

# REICH & TANG

## Kansas Statutes

### **§ 12-1675 Investment of public moneys by governmental subdivisions, units and entities; conditions and limitations; reciprocal deposit programs.**

(a) The governing body of any county, city, township, school district, area vocational-technical school, community college, firemen's relief association, community mental health center, community facility for people with intellectual disability or any other governmental entity, unit or subdivision in the state of Kansas having authority to receive, hold and expend public moneys or funds may invest any moneys which are not immediately required for the purposes for which the moneys were collected or received, and the investment of which is not subject to or regulated by any other statute.

(b) Such moneys shall be invested only:

(2) in savings deposits, time deposit, open accounts, certificates of deposit or time certificates of deposit with maturities of not more than two years: (A) In banks, savings and loan associations and savings banks, which have main or branch offices located in such investing governmental unit; or (B) if no main or branch office of a bank, savings and loan association or savings bank is located in such investing governmental unit, then in banks, savings and loan associations and savings banks, which have main or branch offices in the county or counties in which all or part of such investing governmental unit is located;

[text omitted]

(f) Public moneys deposited pursuant to subsection (b)(2) of K.S.A 12-1675, and amendments thereto, by the governing body of any governmental unit listed in subsection (a) of K.S.A. 12-1675, and amendments thereto, through a selected bank, savings and loan association or savings bank which is part of a reciprocal deposit program in which the bank, savings and loan association or savings bank:

(1) Receives reciprocal deposits from other participating institutions located in the United States in an amount equal to the amount of funds deposited by the municipal corporation or quasi-municipal corporation;<sup>1</sup> and

(2) for which the total cumulative amount of each deposit does not exceed the maximum deposit insurance amount for one depositor at one financial institution as determined by the federal deposit insurance corporation.

Such deposits shall not be treated as securities and need not be secured as provided in this or any other act.

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<sup>1</sup> 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.

*\*Please note that similar authority for the director of investments to place deposits of state moneys exists in Section 75-4237 of the Kansas Statutes.*

**§ 9-1407 Exemption of security for insured portion of public deposits; reciprocal deposit programs.**

(a) That portion of any deposit of public moneys or funds which is insured by the federal deposit insurance corporation, or its successor, need not be secured as provided in this act.

(b) Public moneys or funds deposited by a municipal corporation or quasi-municipal corporation through a selected bank, savings and loan association or savings bank which are part of a reciprocal deposit program in which the bank, savings and loan association or savings bank:

(1) Receives reciprocal deposits from other participating institutions located in the United States in an amount equal to the amount of funds deposited by the municipal corporation or quasi-municipal corporation;<sup>2</sup> and

(2) for which the total cumulative amount of each deposit does not exceed the maximum deposit insurance amount for one depositor at one financial institution as determined by the federal deposit insurance corporation.

Such deposits shall not be treated as securities and need not be secured as provided in this act.

**§ 75-4237. Investment accounts; procedure; market rate; exceptions; reciprocal deposit programs.**

(d) The director of investments may place deposits through a selected bank, savings and loan association or savings bank which is part of a reciprocal deposit program...

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<sup>2</sup> See Note 1, *supra*