



# Update on Investments - Best Practices, How to Review or Develop Your Investment Approach & Portfolio

April 15, 2026

1:50 p.m. – 2:40 p.m.

**Jeffrey T. Larson, President**

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## Presentation Outline

- I. Market Commentary
- II. Review of Typical Investment Policy
- III. Best Practices – Public Funds Investments
- IV. Local Government Approach
  - I. City of Inverness Historical Example
- V. Recommendations
- VI. Questions
- VII. Appendix Material
  - I. Bio, Firm Information, F.S. 218.415 QPD material

# I. Market Commentary

## Historical Cycles

- Fed Funds Rate moves seem to be on hold as they, and the market, determine the impacts of the Iran conflict and impacts on inflation
- Stock and Bond markets also see a good bit of volatility
- Today's afternoon speakers to add some more insight into this environment
- Fed Funds current range 3.50% to 3.75%

# Federal Open Market Committee Actions

- FOMC sets a target federal funds rate (overnight rate that banks use to lend excess balances to another bank)
- FOMC keeps an eye on employment levels as one gross measurement of the health of the economy
- FOMC also focuses on inflationary levels, with luncheon speakers to address further
- Monetary actions can also include buying or selling securities to affect the amount of funds in the markets

# Current Market Options

## Considerations

- For FL Local Government investors, now facing an upward sloping yield curve
- Laddering still makes sense
- Value in LGIP's, both SNAV and VNAV options
- For Municipal borrowers, we are experiencing low bank rates and bond rates
- Still attractive time for new money capital project financings and targeting refundings

## II. Review of Typical Investment Policy

Individual Policies vary, but generally:

- Based on State statutes (F.S. 218.415)
- Scope/Objectives
- Standards of care, delegation authority
- Authorized or “permitted” investments
- Competitive selection, safeguarding/custody requirements
- Internal controls, conflicts of interest standards
- Reporting, benchmark performance measurements
- Policy approval and review

# III. Best Practices

## Public Funds Investments

- Suitability
  - Risk return tolerance
  - Industry rules demand “know your client”
  - Objectives and your responsibility, understand the investment
  - Unique characteristics and today’s challenge of limited time to analyze and manage
- Diversification
- Stewardship
- Cash Flow Analysis
- Maturity Term (max 3-10 yrs.)

# Suitability

Key Issues Include:

- Everyone is different, there is no “copy-cat plan”
- Understand what you, your boss, and elected or appointed officials understand
- DO NOT invest in anything that you can not explain in 5 minutes or less
- Keep it simple
- Match your ability to monitor and report with you and your team’s experience and availability

# Diversification

Key Issues Include:

- Set objectives and keep it simple to maintain
- Do not put your eggs in one basket
- Err on being conservative and liquid
- Protect principal versus chasing yield
- Utilize investment ratings to create boundaries
- Maximum terms for various investments
- Seasonality of cash balances

# LGIP NAV Options



## Stable NAV

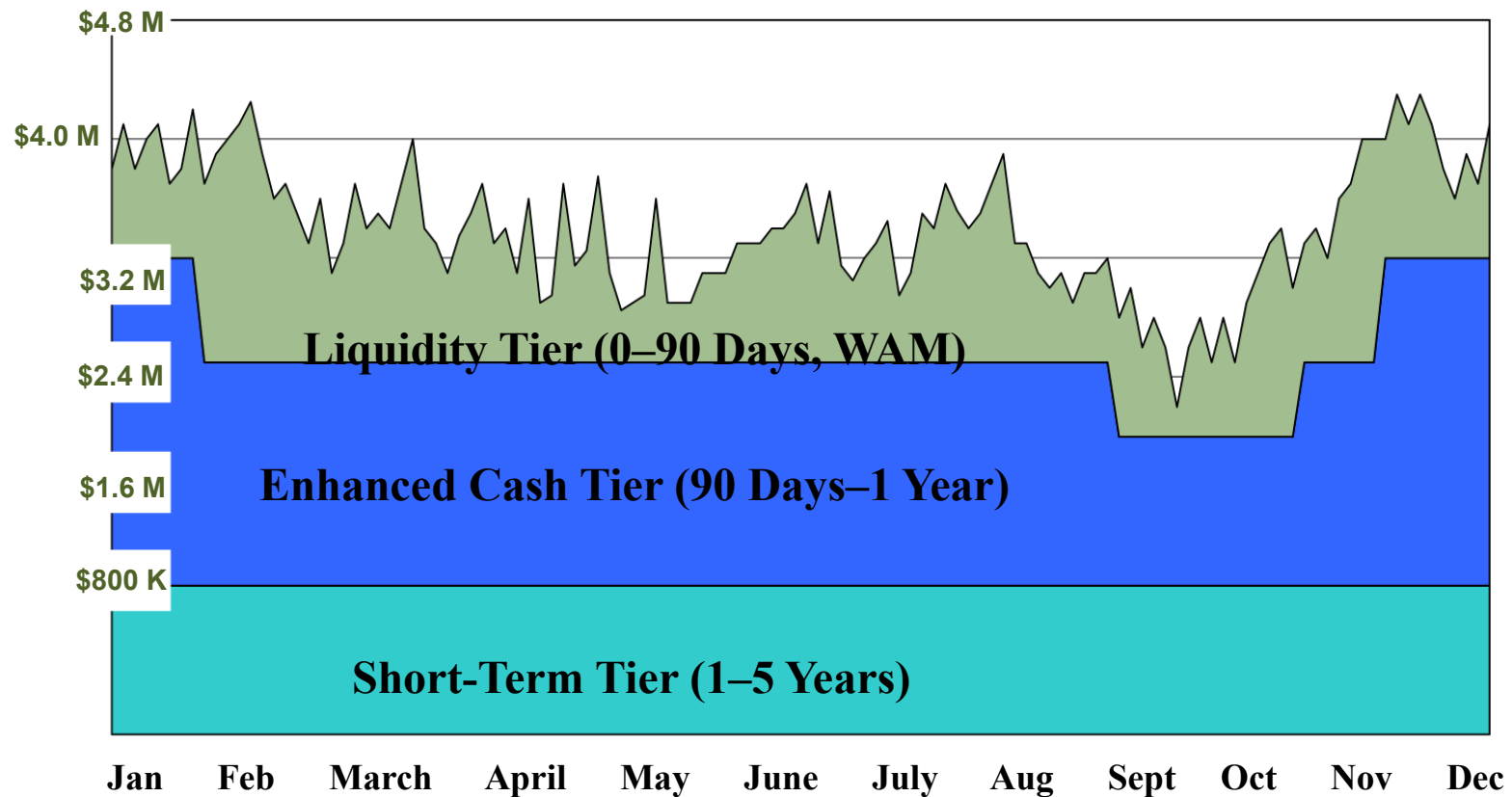
- Maintain \$1 in/ \$1 out
- Highest S&P rating is “AAAm”
- Short-term
- WAM for LGIP is < 60 days
- WAM for MMF is < 90 days
- SBA-A shares (Prime)
- FL SAFE SNAV, FL CLASS, FL PALM
- Day to Day Fund
- MMF’s

