

Mississippi Code

§ 27-105-315. Qualification as depository

(1) Any financial institution in a county, or in an adjoining county where there is no financial institution in the county qualifying, whose accounts are insured by the Federal Deposit Insurance Corporation or any successors to that insurance corporation may qualify as a county depository, if the institution qualifies as a public funds depository under Section 27-105-5 or a public funds guaranty pool member under Sections 27-105-5 and 27-105-6. The qualified financial institution shall secure those deposits by placing qualified securities on deposit with the State Treasurer as provided in Section 27-105-5.

(2) Notwithstanding the foregoing, any financial institution whether or not meeting the prescribed ratio requirement whose accounts are insured by the Federal Deposit Insurance Corporation or any successors to that insurance corporation, may receive county funds in an amount not exceeding the amount that is insured by that insurance corporation and may qualify as a county depository to the extent of that insurance.

(3) For purposes of the foregoing subsection (2), a deposit or investment shall be within the amount that is insured by that insurance corporation if the deposit or investment is made on the following conditions:

(a) The financial institution arranges for the investment of the funds in interest-bearing accounts in one or more banks or savings and loan associations wherever located in the United States, for the account of the public depositor;

(b) The full amount of the principal and accrued interest of each such interest-bearing account is insured by the Federal Deposit Insurance Corporation;

(c) The financial institution acts as custodian for the public depositor with respect to the funds invested in the public depositor's account; and

(d) At the same time that such interest-bearing accounts are invested, the financial institution receives an amount of deposits from customers of other financial institutions located in the United States equal to or greater than the amount of the funds invested by the public depositor through the financial institution.¹

§ 19-9-29(c), paragraph 2. Investment of surplus funds

Any excess funds invested in certificates of deposit or interest-bearing accounts with county or state depositories under this section shall be secured in the manner required by Section 27-105-315. The proceeds of such certificates of deposit shall be immediately reinvested on the date of maturity in accordance with paragraphs (a), (b) and (c) of this section, unless the board of supervisors determines that such funds are required for current operation.

**Please note that provisions of the Mississippi Code similar to Section 19-9-29 exist in the following sections:*

- Section 21-33-323 for municipalities
- Section 27-105-365 for hospitals

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.

- Section 37-59-43 for school districts

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