

The following briefly summarizes selected statutes, regulations, and policies that establish the roles and responsibilities of the State Treasurer's Office CTSMD.

<b>State Law Governing CTSMD-Cash Management</b>	
<b>Government Code Sections</b>	
12323	Requires the Treasurer to endorse a memorandum receipt on documents accompanying money transmitted for deposit into the Treasury
12324	Requires the Treasurer to pay warrants drawn by the Controller, except warrants canceled pursuant to law
12325	Requires the Treasurer to deliver all canceled warrants to the Controller, taking the Controller's receipt, daily
12326	Requires the Treasurer to keep an account of all money received and disbursed
12328	Requires the Treasurer to report the amounts disbursed during the preceding day and the funds out of which the disbursements were paid, to the Controller, daily
16480.1	Establishes the creation of a Pooled Money Investment Board, which shall consist of the Controller, Treasurer, and Director of Finance
16500-16500.5	Specifies "eligible bank" as a state or national bank located in California, Treasurer selected for the safekeeping of state monies, receiving at or above an overall "satisfactory" Community Reinvestment Act (CRA) rating. Defines the term state or national bank located in California
16501	Provides for deposits in banks outside California when banks are fiscal agents of the state or custodians of securities owned by the state, having a minimum overall CRA rating of "satisfactory" and approval of the Director of Finance
16502	Provides for the Treasurer to deposit monies in eligible banks
16503	Provides for the Treasurer to determine the amounts of money to be held in time deposits and demand deposits, and the interest rates of those deposits
16504	Provides for the Treasurer to withdraw (call in) money from time deposits and place in demand deposits, subject to the applicable contract
16505	Specifies maximum deposits within a bank shall not exceed the total of its net worth
16506	Requires banks to deposit security with the Treasurer for applicable deposits made by the Treasurer
16507	Specifies that a State officer is not liable for losses to a deposit, caused by a bank's failure, for money belonging to an inmate of a State institution (if the State officer is acting in good faith and in accordance with the law)
16508	Specifies that the Treasurer is not responsible for money deposited in, and remaining in a bank
16509	Specifies that the Treasurer is responsible for the safekeeping, management, and disbursement of received certificates of deposit, deposited securities, received interest, and sale proceeds; the Treasurer is also responsible for the custody and safe return of deposited securities
16510	Requires State officers/employees to forfeit his/her office or employment for deposits not made in compliance within Statutes.
17400-17404	Specifies the (endorser's or presenting bank's) presentment of State warrants or State checks to the Treasurer, including provisions for the Treasurer to revoke the payment/credit

<b>State Laws Governing CTSMD-Securities Clearance and Collateral Management</b>	
<b>Government Code Sections</b>	
12331	Pertains to retention of collateral through deposit with the Treasurer in accordance with Sections 16305 to 16305.7, whenever any law, state agency, or officer requires that a pledge of money be made to secure the performance of an act or duty (Treasurer is responsible for the safekeeping of all money deposited with the Treasurer)
16520-16533	Requires demand or time deposit eligible banks to deposit securities (with the Treasurer) in an amount in value at least 10 percent (or 50 percent for mortgages) in excess of the amount deposited with the bank
16550-16554	Authorizes approved trust company to take custody of securities and comply with written instructions, as approved by the Treasurer; specifies the trust company is responsible for safekeeping of the securities, and the owner is responsible for applicable securities handling and safekeeping charges (to be paid to trust company)
16560-16565	Provides for the Treasurer to enter into contract with depositories for demand deposits and time or interest-bearing term deposits, and specifies terms and agreements of these contracts
16600-16634	Provides for the Treasurer to deposit securities into approved savings and loan associations, the safekeeping of the securities deposits, and contract specifications for such deposits
16651	Requires review of Fiscal Agent reports of un-presented bonds and coupons and authorizes wire transfers on a monthly basis
16652	Requires Fiscal Agent to monitor all lost or destroyed bonds and coupons except stop payments processed prior to outsourcing
16674	Requires Fiscal Agent to process the majority of certificated and book entry bond payments
16676	Provides for audit of the Fiscal Agent's collection statement and authorizes debt service payment wire transfers
16701	Requires monitoring of lost or destroyed bond or coupon cases with Fiscal Agent
16734	Requires Fiscal Agent to process the majority of certificated and book entry bond payment
16740	Requires proofreading of bond sale documents for technical accuracy; confirming final bond through the Depository Trust and Clearing Corporation (DTCC) Fast Automated Securities Transfer (FAST) system
16741	Requires performance of final authentication of bonds
16774	Requires proofreading of bond call notices and other related documents for accuracy
<b>Code of Federal Regulations</b> Title 17, Part 240, Section 240.17Ad-6&7	Requires the Treasurer, as trustee, to safekeep payment and registration records (This function is required as long as the Treasurer is the trustee for the bond issued)

<b>State Laws Governing CTSMD-Securities Clearance and Collateral Management (continued)</b>	
<b>Business &amp; Professions Code Sections</b>	
7071.5-10	Requires licensed contractors to deposit collateral with the registrar (The fifteen-member board of the California State License Board (CSLB) appoints an executive officer, or Registrar of Contractors.)
8697	Requires licensed structural pest control companies to maintain collateral with the registrar
10237.8	Requires real property securities dealers to maintain collateral with the commissioner (The Real Estate Commissioner is appointed by the California Governor, and serves as the chief executive of the California Department of Real Estate.)
<b>Code of Civil Procedures</b> 1310-1321 & 1379	Requires that unclaimed property be transmitted to the Controller for deposit in the State Treasury
<b>Financial Code Sections</b>	
1540-1591	Requires trust companies to deposit securities with the Treasurer for their court and private trusts
1811-1812	Requires a licensee to deposit securities with the Treasurer to receive money for transmission in a foreign country
17202.1	Requires licensed escrow agents to deposit collateral with the commissioner
<b>Insurance Code Sections</b>	
940-955	Requires securities be held in trust for policyholders of an insurer when required; securities are deposited with the Treasurer or a qualified trust company
1802-1803	Requires bail license applicants to deposit collateral with the commissioner (State of California Insurance Commissioner)
11690-11703	Requires insurers desiring admission to transact workers' compensation insurance/reinsurance to deposit securities with the Treasurer or a qualified trust company
11788-11800.2	Requires securities belonging to the State Compensation Insurance Fund to be held by the Treasurer
14050-14053	Requires licensed insurance adjusters to deposit collateral with the commissioner
<b>Labor Code Sections</b> 3700-3709.5	Requires employers to deposit securities on behalf of the Director of Industrial Relations with the Treasurer to secure a certificate of consent to self-insure
<b>Public Contract Code Sections</b>	
10263	Requires securities be deposited with the Treasurer, or a qualified trust company, as the escrow agent, to ensure performance under a contract
10851-10852	Requires securities be deposited with the Treasurer as the escrow agent, to ensure performance under a contract
<b>Vehicle Code Sections</b>	
11710	Requires licensed vehicle dealers to file a bond with the California Department of Motor Vehicles (DMV) and held at STO.
11102	Requires driving school owners to file a bond with the DMV
11202	Requires traffic violator school owners to file a bond with the DMV

16054	Requires driver's that report accidents under Vehicle Code 16000 to establish evidence of financial responsibility
<b>Unemployment Insurance Code Section 3258</b>	Requires employers who operate Voluntary Disability Insurance Plans to deposit securities with the Treasurer