## Variable NAV

- Designed to fluctuate to increase yield
- Highest S&P rating is “AAAf”
- Highest S&P volatility rating is “S1+”
- Medium to long term
- WAM for bond fund > 90 days
- FMVT, FLGIT, FL FIT, FL SAFE VNAV, Core Fund

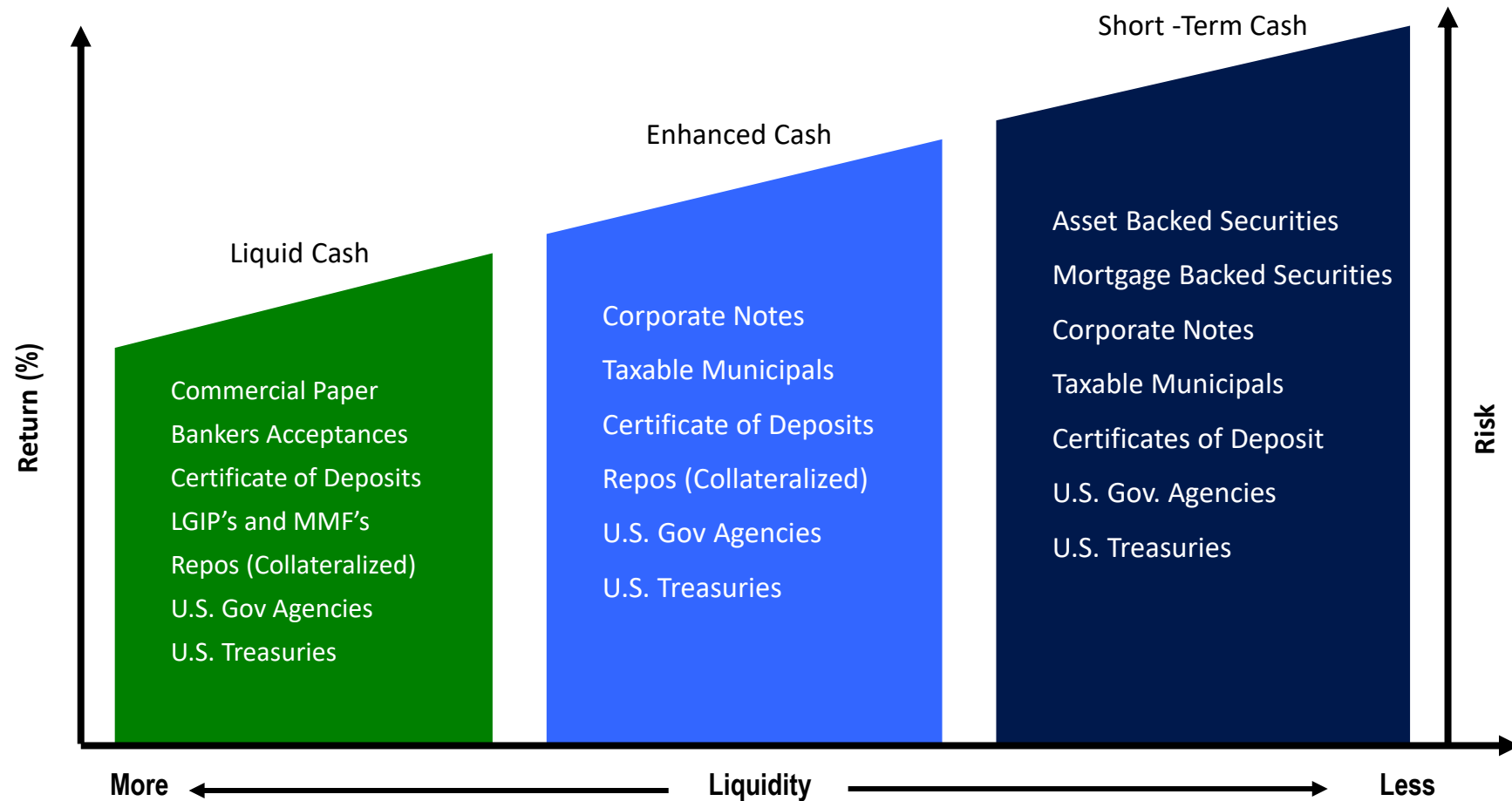
# Operating Funds

- Core Funds
  - Enhanced Cash Tier, Short-Term Tier
- Each tier is distinct and can be benchmarked



# Investment Tools & Options

## Portfolio Allocations by Time Horizon



Source: Prepared by Larson Consulting Services, Orlando, Florida, for Discussion Purposes. Information is subject to change due to market conditions.

\* Some securities require additional approval. 218.415 (16) h - Other investments authorized by law or by ordinance for a county or a municipality or local government.

\*\*Not all securities are suitable for every public entity. Each entity has their own unique risk tolerances.

