

## South Dakota Codified Laws

### Title 4: Public Fiscal Administration

### Chapter 5: Custody and Investment of State Funds

**Section 4-5-6.1.** Investment of public funds not needed for current operating expenses-Conditions. 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:

(1) The public funds shall initially be placed by the public funds depositor in a bank located in this state which offers Federal Deposit Insurance Corporation insurance on its deposits;

(2) The selected bank shall arrange for the deposit of the public funds in one or more federally insured financial institutions wherever located in the United States, for the account of the public funds depositor;

(3) On the same date that the public funds are deposited pursuant to subdivision (2) of this section, the selected bank shall receive an amount of deposits from customers of other federally insured financial institutions equal to the amount of the public funds initially placed by the public funds depositor;<sup>1</sup>

(4) Each such deposit shall be insured by the Federal Deposit Insurance Corporation;

(5) The selected bank shall act as custodian for the public funds depositor with respect to the deposits placed in the depositor's account.

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

Prepared February 2014

---

<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.