

**Table 7.38**  
**DEMAND DEPOSITS**

State	Method for selecting depository							Collateral above federal level	Percentage requiring collateral
	Competitive bid	Application	Negotiation	Depositor's convenience	Compensating balances	Agency's convenience	Treasurer's approval		
Alabama	...	...	...	...	...	...	...	Yes	100
Alaska	★	...	...	...	★	★	...	Yes	105
Arizona	★	...	...	...	...	...	...	Yes	102
Arkansas	...	...	★	...	...	...	...	Yes	105
California	...	...	...	...	...	...	...	Yes	110
Colorado	★	...	...	...	...	...	...	Yes	102
Connecticut	★	...	...	...	...	...	...	Yes	(a)
Delaware	★	...	...	...	...	...	...	No (b)	102 (c)
Florida	★	...	...	...	...	...	...	Yes	100
Georgia	...	★	...	...	...	...	...	Yes	...
Hawaii	...	...	...	...	...	...	...	Yes	100
Idaho	...	...	...	...	...	...	...	No	...
Illinois	...	...	...	...	...	...	...	Yes	100
Indiana	...	...	...	...	...	...	...	No	0
Iowa	...	...	...	...	...	...	...	No	...
Kansas	...	...	...	...	...	...	...	Yes	100
Kentucky	...	...	...	...	...	...	...	Yes	100
Louisiana	...	...	...	...	...	...	...	Yes	100
Maine	...	...	...	...	...	...	...	Yes	10 (f)
Maryland	...	...	...	...	...	...	...	Yes	100 (h)
Massachusetts	...	...	...	...	...	...	...	Yes	(i)
Michigan	...	...	...	...	...	...	...	Yes	25
Minnesota	...	...	...	...	...	...	...	Yes	110
Mississippi	...	...	...	...	...	...	...	Yes	105
Missouri	...	...	...	...	...	...	...	Yes	100
Montana	...	...	...	...	...	...	...	Yes	50
Nebaska	...	...	...	...	...	...	...	Yes	110
Nevada	...	...	...	...	...	...	...	Yes	102
New Hampshire	...	...	...	...	...	...	...	No	...
New Jersey	...	...	...	...	...	...	...	Yes	100
New Mexico	...	...	...	...	...	...	...	Yes	100
New York	...	...	...	...	...	...	...	Yes	102
North Carolina	...	...	...	...	...	...	...	Yes	100
North Dakota	(k)	(k)	(k)	(k)	(k)	(k)	(k)	No	...
Ohio	...	...	...	...	...	...	...	...	100
Oklahoma	...	...	...	...	...	...	...	...	110
Oregon	...	...	...	...	...	...	...	Yes	25
Pennsylvania	...	...	...	...	...	...	...	Yes	100
Rhode Island	...	...	...	...	...	...	...	Yes	100
South Carolina	...	...	...	...	...	...	...	Yes	100 (o)

See footnotes at end of table.

**DEMAND DEPOSITS — Continued**

State	Method for selecting depository										Collateral above federal level	Percentage requiring collateral
	Competitive bid	Application	Negotiation	Depositor's convenience	Compensating balances	Agency's convenience	Treasurer's approval	Selection of depository made by	Compensation of demand depositors	Collateral above federal level		
South Dakota	★	...	...	...	...	...	★	Treasurer	CMB, SF, MB	Yes	100	
Tennessee	...	★	...	...	...	...	...	Treasurer	SF	Yes	105	
Texas	★	★	...	...	...	...	★	Treasurer	CMB, SF	Yes	105	
Utah	...	...	...	★	...	...	★	Treasurer	SF	No	-	
Vermont	★	...	...	★	...	...	★	(p)	SF, MB	Yes	100	
Virginia	...	...	...	★	...	...	★	(q)	CMB, SF	Yes	50-100 (r)	
Washington	★	...	...	★	...	...	★	Treasurer	CMB, SF	Yes	10	
West Virginia	...	...	...	...	...	...	★	Treasurer	CMB	Yes	65	
Wisconsin	★	...	...	★	...	...	...	Treasurer, Board	CMB	No	N.A.	
Wyoming	★	...	...	...	...	...	...	Treasurer	CMB, SF	Yes	102	

Source: National Association of State Treasurers, *State Treasury Activities & Functions*, 2001.

Key:

- ★ — Method utilized.
- ... — Method not utilized.
- N.A. — Not available.
- CMB — Compensating balances.
- SF — Service fee.
- MB — Minimum balance.

- (a) Varies based upon bank's risk based capital ratios.
- (b) No requirements if a bank meets credit criteria.
- (c) If a bank does not meet credit criteria.
- (d) Treasurer, Finance Secretary and a selection committee are responsible for the selection of institutions.
- (e) CMB for Imprest and receipt accounts, SF for primary depository.
- (f) Demand deposits that exceed 25 percent of a bank's retained earnings must be collateralized.

- (g) Combination of fees, CMB.
- (h) Any public funds in excess of FDIC must be collateralized.
- (i) No deposits meet collateral requirements. A contractual \$100 million collateral exists with the central depository bank but is not required by law.
- (j) Must be approved by State Treasurer, State Auditor, Governor.
- (k) Determined by Treasurer.
- (l) RFP issued, Treasury employee committee reviews.
- (m) Transaction fee.
- (n) Treasurer is chair of Board.
- (o) 100 percent collateralization over \$300,000.
- (p) State Treasurer, State Auditor, & Governor are responsible.
- (q) Cash and banking services manager.
- (r) Banks are required to secure all deposits in excess of FDIC insurance by 50 percent. Savings and Loans required to secure all deposits by 100 percent.