

Frequently Asked Questions for Depositories

Kansas Collateral Pool Office of the Kansas State Treasurer

Q: Is the Kansas Collateral Pool (KCP) optional?

A: State law requires all public funds to be collateralized in the pool. If a bank wishes to not participate then they are not eligible to hold public funds.

Q: How does a bank, savings and loan association, or savings bank obtain a Depository Participation Agreement for the Kansas Collateral Pool?

A: Depositories should contact our office to obtain a signup link for the KCP. Upon submitting your information through the signup link, the contact will receive an automated message with the agreements/forms attached. One of our team members will reach out to the contact to have your depository added to the system and to answer any questions you may have.

Q: Are Kansas entities that hold public funds aware of the KCP?

A: The State Treasurer's Office has been working with local groups to reach the public entities but we encourage you to reach out to your customers. Your financial institution should have an open line of communication with your customers and custodians during this transition. If an entity has questions that you are unable to answer, feel free to direct them to our office.

Q: How do I know if an entity has public funds?

A: A public entity (aka governmental unit) may be a state agency, county, city, township, school district, area vocational-technical school, community college, firemen's relief association, community mental health center, community facility for people with intellectual disability or any other governmental entity, unit or subdivision in the state of Kansas having authority to receive, hold and expend public moneys or funds. If you are still unsure if your customer qualifies, we encourage you to ask them.

Q: How do I get the entity's pool ID?

A: Your financial institution should have sent in a list of all its participating entities. Prior to going live, the STO will update your spreadsheet with the pool IDs and send it back to you. You can expect this no later than the week before you are expected to go live. After you're established in the pool you will need to request the pool ID for any new public customers you onboard. The entities will receive notification letters containing their pool ID and instructions to provide copies when opening an account at a new institution.

Q: What balances must be reported?

A: All balances for savings deposits, demand deposits, time deposit, open accounts, certificates of deposit or time certificates of deposit, even those below the \$250,000 FDIC coverage, must be reported.

Q: Who is responsible for reporting to the public entities?

A: State law requires depositories to submit a monthly report no later than the 10th day of each month which contains entity balances as of month-end. The template(s) for the monthly report can be located in the help menu of the TheVault system.

Using the information reported by all depositories, the KCP will send a report not later than the 30th day of each month to the Public Entity.

Q: How are Money Markets and NOW accounts reported?

A: Money markets and NOW accounts should be reported under the non-DDA balances.

Q: Are CDs an acceptable form of collateral?

A: Yes, CDs can be used as collateral. However, your financial institution may only pledge one CD per issuing bank not to exceed the \$250,000 FDIC coverage. You will need to complete a **BANK CD PLEDGING CERTIFICATION** form for each CD pledged.

Q: What types of collateral are acceptable for these deposits?

A: State law defines the collateral that may be used for these deposits. The relevant section can be found [here](#) or on the **COLLATERAL TYPE CODES** tab of the submission form.

Q: When can I expect to go live in the KCP?

A: Our office will work with your bank to establish a date once all required agreements and documents have been received. Every bank will need to complete a participation agreement, board resolution, security agreement, custodial agreement (if applicable), and provide an entity list and a list of anticipated securities that will be transferred to the KCP. It is the bank's responsibility to communicate their onboarding status with their custodians (if applicable) and customers.