PROS

- Provide security
- May earn interest (although the yield can be very low)
- Repurchase agreements offer unlimited withdrawals

### CONS

- Resources needed to track and mark to market changing collateral values on an ongoing basis
- Risk potential due to changing value of pledged collateral
- Reliance on issuer's credit
- May have to include a footnote on financial statements about collateral
- Banks without collateral will not bid for public funds, making it more difficult to keep funds local
- Collateralized deposits typically have a daily withdrawal limit

# FDIC-Insured Cash Management Options

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# Public Deposits in Georgia

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Signed into law by Governor Kemp, Georgia allows public agencies to invest their funds through banks or thrifts using insured deposits.

Investments must initially be made at or through a bank located in or authorized to do business in the state of Georgia.



# Public Deposits in Georgia

## OFFICIAL CODE OF GEORGIA

### Ga. Code § 45-8-14.1

**(a)** For the purposes of this chapter, funds shall be considered to be held by a depository, regardless of whether or not such funds are subsequently distributed among one or more federally insured banks or savings and loan associations, provided that:

**(1)** The funds are initially deposited in a depository whose deposits are insured by the Federal Deposit Insurance Corporation;

**(2)** Such depository arranges for depositing the funds in one or more federally insured banks or savings and loan associations insured by the Federal Deposit Insurance Corporation, wherever located;

**(3)** The full amount of the principal and accrued interest of each financial deposit instrument is insured by the Federal Deposit Insurance Corporation; and

**(4)** Any third-party service provider facilitating the placement of deposits in accordance with this Code section is approved by the State Depository Board.

**(b)** Pursuant to Code Section 50-17-53 and the other powers of the State Depository Board, the State Depository Board shall establish policies and procedures related to the approval of third-party service providers and the ongoing monitoring of participation in deposit placement programs in accordance with this Code section. The State Depository Board shall establish such policies and procedures no later than December 31, 2019.\*

\*The State Depository Board has approved the application of Promontory Interfinancial Network to act as a service provider in accordance with Code Section 45-8-14.1.



# Knowledge Check

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When did the new Deposit Placement Service option become available for Government Finance Officers in Georgia?

- A. 2017
- B. 2018
- C. 2019
- D. 2020

# Investment Policy

## Sample Investment Policy Language

**ICS**  
INSURED CASH SWEEP

**CDARS**

**Proposed Addition to Investment Policy Guidelines to Authorize Public Unit Depositors to Place Surplus Funds through ICS**

Typically the investment policy guidelines of government entities include a list of the types of investments that are permitted under the public investment statutes of the state. Although the statutes themselves do not identify ICS by name, many of the statutes were amended (or in a few cases interpreted by regulation or ruling) with reference to either (1) a type of investment that would be permitted under the law.

In order to clarify and update the investment policy guidelines of counties, cities, municipalities, school districts, and other local jurisdictions, it would be useful for the list of authorized investments to include something along the following lines:

"Section \_\_\_. Savings accounts placed in a main office or a branch office in order to place the funds in federally insured Cash Sweep service (ICS)."

**ICS** | **CDARS**  
INSURED CASH SWEEP

**Proposed Addition to Investment Policy Guidelines to Authorize Public Unit Depositors to Place Surplus Funds through CDARS® and/or ICS™**

Typically, the investment policy guidelines of government entities include a list of the types of investments that are permitted under the public investment statutes of the state. Although the statutes were amended with reference to either CDARS or ICS, many of the statutes were amended with reference to either CDARS or ICS.

In order to clarify and update the investment policy guidelines of counties, cities, municipalities, school districts, and other local jurisdictions, it would be useful for the list of authorized investments to include something along the following lines:

"Section \_\_\_. Certificates of deposit obtained through a depository institution that has a main office or a branch office in this state and that contractually agrees to place the funds in federally insured depository institutions through the Certificate of Deposit Account Registry Service, or CDARS."

**CDARS**

**Proposed Addition to Investment Policy Guidelines to Authorize Public Unit Depositors to Place Surplus Funds through CDARS®**

Typically, the investment policy guidelines of government entities include a list of the types of investments that are permitted under the public investment statutes of the state. Although the statutes themselves do not identify CDARS by name, many of the statutes were amended (or in a few cases interpreted by regulation or ruling) with reference to this service as the type of investment that would be permitted under the law.