# Stewardship

- You are a manager, not an owner
- Investments should be well managed with clear goals, parameters, processes, and controls
- Public funds management should be transparent
- You are a fiduciary and the interests of your local government outweigh your own
- Build knowledge depth in your staff
- Review Investment Policy, portfolio, and approach regularly

# Cash Flow Analysis

- What is it?
- Suggestions include
  - Review 5 to 7 years of Audits to track unrestricted and restricted cash and investments
  - Look for trends
  - Focus on 3 key areas
    - Funds at local bank(s), bills, payroll
    - Review bank “break-even” analysis
    - Liquidity
    - Core Funds

# IV. Investment Approach

Small to Medium Government

- Overview of Inverness
  - In Citrus County, on Gulf Coast, north of Clearwater
  - Incorporated in 1917
  - Population est. 7,200, 7 square miles
  - Managing FTE's, outsourcing, PPP's
  - City achieved underlying ratings of "A+" (Fitch) and "A" (S&P), G.O. equivalent rating of "AA-" (Fitch)
  - Government Services Include:
    - CRA, Development, Cultural and Recreation, Public Safety, Roads and Streets, Parks, Cemetery, Water, Sewer, Reclaimed Water, Stormwater, General Government

# Investment Approach

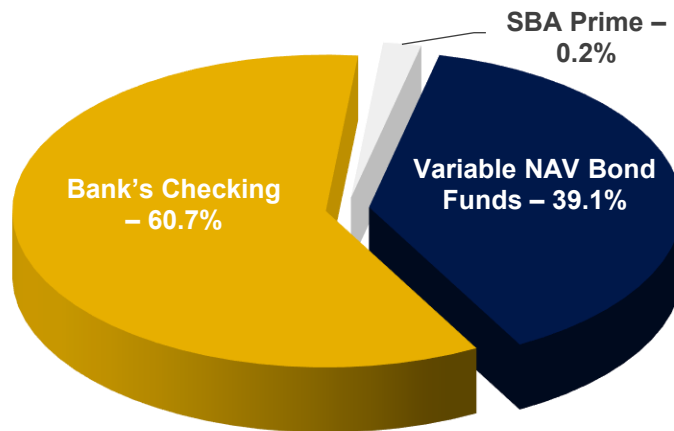
- Finance Director reports to City Manager
- Finance Director is also CRA Board Treasurer
- Annual Budget of approximately \$51 M
- Five-year Capital Improvement Program
- Cash and Investment Portfolio of approx. \$21.9 M
- Note and Bond Proceeds Management of approx. \$11.5 M (CRA)
- Limited resources and time
- Fiscal year 2019 Mileage Rate: 8.2729 mils
- Historical approach works again
- Just restarted laddering approach end in 2022

# Inverness' Investment Approach

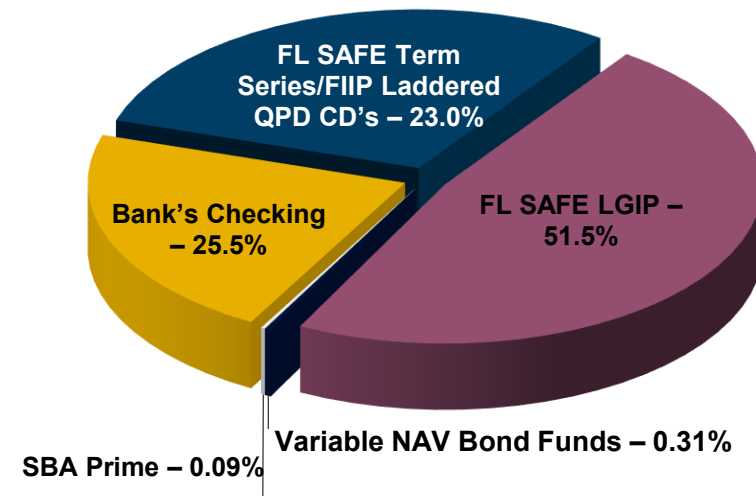
- Finance Director in 2013 started reviewing its existing banking arrangements and investments with its Financial Advisor.
  - Discovered that City could achieve greater portfolio diversification and improve returns, adopt some key objectives
- Updated Investment Approach in 2015, Reviewed Investment Policy, follows F.S. 218.415, set simple targets, conservative, adjust to market

## PORTFOLIO COMPOSITION <sup>(1)</sup>

### Before (September 2014)



### As of December 2019 <sup>(2)(3)</sup>



(1) Source - City of Inverness, Finance Department.

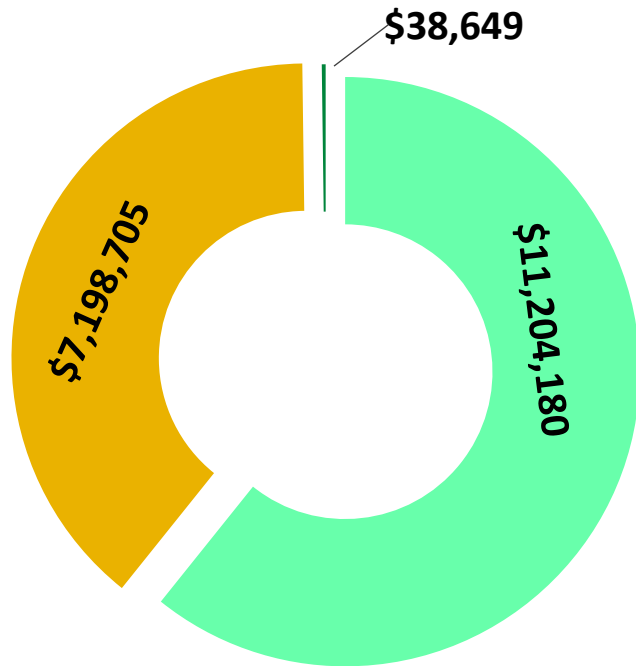
(2) City receives monthly FL SAFE Portfolio Report

(3) Bank balance represents approx. 3 months of operating expenses.

