



County

Depository Bid Process

Informational Guide

This standardized form and informational guide is offered as a convenience to Mississippi public entities and financial institutions. Its use is not required under Mississippi statute. Parties are encouraged to review Section 27-105-5, Mississippi Code Ann. (1972), for state requirements governing depositories. While the Office of the State Treasurer (OST) is pleased to offer assistance in using this standardized form, review of completed forms by OST staff does not constitute approval of the content and the OST makes no warranties or representations as to the completeness or accuracy of the information included therein. In no event will the OST be responsible for damages of any nature whatsoever resulting from the use of or reliance upon the information provided between the public entities and financial institutions using this form. It is recommended to consult with your auditor should you have any questions regarding applicable law or governance related to your specific public entity when performing the depository bid process.

County Checklist

- 1. Set a timeline for completing the depository bid process to ensure banking institutions have ample time to review the form and respond by the deadline. *It is recommended to allow a minimum of three (3) weeks for banking institutions to respond.*
- 2. Download the County Depository Bid Form from the Office of the State Treasurer's website at www.treasury.ms.gov.
 - a. Personalize form by filling in specific county name in the appropriate blanks.
 - b. Under Section 13, complete the "Account Data" section to include statistics about current accounts.
 - c. Complete the "Account Services" section by selecting "Yes", "No", or "Interested" in the drop down box. Complete the "Monthly Average Volume" section by including statistics for each service. *Attach additional account statistics to form if needed before sending to the financial institutions.*
 - d. Add any additional services not listed on the form in the blanks provided under the "Account Services" column.
- 3. **Required at December Board Meeting:** The Board approves the bid notice. The Board may consider the approval of the bid form in some cases.
- 4. Determine which banking institutions are a Qualified State Depository by visiting the Office of the State Treasurer's website:
<http://www.treasury.ms.gov/Programs/Pages/Investments-Cash-Management.aspx>
- 5. Publish the "Notice to Bidders" in a local newspaper as required by *MS Code 27-105-305*. *Counties are required to publish bid notice in a local newspaper once for the initial bidding process.*
- 6. Send the depository bid packet to local qualified depositories as soon as the Notice to Bidders is published. *It is recommended to email the qualified depositories an electronic version of the bid form to allow the depositories to type in responses.*
 - a. Provide good contact information to banking institutions to assist in the process.
 - b. Direct the banking institutions to use the standardized proposal form and include the required attachments.
 - c. Provide the banking institutions any additional information requested that would be necessary for the institution to offer a qualified bid.
 - d. Time/Date stamp bids upon receipt.

- 7. **Recommended at the January Board Meeting:** The Board reviews the depository bids, but may also vote to review the bids at a subsequent meeting.
- 8. Complete the depository bid process when the contract ends or at a minimum of every two (2) years as required by *MS Code 27-105-305*.

Governing Law Summary

§ 27-105-305. Publication for bids to keep county funds; content of bids; acceptance of bid; election by board of supervisors to submit certain bids to State Treasurer to determine acceptance of bid; authority of State Treasurer upon receipt of bids from board of supervisors.

The board of supervisors at the regular December 1997 meeting, and annually thereafter or, in the discretion of the board of supervisors, every two (2) years thereafter, shall give notice to all financial institutions in its county whose accounts are insured by the Federal Deposit Insurance Corporation (or any successor thereto), by publication, that bids will be received from financial institutions at the following January meeting, or some subsequent meeting, for the privilege of keeping the county funds, or any part thereof, which notice shall refer by name to this article and it shall not be necessary to incorporate in the notice the provisions of this article; and at the January meeting, or a subsequent meeting as may be designated in the notice, as the case may be, the board of supervisors shall receive such bids or proposals as the financial institutions may make for the privilege of keeping the county funds, or any part thereof. The bids or proposals shall designate the kind of security as authorized by law which the financial institutions propose to give as security for funds, and the board shall cause the county funds and all other funds in the hands of the county treasurer to be deposited in the qualified financial institution or qualified institutions proposing the best terms and meeting the requirements provided in Section 27-105-315, having in view the safety of such funds. However, if a bank submits a bid or offer to the board of supervisors to act as a depository for the county and the bid or offer, if accepted, would result in a contract in which a member of the board of supervisors would have a direct or indirect interest, the board of supervisors may elect to not open or consider any bids received and submit the matter to the State Treasurer. Upon receipt of the bids received from the board of supervisors, the State Treasury shall open and consider the bids received, select a depository or depositories, make all decisions and take any action within the authority of the board of supervisors under this section relating to the selection of a depository or depositories, including:

- (a) The selecting and opening of accounts;
- (b) Approval of securities;
- (c) The transfer and deposit of funds between depositories; and
- (d) All other related functions.

If the board of supervisors elects to open and consider the bids or offers, it shall not open or consider any bid which, if accepted, would result in a contract in which a member of the board of supervisors would have a direct or indirect interest.

§ 27-105-307. When no bids submitted; board to readvertise.

When no bid is made by any qualified financial institution in the county or in the adjoining county to qualify as a depository at the January meeting, the board of supervisors shall re-advertise at some subsequent meeting for a depository and select same, in the manner provided by law.

§ 27-105-309. When banks in county fail to respond.

Any county failing to secure a county depository by the advertisement to the qualified financial institutions of the county and of the adjoining counties, shall readvertise at any subsequent meeting of the board of supervisors, and as soon as possible, for bids for a county depository. Such notice shall be published once a week for three (3) weeks in some newspaper published in the county, and in a daily newspaper in Jackson, Mississippi, and shall state that the proposal is open to any qualified financial institution in the state, and that financial institutions outside of the county shall have preference over county financial institutions.

§ 27-105-311. State Treasurer to aid in selection.

The clerk of the board of supervisors shall mail a copy of the notice provided for in Section 27-105-309 to the State Treasurer, who shall make efforts to have some qualified financial institution in the state submit bids for such depository.

§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.

§ 27-105-317. Commission of depository

A county depository must be issued a commission under Section 27-105-11 before receipt of county deposits.

To access the most current version of the statutes included in this document or to view statutes not listed, please visit <https://www.lexisnexis.com/hottopics/mscode/>.

Frequently Asked Questions

Am I required to use the standardized bid form when selecting a depository for my county?

It is highly recommended that you use the form as it was designed to best represent the needs that many counties require from depositories. The form is flexible and can be altered to best fit your needs. It is not required by law to use the form.

Are we required to post our bid in the newspaper?

Yes, you must post your bid in a local newspaper pursuant to *MS Code 27-105-305*. It is recommended to email the forms to possible bidders the same day. This will ensure they have adequate notice and will assist in a faster response.

How do I determine which banking institutions are qualified to bid?

All depositories approved by the Office of the State Treasurer can be found at:

<http://www.treasury.ms.gov/Programs/Pages/Investments-Cash-Management.aspx>

What amount of collateralization is required to cover public deposits held by an approved depository?

The qualified financial institution shall secure those deposits by placing qualified securities on deposit with the State Treasurer as provided in *MS Code Section 27-105-5*.