To clarify and update the investment policy guidelines of counties, cities, municipalities, school districts, and other local jurisdictions, it would be useful for the list of authorized investments to include something along the following lines:

"Section \_\_\_. Certificates of deposit obtained through a depository institution that has a main office or a branch office in this state and that contractually agrees to place the funds in federally insured depository institutions through the Certificate of Deposit Account Registry Service, or CDARS."

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# A Big Win for Public Entities and Georgia Banks

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What does the law in Georgia mean for public entities and banks who do business in Georgia?

- Through one bank relationship, public entities can place large deposits through services that offer access to multi-million-dollar FDIC insurance; deposits can be placed into demand deposit accounts, money market deposit accounts, and CDs.
- Access to FDIC insurance on deposits placed through such services eliminates the need for ongoing collateralization—a benefit for both the public entity and the bank. Banks can repurpose collateral which reduces collateral-tracking burdens and associated costs (and may result in the bank’s willingness to bid higher rates).
- Earn returns that often compare favorably to Treasuries and money market alternatives.

# FDIC-Insured Choices

## Insured Deposit Sweep Services

### PROS

- May provide access to multi-million-dollar FDIC insurance (limits vary widely by program)
- Users can forego the hassles of requiring and monitoring collateralization on an ongoing basis
- Not subject to floating net asset values, liquidity fees, or MMMF redemption gates
- Offers operational efficiencies and prime-like returns with a Treasury- or federal government-like risk profile

### CONS

- May have some withdrawal limits (withdrawal limits vary by provider)

# How One Insured Deposit Sweep Service Works

Promontory Interfinancial Network's ICS<sup>®</sup>, or Insured Cash Sweep<sup>®</sup>, service is an example of a deposit sweep service that provides access to FDIC insurance on deposits placed into demand deposit accounts, money market deposit accounts, or both. This service offers the advantages of working with a single financial institution and receiving consolidated statements.



[1] The ICS demand option, where funds are placed into demand deposit accounts, allows for unlimited program withdrawals. The ICS savings option, where funds are placed into money market deposit accounts, allows up to six program withdrawals per month.

[2] Financial institutions that offer ICS are members of the ICS Network.

# Knowledge Check

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What do the initials ICS stand for?

- A. Institutional Cash Services
- B. Insured Cash Services
- C. Independent Cash Supplement
- D. Incomplete Casual Separation

# ICS Sample Statements

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DEMAND AND SAVINGS VERSION

Best Deale Bank  
123 Main Street  
Anytown, US 12345



Member FDIC

Contact Us  
1-855-123-4567  
contact@bestdealebank.com  
www.bestdealebank.com

Account  
Sample School District

Date  
10/31/2019

Page  
1 of 4

ICS Monthly Statement

The following information is a summary of activity in your ICS® account(s) for the month of October 2019 and the list of FDIC-insured institution(s) that hold your deposits as of the date indicated. These deposits have been placed by us, as your agent and custodian, in deposit accounts through the ICS, or Insured Cash Sweep®, service.

Custom text may be added here.

Account ID	Deposit Option	Interest Rate	Opening Balance	Ending Balance
*****123	Demand	1.50%	\$1,360,086.25	\$1,840,169.17
*****456	Savings	1.86%	3,074,184.30	3,078,556.70
<b>TOTAL</b>			<b>\$4,434,270.55</b>	<b>\$4,918,725.87</b>

Date  
10/31/2019

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2 of 4

DETAILED ACCOUNT OVERVIEW  
Account ID: \*\*\*\*\*123  
Account Title: Sample School District

Account Summary - Demand			
Statement Period	10/1-10/31/2019	Average Daily Balance	\$1,276,863.40
Previous Period Ending Balance	\$1,360,086.25	Interest Rate at End of Statement Period	1.10%
Total Program Deposits	1,041,901.07	Statement Period Yield	1.11%
Total Program Withdrawals	(663,011.50)	YTD Interest Paid	3,949.04
Interest Capitalized	1,193.35	YTD Taxes Withheld	0.00
Taxes Withheld	(0.00)		
<b>Current Period Ending Balance</b>	<b>\$1,840,169.17</b>		

