Frequently Asked Questions About the Funds of Public Depositors

Is my agency's money safe at my financial institution?
Our office is more than happy to report to you the most recent collateralization positions of our banks. All of the banks with public deposits are required to maintain at least 100% of the value of the balances in pledged securities. Most maintain excess collateral of 10% or more in order to accommodate market fluctuations.

What happens if my agency's bank should fail?
All funds up to $250,000 for demand deposits and $250,000 for time and savings deposits will be covered by the FDIC. Over that amount, the bank's collateral position will insure the remainder of the public deposits. As long as the bank maintains a sufficient collateralization level, no public funds should be lost.

What happens if my agency's bank is taken over by another financial institution?
You should see no impact to the bank's commitment to collateralize the deposits.

Should I move my money to another bank?
We do not recommend making any quick decisions that would impact the soundness and security of the financial institution. Keep in mind that public deposits are secured, so in the event of financial catastrophe, those funds should not be lost.

What happens if a bank drops below the 100% threshold?
The Statewide Banking Operations section of the Department of State Treasurer stays in close contact with our banks holding public deposits. In the event that a bank is unable to maintain sufficient excess collateral to absorb market fluctuations, we may exercise the right to request that that financial institution pledge collateral to each individual public depositor, rather than pooling all public funds and establishing a single escrow agent.