**R628. Money Management Council, Administration.**

**R628-25. Conditions and Procedures for the Use of Reciprocal Deposits.**

**R628-25-1. Authority.**

This rule is issued pursuant to Subsections 51-7-17(4)(b) and 51-7-18(2)(b).

**R628-25-2. Scope.**

This rule applies to public treasurers who purchase reciprocal deposits and to qualified depositories providing reciprocal deposits.

**R628-25-3. Purpose.**

The purpose of this rule is to establish requirements for the investing of public funds in reciprocal deposits.

**R628-25-4. Definitions.**

For purposes of this rule, the following terms are defined in Section 51-7-3 of the Act and when used in this rule have the same meaning as in the Act:

(1) Council;

(2) Commissioner;

(3) Public funds;

(4) Public treasurer;

(5) Qualified depository, and;

(6) Reciprocal deposits.

**R628-25-5. General Rule.**

(1) A public treasurer may invest public funds in reciprocal deposits only through qualified depositories that use a deposit account registry service. The public funds placed with a qualified depository into reciprocal deposits does not apply toward the maximum public funds allotment for that qualified depository as described in Rule R628-11.

(2) Reciprocal deposits may only be initiated by qualified depository institutions and then re-deposited through a deposit account registry service as follows:

(a) in one or more FDIC insured depository institutions in amounts up to the relevant FDIC-insured deposit limit for a depositor in each depository institution; and

(b) in exchange for reciprocal FDIC-insured deposits made through the deposit account registry service to the qualified depository.

**R628-25-6. Insurance Requirements for a Deposit Account Registry Service.**

A deposit account registry service shall provide the public entity with proof of errors and omissions coverage equal to 5% of Utah public funds under management but not less than $1,000,000 nor more than $10,000,000 per occurrence.

**R628-25-7. Reporting Requirements.**

(1) A public entity shall file a written report with the Council of reciprocal deposits on or before July 31 and January 31 of each year for deposits held on June 30 and December 31 respectively.

(2) Within 10 days of the end of each month, each qualified depository institution holding reciprocal deposits on behalf of public treasurers shall file a report with the Commissioner of the total month-end amount of Utah public funds in reciprocal deposits initially deposited into the qualified depository institution and currently re-deposited in one or more FDIC insured depository institutions.

**KEY: public funds, qualified depository, reciprocal deposits**

**Date of Last Change: June 21, 2024**

**Authorizing, and Implemented or Interpreted Law: 51-7-17(4)(b); 51-7-18(2)(b)**