# City of Inverness

BEFORE (September 2014)

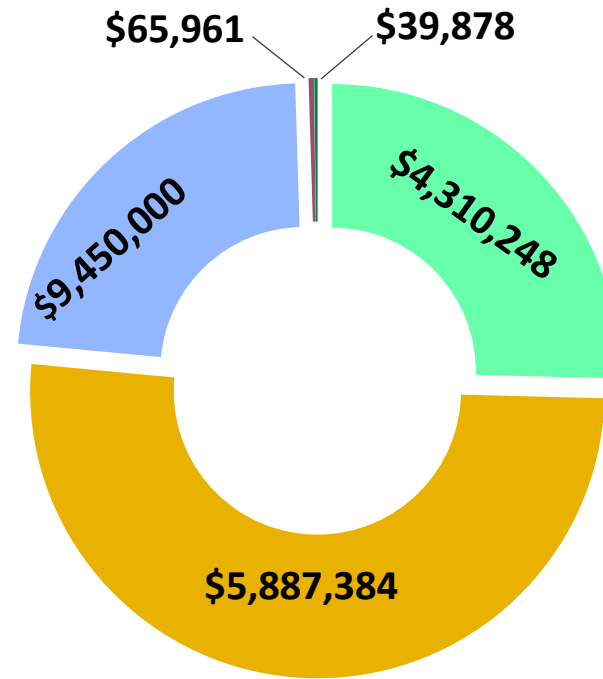
**\$18,441,534**



- Bank - Checking (60.7%)
- Bond Funds - (39.1%)
- SBA - (0.2%)

AFTER (December 2019) <sup>(2)</sup>

**\$21,652,384**



- Bank - Checking (25.5%)
- FLSAFE LGIP (51.1%)
- FLSAFE QPD/Term Series Ladder (23.0%)
- Variable NAV Bond Funds (0.31%)
- SBA Prime (0.09%)

(1) Source – City of Inverness Finance Department, approximate Bank, SBA, and SNAV balances as of December 2019.

(2) Excludes CRA Restricted Surplus Fund, City contribution to 2017 CRA Projects, 2017 Bond Proceeds.

# INVERNESS QPD BANK COMPETITIVELY BID “LADDER” OF QPD CD’S & TERM SERIES <sup>(1)</sup>

<u>Maturity Date</u>	<u>Amount</u>	<u>Net Yields</u>
June 2020	\$2,521,251 (CD)	2.53%
June 2020	\$1,179,525 ( <i>Term Series</i> )	2.56%
October 2021	\$1,286,003 (CD)	1.96%

Weighted Average Maturity: Approx. ~291 Days

Weighted Average Rate: Approx. 2.209%

Total CD/ Term Series Ladder: Approx. \$4,986,780

(1) Par amounts as of December 2019, City of Inverness per FL SAFE Master Total Portfolio Report. QPD CD’s bid out under FL SAFE FIIP Program and highest bids awarded to the different banks. Fully collateralized Term Series purchased in June 2018. Rates based on changing market conditions. Excludes Bond Proceeds of approx. \$5.69 Million in the SNAV LGIP. Past performance is no indication of future results.

# Potential Short-Term Ladder

Term	Estimated Net Yields <sup>(1)</sup>	April 2026
One Month	3.74%	4.35%
Six Months	3.72%	4.24%
Twelve Months	3.68%	3.99%
Two Years	3.81%	3.84%
Five Years	3.97%	3.98%

FL SAFE Daily Liquidity Fund (SNAV)<sup>(1)</sup> : 3.70%

FL SAFE Enhanced Cash Fund (VNAV)<sup>(2)</sup> : 3.81%

(1) SNAV 7 day effective rate, VNAV 1 Year Total Return, as of April 7, 2026.

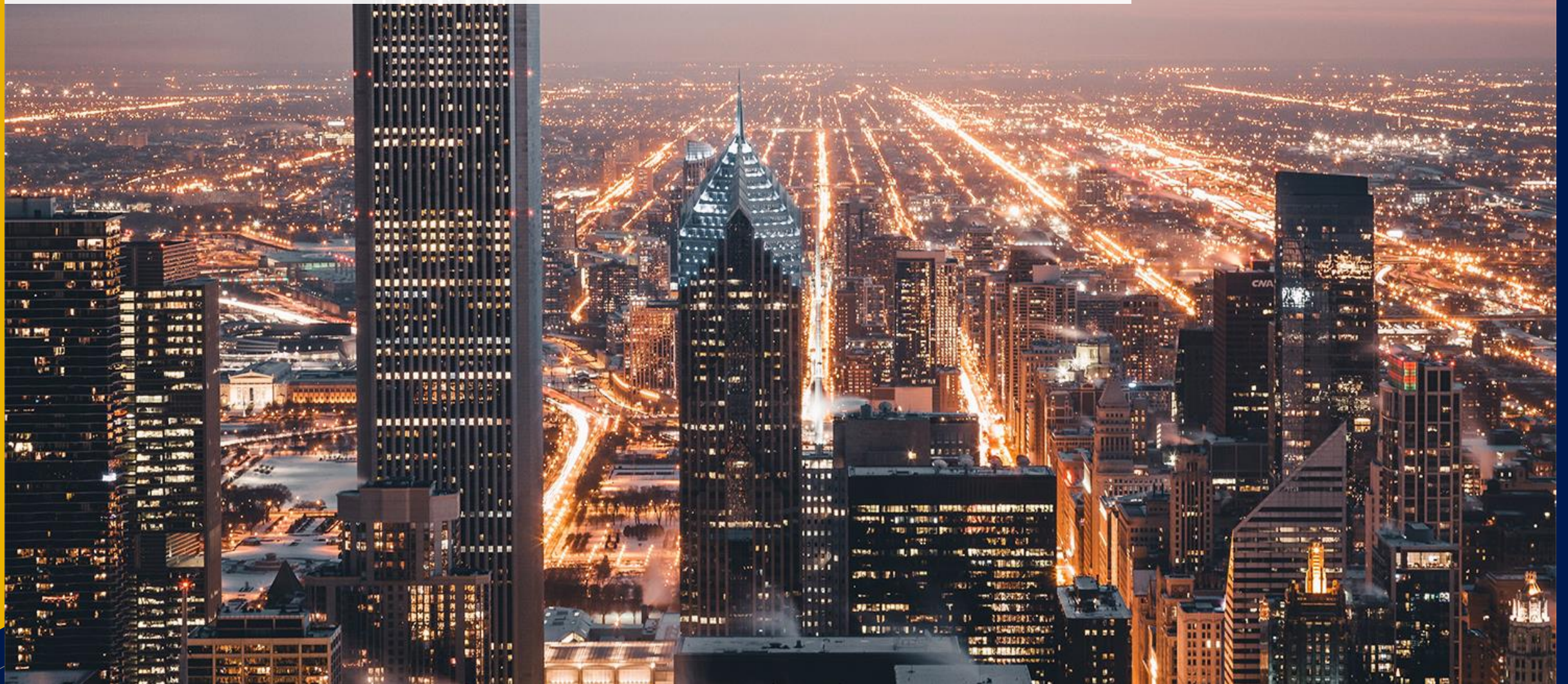
(2) Short term indicative U.S. Treasury rates as of April 6, 2026.

