



## Ohio Administrative Code Rule 113-40-01 Definitions and public records.

Effective: August 10, 2023

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As used in this chapter:

(A) "Bank monitoring" means the process used to identify an emerging individual financial concern or a deposit business concern for a FI approved for a reduced collateral floor.

(B) "Bank monitoring collateral requirement" means an additional collateral requirement that may be imposed on a FI approved for a reduced collateral floor if an emerging individual financial concern or a deposit business concern is identified.

(C) "Basis point" means a simplified unit of measure used in finance. One basis point equals one one-hundredth of one per cent.

(D) "Collateral requirement calculation" means the mandatory amount of collateral for a FI participating in OPCP, as determined in OPCS based upon the following factors: account balances; federal deposit insurance corporation coverage as determined pursuant to paragraph (C)(1) of rule 113-40-02 of the Administrative Code, which may deviate from actual federal deposit insurance corporation limits; statutory collateral requirement; reduced collateral floor; any bank monitoring collateral requirement(s); any economic monitoring collateral requirement(s); any PU negotiated collateral requirement(s); and any cushion collateral requirement(s).

(E) "Collateral sufficiency" means the determination made by the treasurer of state on whether a FI is adequately collateralized based upon the collateral requirement calculation and the collateral valuation.

(F) "Collateral valuation" means the market value of eligible collateral pledged by a FI.

(G) "Cushion collateral requirement" means an additional collateral requirement that may be imposed by the treasurer of state on a FI that is not in compliance with collateral sufficiency



requirements, file submission requirements, or the OPCS operating policies.

(H) "Economic monitoring" means macroeconomic monitoring and regional economic monitoring under paragraph (B) of rule 113-40-04 of the Administrative Code.

(I) "Economic monitoring collateral requirement" means an additional collateral requirement that may be imposed on a FI approved for a reduced collateral floor if economic monitoring identifies a potential concerning economic trend.

(J) "Financial institution" (FI) means a state-chartered or national bank designated as a public depository pursuant to section 135.01 of the Revised Code, and which receives or holds any public deposits as defined in section 135.31 of the Revised Code, or which receives or holds any funds from a public depositor as defined in division (A)(2) of section 135.182 in the Revised Code.

(K) "Ohio pooled collateral program" (OPCP) means the program, created by the treasurer of state pursuant to division (B)(1) of section 135.182 of the Revised Code, in which each FI that selects the pledging method prescribed in division (A)(2) of section 135.18 of the Revised Code or division (A)(2) of section 135.37 of the Revised Code, shall pledge to the treasurer of state a pool of eligible securities for the benefit of all public depositors at the public depository to secure the repayment of uninsured public deposits at the public depository, and, if applicable, collateral dedicated to a specific public depositor, provided that the total market value of the securities so pledged is at least equal to the amounts required by section 135.182 of the Revised Code.

(L) "Ohio pooled collateral system" (OPCS) means the system created and maintained by the treasurer of state to facilitate FI and PU participation in OPCP.

(M) "Operating policies" means the set of operational procedures, policies, and requirements for the use of OPCS. All participation in OPCP and use of OPCS shall be subject to the operating policies, which are maintained at the sole discretion of the treasurer of state. The operating policies are available at [www.tos.ohio.gov](http://www.tos.ohio.gov).

(N) "Public deposits" means moneys of a public depositor as defined in division (A)(3) of section 135.182 of the Revised Code, but for the purposes of this chapter herein, does not include the



moneys of metropolitan housing authorities, public or Indian housing agencies, or United States federal agencies.

(O) "Public unit" (PU) means the state or a subdivision thereof, as applicable, that deposits public deposits with a FI.

(P) "Public unit negotiated collateral requirement" means a collateral requirement negotiated by a PU with its FI, which may differ from the statutory collateral requirement.

(Q) "Qualified trustee" means a bank or institution that meets the requirements set forth in division (J) of section 135.18 of the Revised Code.

(R) "Reduced collateral floor" means a collateral requirement available to eligible FI pursuant to division (B)(1)(b) of section 135.182 of the Revised Code. A FI reduced collateral floor will be determined in accordance with rules 113-40-03 to 113-40-05 of the Administrative Code.

(S) "Specific pledge method" means the method of separately securing uninsured public deposits of each public depositor, as prescribed in division (A)(1) of section 135.18 of the Revised Code.

(T) "Specific pledge account" (SPA) means an account containing a security or securities pledged for the benefit of one specific PU by a FI participating in the pooling method. A FI may be permitted to use a SPA if: the charter for the PU requires use of the specific pledge method; United States federal law designates the specific pledge method for the PU; or it is permitted at the discretion of the treasurer of state. Under this method, the FI will secure all uninsured deposits in the SPA at least equal to the requirement for the specific pledge method.

(U) "Standard" means a specific financial indicator with a defined benchmark that must be met by a FI in order to be approved for a reduced collateral floor.