Date	Activity Type	Amount	Balance
10/01/2019	Deposit	\$188.85	\$1,960,273.10
10/01/2019	Withdrawal	(13,923.92)	1,946,349.18
10/02/2019	Withdrawal	(2,846.18)	1,943,503.00
10/03/2019	Withdrawal	(182.96)	1,943,320.04
10/04/2019	Withdrawal	(120,283.16)	1,223,036.88
10/07/2019	Withdrawal	(35,027.69)	1,188,009.19
10/08/2019	Withdrawal	(47,784.92)	1,140,224.27
10/09/2019	Deposit	4,355.56	1,144,579.83
10/10/2019	Withdrawal	(6,132.60)	1,138,447.23
10/11/2019	Withdrawal	(3,593.04)	1,134,854.19
10/15/2019	Withdrawal	(4,357.52)	1,130,496.67
10/16/2019	Deposit	198,195.00	1,328,691.67
10/17/2019	Withdrawal	(3,296.84)	1,295,394.83
10/18/2019	Withdrawal	(153,246.52)	1,142,148.31
10/21/2019	Withdrawal	(96,453.45)	1,045,694.86
10/22/2019	Deposit	52,072.38	1,097,767.24
10/23/2019	Deposit	242,458.00	1,340,225.24
10/24/2019	Withdrawal	(27,276.06)	1,312,949.18
10/25/2019	Withdrawal	(1,309,569.22)	1,003,380.00
10/28/2019	Withdrawal	(9,963.65)	1,299,605.57
10/29/2019	Deposit	544,633.28	1,844,238.85
10/30/2019	Withdrawal	(4,025.33)	1,840,203.52
10/31/2019	Withdrawal	(1,233.70)	1,838,975.82
10/31/2019	Interest Capitalization	1,193.35	1,840,169.17

FDIC-insured Institution	City/State	FDIC Cert No.	Balance
Inherent Savings Bank	Kensdown, MD	**001	\$348,215.56
First Eagleville Bank	Clarksville, WV	**002	124,023.77

City/State	FDIC Cert No.	Balance
ingtown, MI	**003	245,228.99
inesburg, OK	**004	245,228.99
inchester, PA	**005	245,036.20
lanta, GA	**006	245,062.54
ing, WA	**007	245,228.99
inghis, TN	**008	245,015.05
looch, CA	**009	127.08

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City/State	FDIC Cert No.	Balance
endall, WI	**010	\$245,345.65
gdenotown, IA	**011	245,345.65
laco, AZ	**012	245,305.91
lanson City, NV	**013	134,286.71
lrandos, FL	**014	202.89
llevogue, OR	**015	245,345.65
lurior Bell, RI	**016	245,305.29
lulus, TX	**017	245,345.65
lideside, NJ	**018	245,345.65
lome, AR	**019	245,345.65
lortha, MS	**020	245,345.65
lroads, OH	**021	245,345.65
lrew York, NY	**022	245,345.65
lryn, MA	**023	245,345.65

019	Average Daily Balance	\$3,074,359.46
1.30	Interest Rate at End of Statement Period	1.66%
3.25	Statement Period Yield	1.67%
1.00	YTD Interest Paid	45,748.39
7.15	YTD Taxes Withheld	0.00
(00)		

Amount	Balance
\$35.25	\$3,074,219.55
4,337.15	3,078,556.70

CONTAINS CONFIDENTIAL INFORMATION ICS and Insured Cash Sweep are registered service marks of Promontory Interfinancial Network, LLC.

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# Knowledge Check

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Insured Cash Sweep provides access to Full Faith and Credit of the US Government through FDIC Insurance?

- A. True
- B. False

# ICS – Depositor Control Panel

The online Depositor Control Panel provides your customers with 24/7 access to important account-related details.

View all customer accounts from DCP home page

Grant account access to multiple individuals

Check ICS balances

View transaction history

Review and manage proposed placements

Keep track of monthly program withdrawals (ICS savings option only)

[www.DepositorControl.com](http://www.DepositorControl.com)

**Welcome to the ICS® Depositor Control Panel**  
 Welcome to the Depositor Control Panel for ICS, the Insured Cash Sweep® service. Your funds have been placed by **Bear County Community Bank** through ICS into deposit accounts at depository institutions (each as a Destination Institution) that participate in the service.