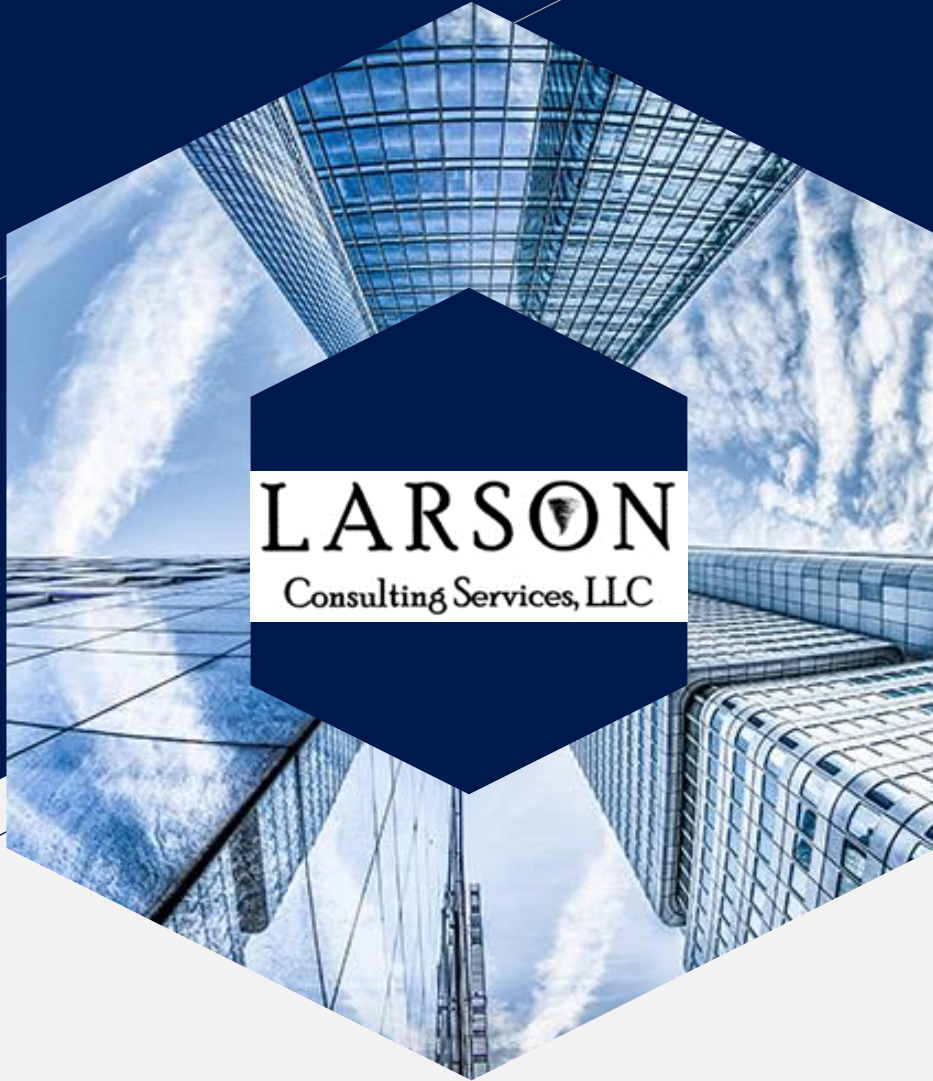
(3) Indicative rates subject to changing market conditions.

# V. Recommendations

- Markets are Constantly Changing, for investments Remember Liquidity and Ladders; review your current Money Market Funds
- Everyone is Different, But You Can Learn from Another Government's Well Thought Out Plan and Approach
- Understand What You, Your Boss, and Elected Officials Understand, Remember "Suitability", Stewardship, and "Diversification"
- Keep it Simple and At Your Risk Tolerance Level, Ability to Monitor, Reporting, Transparency
- This is Not Your Money-Be A Fiduciary, Seek Assistance, As Needed
- LGIPs a good option, Both Daily Liquidity and Enhanced Cash Funds

# VI. Questions?





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# Thank You.



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# VII. Appendix Material

- Jeffrey T. Larson Bio
- F.S. 218.415(16) Investment Policy
- F.S. 280.17 QPD Information

# Jeffrey T. Larson

President, Larson Consulting Services | Tel: 407.496.1597 | [jl Larson@larsonconsults.com](mailto:jl Larson@larsonconsults.com)

Based in Orlando, and as President of Larson Consulting Services (“LCS”), an independent SEC and MSRB registered financial advisory firm, Jeff has successfully closed a wide range of municipal project finance and corporate financings totaling over \$8 billion. Florida projects have ranged from negotiating and structuring transportation/road improvement programs, higher education project financings, multiple utility acquisitions, extensive water and wastewater capital expansions, investments support services, economic development and redevelopment initiatives, utility enterprise restructurings, refinancing and restructuring, downtown redevelopment, CRA TIF financings, debt and lease purchase private placements, multiple public/private partnership project finance issues, multiple phased Charter School financing, and a \$240 Million University / Developer PPP Project financing. In May of 2011, Jeff and FMAS was asked by the AAAM rated FL SAFE Local Government Investment Pool (“LGIP”), to serve as its Administrator and Executive Director. He has served many Florida governments since 1992 as an Investment Banker, Financial Consultant, Administrator, or Financial Advisor.

