

Colorado Revised Statutes

§ 24-75-603. Depositories

(4) In lieu of or in addition to other statutory authorization for the investment of public funds, any public funds that are not needed for current operating expenses may be invested in accordance with the following conditions:

(a) The public funds shall initially be placed by the public entity in a bank or savings and loan association located in this state that is an eligible public depository certified by the state banking board or the state financial services board that offers federal deposit insurance corporation insurance on its deposits;

(b) The selected eligible public depository simultaneously shall arrange for the redeposit of any public funds initially placed in such eligible public depository that are in excess of the amount insured by the federal deposit insurance corporation, or its successor, in one or more deposit accounts fully insured by the federal deposit insurance corporation in one or more other banks or savings and loan associations wherever located in the United States, for the account of the public entity;

(c) On the same date that the public funds are redeposited, the eligible public depository shall receive an amount of deposits from customers of other banks or savings and loan associations equal to the amount of the public funds initially placed by the public entity;¹

(d) Each such deposit account must be insured by the federal deposit insurance corporation;

(e) The selected eligible public depository shall act as custodian for the public entity with respect to the deposit in the public entity's account;

(f) Public funds invested in accordance with paragraphs (a) to (e) of this subsection (4) are not subject to the collateralization, requirements, or restrictions of article 10.5 of title 11, C.R.S., except for certification as an eligible public depository as provided in paragraph (a) of this subsection (4); and

(g) Banks and savings and loan associations that accept public funds for the purposes of investing them in accordance with paragraphs (a) to (e) of this subsection (4) are not subject to the additional requirements or restrictions of article 10.5 of title 11, C.R.S., except for certification as an eligible public depository as provided in paragraph (a) of this subsection (4).

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¹ Highlight added editorially; participating banks should take note that the rule requires the bank to take reciprocal deposits in order to qualify under these provisions.