



**Municipality**  
**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.

## Municipality 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 Municipality Depository Bid Form from the Office of the State Treasurer's website at [www.treasurerlynnfitch.com](http://www.treasurerlynnfitch.com).
  - a. Personalize form by filling in specific municipality 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.treasurerlynnfitch.com/Programs/Pages/Investments-Cash-Management.aspx>
- 5. Publish the "Notice to Bidders" in a local newspaper as required by *MS Code 27-105-305*. *Municipalities 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 27-105-353 and 27-105-305*.

## **Governing Law Summary**

### **§ 27-105-353. Method of selecting municipal depositories.**

The board of mayor and aldermen or other municipal authorities of each and every city, town or village in the state are required to select a depository in the manner provided by law for the selection of county depositories. Before being selected, a depository must be certified by the State Treasurer as meeting the capital ratio requirement specified in Section 27-105-5 or 27-105-6. An institution shall not be a qualified depository and shall not receive any municipal funds unless its ratio has been certified annually by the State Treasurer as meeting the prescribed requirement. 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 municipal funds in an amount not exceeding the amount that is insured by that insurance corporation and may qualify as a municipal depository to the extent of that insurance as prescribed in Section 27-105-315.

### **§ 27-105-357. Duties of depository; penalty for making profit or removing funds.**

The duties of a depository are hereby made the same in respect to the municipal fund as the duties imposed upon county depositories or in respect to county funds. The penalties for making profit on or removing municipal funds are hereby made the same as those provided by law against making profit on or removing county funds.

### **§ 27-105-361. Banks failing to qualify, treasurer to be selected or depository designated.**

In the event of failure on the part of any bank in such municipality to qualify as a depository, the board of mayor and aldermen or other like governing authority of such city, town or village, hereinafter called the governing authority, may select a treasurer who shall safely keep and disburse the funds of such town, city or village according to law, and make bond for that purpose as now provided by law for such treasurers. The governing authority at any regular or special meeting may select and designate a depository or depositories into which the tax collector or collectors and auditor or auditors of said city, town or village shall deposit all tax collections and public funds, when collected and/or received, and in which the same shall thereafter be distributed, at the time or in the manner, as required by law to the several funds or accounts as now provided by law. Any depository so selected by the governing authority shall be within the State of Mississippi, and may hold such deposit or deposits at such rate of interest as may be agreed upon by the governing authority or in the discretion of the governing authority without liability for interest; but such depositories shall secure the same by pledging with the governing authority such security, in such amounts and upon such conditions as is now required by law of depositories which qualify as such by

bidding therefor.

**§ 27-105-363. Term of office of depository.**

The term of office of a municipal depository shall be two (2) years.

*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 municipality?**

It is highly recommended that you use the form as it was designed to best represent the needs that many municipalities 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.treasurerlynnfitch.com/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*.