Prior to establishing LCS and FMAS, Jeff managed D.A. Davidson’s Southeast Regional Investment Banking Office. Prior to joining D.A. Davidson, Mr. Larson was the S.E. Regional Director Investment Banking and Consulting Services with Kirkpatrick Pettis, the investment banking arm of Mutual of Omaha, the Managing Director for Stifel Nicolaus/Hanifen Imhoff, and a Vice President, Investment Banking for SunTrust Capital Markets in Orlando, Florida. Recruited by these firms, he specialized since 1992 in Florida with the structuring and marketing of a variety of public finance and capital markets products. Prior to that, he spent ten years with C & S/Sovran in Atlanta and Barclays Bank PLC in Atlanta and San Francisco as a corporate finance, large corporate/Fortune 500, and Middle Market Banker.

Mr. Larson received his MBA degree on an academic scholarship from Emory University, Atlanta, Georgia, in 1982. As part of his MBA graduate work, Mr. Larson worked, studied and taught in Germany and Austria and was a Fulbright Scholar at the Johannes Kepler University in Linz, Austria. He received an A.B. in Business Administration with honors in 1980 from Franklin & Marshall College, Lancaster, PA. Mr. Larson’s professional licenses with the Securities and Exchange Commission (“SEC”) and Municipal Securities Rulemaking Board (“MSRB”) including a Series 50 Municipal Advisor and Series 54 Municipal Advisor Principal.

Jeff is a frequent speaker at industry conferences including the annual FGFOA, FCCMA, Florida Bond Buyer, FICPA, Florida Redevelopment Association (FRA), Florida Bar Association, Florida League of Cities, Ernst & Young Professional Development Conference, FGFOA Webinars, FINRA, Regional FGFOA Chapter meetings, FGFOA Career Seminars, Smith’s National Investor Conference, Annual FGFOA Institute (School of Governmental Finance) and Special District conferences on topics ranging from “the Bond Issuance Process”, “Best Practices in Debt Management”, “Best Practices in Investment Management”, “Planning and Capital Financing”, to “Public-Private Partnership Financings.” Jeff has also served as a member of the FGFOA Annual Conference Program Committee for over 30 years.

**Larson Consulting's Team of Professionals provide financing solutions for many types of clients in Florida, the Southeast, and across the country. We specialize in a number of practices in which we have significant expertise.**

**Our primary areas of focus include the following:**

- Infrastructure Financings
- Special Districts and Land Development
- Higher Education
- Resort Communities
- Housing Agencies
- CRA & TIF Improvement Districts
- Tribal Finance
- Healthcare Finance
- Charter Schools
- Growth Management and Capital Planning
- Developer Project Negotiations
- Investments & Arbitrage Support
- Workforce Housing
- Project Financings
- Utility Financings
- Public Private Partnerships
- School Districts
- Project Consulting Services
- Lease-Purchase Financings
- Internet-Based Public Sales
- Alternative Energy
- Rural Water
- State Governments
- Utility Acquisition Analysis
- Refundings and Restructurings

# FLORIDA STATUTES 218.415 SECTION 16

- 218.415 Local government investment policies.—Investment activity by a unit of local government must be consistent with a written investment plan adopted by the governing body, or in the absence of the existence of a governing body, the respective principal officer of the unit of local government and maintained by the unit of local government or, in the alternative, such activity must be conducted in accordance with subsection (17). Any such unit of local government shall have an investment policy for any public funds in excess of the amounts needed to meet current expenses as provided in subsections (1)-(16), or shall meet the alternative investment guidelines contained in subsection (17). Such policies shall be structured to place the highest priority on the safety of principal and liquidity of funds. The optimization of investment returns shall be secondary to the requirements for safety and liquidity. Each unit of local government shall adopt policies that are commensurate with the nature and size of the public funds within its custody.
- (1) SCOPE.—The investment policy shall apply to funds under the control of the unit of local government in excess of those required to meet current expenses. The investment policy shall not apply to pension funds, including those funds in chapters 175 and 185, or funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds.
- (2) INVESTMENT OBJECTIVES.—The investment policy shall describe the investment objectives of the unit of local government. Investment objectives shall include safety of capital, liquidity of funds, and investment income, in that order.
- (3) PERFORMANCE MEASUREMENT.—The investment policy shall specify performance measures as are appropriate for the nature and size of the public funds within the custody of the unit of local government.
- (4) PRUDENCE AND ETHICAL STANDARDS.—The investment policy shall describe the level of prudence and ethical standards to be followed by the unit of local government in carrying out its investment activities with respect to funds described in this section. The unit of local government shall adopt the Prudent Person Rule, which states that: “Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.”
- (5) LISTING OF AUTHORIZED INVESTMENTS.—The investment policy shall list investments authorized by the governing body of the unit of local government, subject to the provisions of subsection (16). Investments not listed in the investment policy are prohibited. If the policy authorizes investments in derivative products, the policy must require that the unit of local government’s officials responsible for making investment decisions or chief financial officer have developed sufficient understanding of the derivative products and have the expertise to manage them. For purposes of this subsection, a “derivative” is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or index or asset values. If the policy authorizes investments in reverse repurchase agreements or other forms of leverage, the policy must limit the investments to transactions in which the proceeds are intended to provide liquidity and for which the unit of local government has sufficient resources and expertise.
- (6) MATURITY AND LIQUIDITY REQUIREMENTS.—The investment policy shall require that the investment portfolio is structured in such manner as to provide sufficient liquidity to pay obligations as they come due. To that end, the investment policy should direct that, to the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash-flow requirements.

