



Lynn Fitch
STATE TREASURER

To: Mississippi Public Fund Depositories

From: Paula Nielsen, CFA,
Chief Investment Officer

Date: January 26, 2018

Re: ICS Program

In recent weeks, the Office of the State Treasurer has received several inquiries about the ICS (Insured Cash Sweep) program, offered by Promontory Interfinancial Network (PIN). This memorandum is meant to provide guidance for the use of this program, as well as PIN's CDARS (Certificate of Deposit Account Registry Service) program, by public fund depositories under Mississippi statute.

Since 2007, local governmental entities and their depositories have been able to use programs like these for collateralizing public funds. In 2012, the Legislature amended the relevant statute, Miss. Code Ann. § 27-105-315, to authorize it only so long as the accounts utilized are "interest-bearing."

While CDARS is limited to Certificates of Deposit and therefore always meets this requirement, ICS utilizes money market accounts as well as demand deposit accounts, which may not be interest-bearing. Thus, the use of ICS is permitted under State law as long as your institution is utilizing the available interest-bearing accounts.

If you have any questions concerning ICS or CDARS, please contact me at 601-359-3536, Paula.Nielsen@treasury.ms.gov; or Donna Eargle at 601-359-2172, Donna.Eargle@treasury.ms.gov.