Total Principal Balance: **\$92,352,706.85**  
 Total Accrued Interest: **\$12,174.96**

**My Accounts**

Account Title	Institution Transaction Account No.	ICS Deposit Option	Program Withdrawals	Rate %	Principal Balance	Accrued Interest
Sample Account Title 1	*****004	Savings	1 of 6	1.60	\$83,352,706.85	\$11,027.21
Sample Account Title 2	*****008	Demand	N/A	1.55	\$9,000,000.00	\$1,147.75

**Sample Account Title 1**

Transaction Account No.: \*\*\*\*\*004  
 Account Type: Savings  
 Principal Balance: \$83,352,706.85  
 Accrued Interest: \$11,027.21  
 Interest Rate: 1.60%  
 Program Withdrawals Used: 1 of 6 used for October 2019

**CURRENT BALANCES**

Current as of the completion of settlement on 10/03/2019

Destination Institution	City, State	Transit Routing Number	FDIC Certificate	Principal Balance	Accrued Interest
Loring Savings Bank	Fresno, California	*****001	**011	\$245,000.00	\$32.22
First Bank of Ogdentown	Honolulu, Hawaii	*****002	**022	\$245,000.00	\$32.22



# Knowledge Check

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What are the advantages to using ICS?

- A. Access to FDIC Insurance up to \$185 mm
- B. No longer have to track collateral value
- C. Peace of Mind
- D. Keeping your funds local
- E. All of the above

# FDIC-Insured Deposit Choices

## CDARS<sup>®</sup>, Certificate of Deposit Account Registry Service<sup>®</sup>

### PROS

- Deposits are placed in CDs and provide access to multi-million-dollar FDIC insurance through a single bank relationship
- Enables users to forego the hassles of requiring and monitoring collateralization on an ongoing basis

### CONS

- Less liquid, although CDs can be laddered to create some flexibility

# How CDARS Works

CDs placed through CDARS also offer depositors access to multi-million-dollar FDIC insurance while working directly with one bank. The depositor can receive coverage through many banks while working directly with just one institution. And, the depositor receives one easy-to-read statement summarizing all of the depositor's CDARS holdings.

**Depositor invests \$5,000,000 through a CDARS Network\***



**21 CDs under \$250,000 are issued by 21 network banks**

The standard FDIC insurance maximum is \$250,000 per insured capacity, per bank.

\* Financial institutions that offer CDARS are members of the CDARS Network.

# FDIC-Insured Choices – Example 1

A county government has \$15 million to invest. It needs to keep its investment secure and also to plan for intermittent cash flows.

The government financial officer uses a competitive bidding process to obtain rates from several local banks. The bid is won by a local bank that offers ICS and CDARS.



# FDIC-Insured Choices – Example 1 (cont'd)

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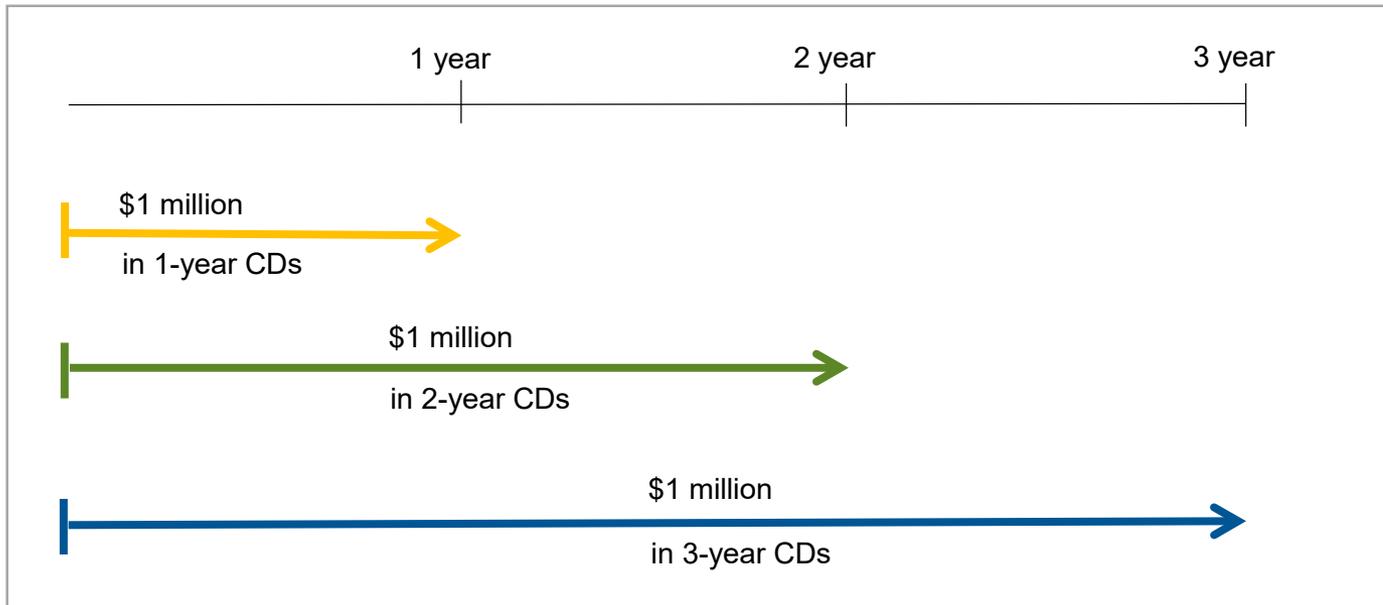
The bank places \$12 million of the county's funds using ICS to meet its safety and liquidity needs.