# FLORIDA STATUTES 218.415 SECTION 16 CONT.

- (7) PORTFOLIO COMPOSITION.—The investment policy shall establish guidelines for investments and limits on security issues, issuers, and maturities. Such guidelines shall be commensurate with the nature and size of the public funds within the custody of the unit of local government.
- (8) RISK AND DIVERSIFICATION.—The investment policy shall provide for appropriate diversification of the investment portfolio. Investments held should be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold. Diversification strategies within the established guidelines shall be reviewed and revised periodically, as deemed necessary by the appropriate management staff.
- (9) AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS.—The investment policy should specify the authorized securities dealers, issuers, and banks from whom the unit of local government may purchase securities.
- (10) THIRD-PARTY CUSTODIAL AGREEMENTS.—The investment policy shall provide appropriate arrangements for the holding of assets of the unit of local government. Securities should be held with a third party; and all securities purchased by, and all collateral obtained by, the unit of local government should be properly designated as an asset of the unit of local government. No withdrawal of securities, in whole or in part, shall be made from safekeeping, except by an authorized staff member of the unit of local government. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a “delivery vs. payment” basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.
- (11) MASTER REPURCHASE AGREEMENT.—The investment policy shall require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.
- (12) BID REQUIREMENT.—The investment policy shall require that the unit of local government’s staff determine the approximate maturity date based on cash-flow needs and market conditions, analyze and select one or more optimal types of investment, and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the bid deemed to best meet the investment objectives specified in subsection (2) must be selected.
- (13) INTERNAL CONTROLS.—The investment policy shall provide for a system of internal controls and operational procedures. The unit of local government’s officials responsible for making investment decisions or chief financial officer shall establish a system of internal controls which shall be in writing and made a part of the governmental entity’s operational procedures. The investment policy shall provide for review of such controls by independent auditors as part of any financial audit periodically required of the unit of local government. The internal controls should be designed to prevent losses of funds which might arise from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the unit of local government.
- (14) CONTINUING EDUCATION.—The investment policy shall provide for the continuing education of the unit of local government’s officials responsible for making investment decisions or chief financial officer. Such officials must annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products.

# FLORIDA STATUTES 218.415 SECTION 16 CONT.

- (15) REPORTING.—The investment policy shall provide for appropriate annual or more frequent reporting of investment activities. To that end, the governmental entity’s officials responsible for making investment decisions or chief financial officer shall prepare periodic reports for submission to the legislative and governing body of the unit of local government, which shall include securities in the portfolio by class or type, book value, income earned, and market value as of the report date. Such reports shall be available to the public.
- (16) AUTHORIZED INVESTMENTS; WRITTEN INVESTMENT POLICIES.—Those units of local government electing to adopt a written investment policy as provided in subsections (1)-(15) may by resolution invest and reinvest any surplus public funds in their control or possession in:
  - (a) The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. [163.01](#).
  - (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
  - (c) Interest-bearing time deposits or savings accounts in qualified public depositories as defined in s. [280.02](#).
  - (d) Direct obligations of the United States Treasury.
  - (e) Federal agencies and instrumentalities.
  - (f) Rated or unrated bonds, notes, or instruments backed by the full faith and credit of the government of Israel.
  - (g) Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.
  - (h) Other investments authorized by law or by ordinance for a county or a municipality.
  - (i) Other investments authorized by law or by resolution for a school district or a special district.
- (17) AUTHORIZED INVESTMENTS; NO WRITTEN INVESTMENT POLICY.—Those units of local government electing not to adopt a written investment policy in accordance with investment policies developed as provided in subsections (1)-(15) may invest or reinvest any surplus public funds in their control or possession in:
  - (a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. [163.01](#).
  - (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
  - (c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in s. [280.02](#).
  - (d) Direct obligations of the U.S. Treasury.
  - The securities listed in paragraphs (c) and (d) shall be invested to provide sufficient liquidity to pay obligations as they come due.

# FLORIDA STATUTES 218.415 SECTION 16 CONT.

- (18) SECURITIES; DISPOSITION.—
  - (a) Every security purchased under this section on behalf of the governing body of a unit of local government must be properly earmarked and:
    - 1. If registered with the issuer or its agents, must be immediately placed for safekeeping in a location that protects the governing body’s interest in the security;
    - 2. If in book entry form, must be held for the credit of the governing body by a depository chartered by the Federal Government, the state, or any other state or territory of the United States which has a branch or principal place of business in this state as defined in s. [658.12](#), or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this state, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or
    - 3. If physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault.
  - (b) The unit of local government’s governing body may also receive bank trust receipts in return for investment of surplus funds in securities. Any trust receipts received must enumerate the various securities held, together with the specific number of each security held. The actual securities on which the trust receipts are issued may be held by any bank depository chartered by the Federal Government, this state, or any other state or territory of the United States which has a branch or principal place of business in this state as defined in s. [658.12](#), or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this state.
- (19) SALE OF SECURITIES.—When the invested funds are needed in whole or in part for the purposes originally intended or for more optimal investments, the unit of local government’s governing body may sell such investments at the then-prevailing market price and place the proceeds into the proper account or fund of the unit of local government.
- (20) PREEXISTING CONTRACT.—Any public funds subject to a contract or agreement existing on October 1, 2000, may not be invested contrary to such contract or agreement.
- (21) PREEMPTION.—Any provision of any special act, municipal charter, or other law which prohibits or restricts a local governmental entity from complying with this section or any rules adopted under this section is void to the extent of the conflict.
- (22) AUDITS.—Certified public accountants conducting audits of units of local government pursuant to s. [218.39](#) shall report, as part of the audit, whether or not the unit of local government has complied with this section.
- (23) AUTHORIZED DEPOSITS.—In addition to the investments authorized for local governments in subsections (16) and (17) and notwithstanding any other provisions of law, a unit of local government may deposit any portion of surplus public funds in its control or possession in accordance with the following conditions:
  - (a) The funds are initially deposited in a qualified public depository, as defined in s. [280.02](#), selected by the unit of local government.
  - (b) The selected depository arranges for depositing the funds in financial deposit instruments insured by the Federal Deposit Insurance Corporation in one or more federally insured banks or savings and loan associations, wherever located, for the account of the unit of local government.
  - (c) The full amount of the principal and accrued interest of each financial deposit instrument is insured by the Federal Deposit Insurance Corporation.
  - (d) The selected depository acts as custodian for the unit of local government with respect to each financial deposit instrument issued for its account.



