



Minnesota Statutes

Section 427.06 Money, How deposited, Checks, How drawn

- (b) In addition to the authority for deposit of city money pursuant to paragraph (a) or other provisions of this chapter, the city treasurer may deposit city money in a designated depository in accordance with the following conditions:
- (1) The designated depository is authorized by the city treasurer to (i) arrange for the redeposit of the money into deposit accounts in one or more banks, savings and loan associations, or credit unions that are located in the United States, and (ii) serve as custodian for the city with respect to the money redeposited into such accounts.
 - (2) The full amount of the redeposited city funds, plus accrued interest, if any, must be insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund. Any entity serving as subcustodian for the designated depository shall have had at least five years' experience serving in that capacity.

**Please note that similar provisions of the Minnesota Statutes exist in the following sections:*

- Section 123B.14, subdivision 3 for school district money
- Section 366.01, subdivision 4 for town money
- Section 385.07 for county money
- Section 427.06 for city money

Disclaimer: Neither Reich & Tang nor any of its affiliates provides legal advice. You should consult with your own legal advisor.

Prepared January 2021