And, it uses CDARS to ladder CD maturities for the remaining \$3 million to match the county's desire to earn CD-level interest (which often compares favorably to Treasuries) and its investment mandate requiring FDIC insurance.

In summary, the county accesses \$15 million of FDIC insurance while working directly with one local bank. And the use of both ICS and CDARS helps it to meet its cash-flow needs while earning returns and supporting lending in the local community.

# FDIC-Insured Choices – Example 1 (cont'd)

In this example, the county invests \$1 million in each of three CD maturities so that it has access to \$1 million at the end of every year.



# FDIC-Insured Choices – Example 2

A school district had historically collateralized all of its deposits at a local bank with Treasuries and bonds. As a result, the school district was responsible for continuing to monitor whether the pledged assets maintained sufficient value to cover the full value of its deposits.

- Once the school board approved the use of ICS and CDARS, funds were deposited at a local bank using CDARS for longer-term investments and using ICS for shorter-term funds.
- With ICS and CDARS, the school district was able to make constant collateral tracking a thing of the past, saving time and freeing its bank's funds for local lending.



# Selection Criteria

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When working with your bank to choose a insured deposit option, it is vital to choose wisely. Below are some criteria to consider.

## Due Diligence (research and inquire)

- Organizational stability—company reputation, financial stability, quality, and thought leadership of senior management and board of directors

## Confidentiality and Integrity

- How is my information protected?

## Third-Party Independent Validation

- Industry endorsements
- Security assessments & audits (e.g., penetration testing, secure software development & verification, and SSAE 16 SOC 1)



# Selection Criteria

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When working with your bank to choose a insured deposit option, it is vital to choose wisely. Below are some criteria to consider.

## Due Diligence (research and inquire)

- Organizational stability—company reputation, financial stability, quality, and thought leadership of senior management and board of directors

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# Update Your Bid or RFP Requests

To simplify your financing efforts, modify your RFP process to include language indicating that you will accept bids utilizing the new authority.

- Add the new options to your RFP forms.
- Over time, these options may increase the number and quality of bids received.

For example:

City of Anytown, USA  
Request for Investment Bid  
Bid information (to be filled out by bank/broker)

Type of investment:

<input checked="" type="checkbox"/>	ICS
<input checked="" type="checkbox"/>	CDARS
<input type="checkbox"/>	Treasury Bill
<input type="checkbox"/>	Government Agency Note