DIVISION OF TREASURY MEMORANDUM  
NO. 09-PA-01  
October 5, 2009  
Florida Public Deposits Program

**Public Depositor Annual Report to the Chief Financial Officer (Form DFS-11-1009)**

The purpose of this memorandum is to provide public depositors with instructions for filing the Public Depositor Annual Report to the Chief Financial Officer (annual report). **Note: The annual report should not be completed by the qualified public depository (QPD) that holds the funds.**

Section 280.17, Florida Statutes (F.S.), specifies the requirements for public depositors to receive protection from loss for a public deposit account. Each public depositor should be familiar with the requirements of this section of Florida law and we have attached it for your review.

**Important Notes:**

- **The annual report must be submitted by November 30, 2009. Processing can be expedited by faxing your completed report to (850) 488-0216 or emailing a PDF copy of the report to: [Kenneth.lee@myfloridacfo.com](mailto:Kenneth.lee@myfloridacfo.com) You may retain the original report for your records.**
- **Do not submit any of your Public Deposit Identification and Acknowledgment forms with your annual report. Those forms are to be retained by you and only submitted to this office in the event of a QPD failure for which you suffer a loss of public deposits. Section 280.17(3)(a), F.S. details the circumstances in which a new form must be completed.**
- **Please be certain to complete all of the authorized signer's contact information on the annual report, including their e-mail address, so that our records will have the most current information.**
- **Please make a copy of your completed annual report for future reference.**

Additional copies of forms and attachments associated with the Public Depositor Annual Report to the Chief Financial Officer can be provided by mail, facsimile, or e-mail.

Please direct questions to:

Division of Treasury  
Public Deposits Program Administration  
200 East Gaines Street  
Tallahassee, Florida 32399-0345  
Telephone: (850) 413-3164  
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Attachments: Public Depositor Annual Report to the Chief Financial Officer  
List of Qualified Public Depositories  
Section 280.17, F.S.

FLORIDA STATUTES  
SECTION 280.17

**Requirements for public depositors; notice to public depositors and governmental units; loss of protection.**—In addition to any other requirement specified in this chapter, public depositors shall comply with the following:

- (1) (a) Each official custodian of moneys that meet the definition of a public deposit under s.280.02 shall ensure such moneys are placed in a qualified public depository unless the moneys are exempt under the laws of this state.  
  
(b) Each depositor, asserting that moneys meet the definition of a public deposit provided in s. 280.02 and are not exempt under the laws of this state, is responsible for any research or defense required to support such assertion.
- (2) Beginning July 1, 1998, each public depositor shall take the following actions for each public deposit account:
  - (a) Ensure that the name of the public depositor is on the account or certificate or other form provided to the public depositor by the qualified public depository in a manner sufficient to identify that the account is a Florida public deposit.
  - (b) Execute a form prescribed by the Chief Financial Officer for identification of each public deposit account and obtain acknowledgment of receipt on the form from the qualified public depository at the time of opening the account. Such public deposit identification and acknowledgment form shall be replaced with a current form as required in subsection (3). A public deposit account existing before July 1, 1998, must have a form completed before September 30, 1998.
  - (c) Maintain the current public deposit identification and acknowledgment form as a valuable record. Such form is mandatory for filing a claim with the Chief Financial Officer upon default or insolvency of a qualified public depository.
- (3) Each public depositor shall review the Chief Financial Officer's published list of qualified public depositories and ascertain the status of depositories used. A public depositor shall, for status changes of depositories:
  - (a) Execute a replacement public deposit identification and acknowledgment form, as described in subsection (2), for each public deposit account when there is a merger, acquisition, name change, or other event which changes the account name, account number, or name of the qualified public depository.
  - (b) Move and close public deposit accounts when an institution is not included in the authorized list of qualified public depositories or is shown as withdrawing.
- (4) Whenever public deposits are in a qualified public depository that has been declared to be in default or insolvent, each public depositor shall:
  - (a) Notify the Chief Financial Officer immediately by telecommunication after receiving notice of the default or insolvency from the receiver of the depository with subsequent written confirmation and a copy of the notice.

(b) Submit to the Chief Financial Officer for each public deposit, within 30 days after the date of official notification from the Chief Financial Officer, the following:

1. A claim form and agreement, as prescribed by the Chief Financial Officer, executed under oath, accompanied by proof of authority to execute the form on behalf of the public depositor.
2. A completed public deposit identification and acknowledgment form, as described in subsection (2).
3. Evidence of the insurance afforded the deposit pursuant to the Federal Deposit Insurance Act.

(5) Each public depositor shall confirm annually that public deposit information as of the close of business on September 30 has been provided by each qualified public depository and is in agreement with public depositor records. Such confirmation shall include the federal employer identification number of the qualified public depository, the name on the deposit account record, the federal employer identification number on the deposit account record, and the account number, account type, and actual account balance on deposit. Public depositors shall request such confirmation information from qualified public depositories on or before the fifth calendar day of October and shall allow until October 31 to receive such information. Any discrepancy found in the confirmation process shall be reconciled before November 30.

(6) Each public depositor shall submit, not later than November 30, an annual report to the Chief Financial Officer which shall include:

(a) The official name, mailing address, and federal employer identification number of the public depositor.

(b) Verification that confirmation of public deposit information as of September 30, as described in subsection (5), has been completed.

(c) Public deposit information in a report format prescribed by the Chief Financial Officer. The manner of required filing may be as a signed writing or electronic data transmission, at the discretion of the Chief Financial Officer.

(d) Confirmation that a current public deposit identification and acknowledgment form, as described in subsection (2), has been completed for each public deposit account and is in the possession of the public depositor.

(7) Notices relating to the public deposits program shall be mailed to public depositors and governmental units from a list developed annually from:

(a) Public depositors that filed an annual report under subsection (6).

(b) Governmental units existing on September 30 that had no public deposits but filed an annual report stating "no public deposits".

(c) Governmental units established during the year that filed an annual report as a new governmental unit or otherwise furnished in writing to the Chief Financial Officer its official name, address, and federal employer identification number.

(8) If a public depositor does not comply with this section on each public deposit account, the protection from loss provided in s. 280.18 is not effective as to that public deposit account.