# To Learn More

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Danny Capitel

Regional Director

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# Disclosures

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Placement of funds through the ICS or CDARS service is subject to the terms, conditions, and disclosures in the service agreements, including the applicable Deposit Placement Agreement ("DPA"). Limits apply and customer eligibility criteria may apply. In the ICS savings option, program withdrawals are limited to six per month. Although funds are placed at destination banks in amounts that do not exceed the FDIC standard maximum deposit insurance amount ("SMDIA"), a depositor's balances at the relationship institution that places the funds may exceed the SMDIA (e.g., before ICS or CDARS settlement for a deposit or after ICS or CDARS settlement for a withdrawal) or be ineligible for FDIC insurance (if the relationship institution is not a bank). As stated in the DPA, the depositor is responsible for making any necessary arrangements to protect such balances consistent with applicable law. If the depositor is subject to restrictions on placement of its funds, the depositor is responsible for determining whether its use of ICS or CDARS satisfies those restrictions. When funds are exchanged on a dollar-for-dollar basis with other banks in the ICS or CDARS Network, a Network member can use the full amount of a deposit placed through ICS or CDARS for local lending, satisfying some depositors' local investment goals or mandates. Alternatively, with a depositor's consent to certain types of ICS and CDARS transactions, the member institution may choose to receive fee income instead of deposits from other members. Under these circumstances, deposited funds would not be available for local lending. ICS, Insured Cash Sweep, Certificate of Deposit Account Registry Service, and CDARS are registered service marks of Promontory Interfinancial Network, LLC.

# Appendix

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# Testimonials from ICS and CDARS Public Fund Customers

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“ Upon joining the county treasurer’s office, I was intrigued to learn that a portion of the county’s funds were placed through CDARS. I quickly appreciated the security and ease of placing large deposits through a single bank while keeping the money FDIC insured, and have since added the ICS service, as well. CDARS and ICS free up the capital of smaller banks to finance community growth while still allowing them to accept our larger deposits. We can support the prosperity of the community while investing the taxpayers’ money competitively and safely through a community bank. A winning combination. ”

**Carla J. Manning**  
Payne County Treasurer  
Stillwater, OK

“ I have found participation in the CDARS [service] to be simple and a time saver. We earn very competitive interest rates on our investments while freeing up staff time. We were in the CDARS [service] during our last audit and passed with flying colors! ”

**Christine J. Johnson**  
Treasurer  
DeKalb County, IL

# Testimonials from ICS and CDARS Public Fund Customers

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“ We face the important, but cumbersome task of making certain that our deposits are eligible for protection. To do so, we required our bank to pledge millions of dollars of collateral. It was our responsibility to track the changing values of that collateral every day. Now, thanks to Capitol Bank, we discovered ICS. By placing our funds through ICS, our funds are eligible for FDIC protection beyond \$250,000 and earn interest—both of which really benefit us and local taxpayers. The best part is that Capitol Bank can use our deposits to fund local lending and economic growth. And the recurring burden of tracking collateral values is gone. The service is truly a benefit for us.”

**Cindy Engelke**  
Finance Director  
Verona, WI

“ With ICS, our town can access multi-million-dollar FDIC insurance protection, as well as earn interest. Plus, our bank can make these funds available for investment within the local community.”

**Stan Harmon**  
Finance Director  
Bar Harbor, ME

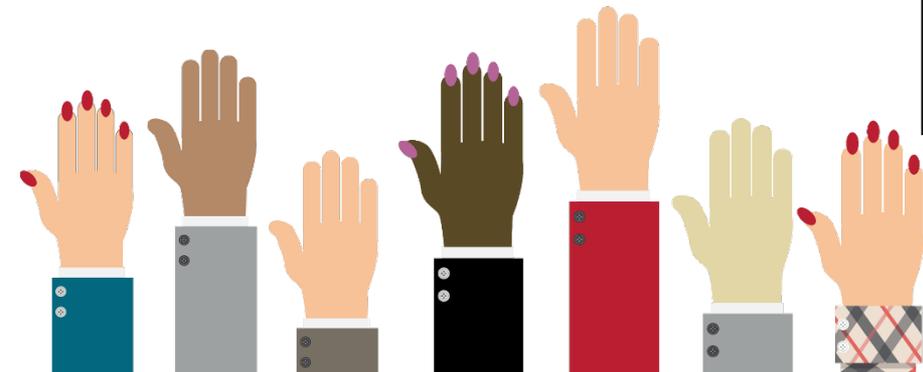
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# QUESTIONS?



Danny Capitel, Regional Director  
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1300 17<sup>th</sup> Street North, Suite 1800  
Arlington, VA 22209  
Phone: 770/630-6796  
Toll-Free 866-776-6426 ext. 3476  
e-mail: [dcapitel@promnetwork.com](mailto:dcapitel@promnetwork.com)



# Thank You!



Carl Vinson  
Institute of Government  
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