

Redbook

LBO Analysis of Executive Budget Proposal

Board of Deposit

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LBO Redbook

Board of Deposit

Quick look...

- The Ohio Board of Deposit (BDP) designates financial institutions to function as public depositories, approves bank service charges, and regulates deposits of state moneys.
- BDP employs no staff and receives no GRF funding.
- The BDP budget is used to pay bank fees and other costs necessary to maintain the Ohio Regular Bank Account.

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 4M20 ALI 974601, Board of Deposit					
\$1,493,685	\$1,463,832	\$1,212,071	\$1,876,000	\$1,876,000	\$1,876,000
% change	-2.0%	-17.2%	54.8%	0.0%	0.0%

Agency overview

The State Board of Deposit is composed of three elected officials or designees of these officials: the Treasurer of State, the Auditor of State, and the Attorney General. The Treasurer of State or the Treasurer of State’s representative serves as the Board’s chairperson. The cashier of the state treasury serves as the secretary of the Board.

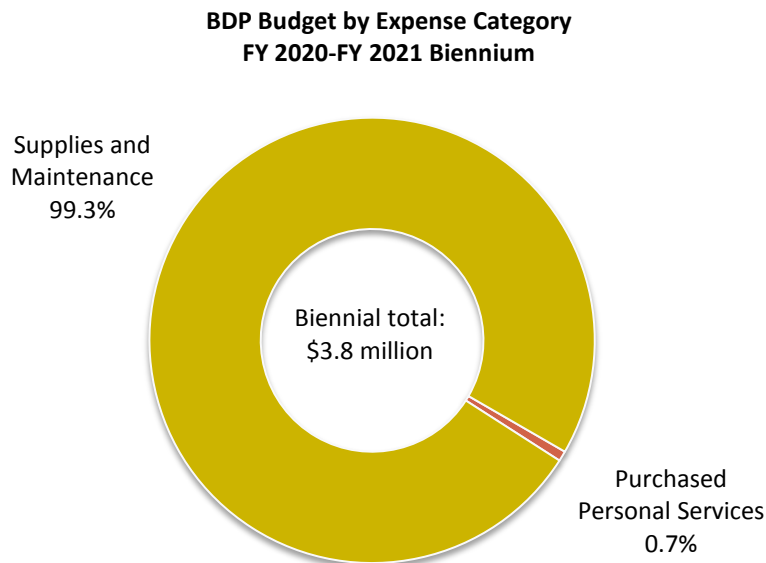
The Board’s major functions are to designate qualified financial institutions and banks to serve as public depositories, to regulate the deposits of state money into these institutions, to approve bank service charges, and to confirm the designation and investment of interim moneys of the state.

The Board employs no staff, but the staff of the Treasurer of State provides some support for the Board.

Analysis of FY 2020-FY 2021 budget proposal

The executive proposal is for appropriations of \$1.9 million each year for FY 2020 and FY 2021. The amount each year is the same as estimated FY 2019 expenses. Over 99% of this funding is to pay for banking charges and fees required for the operation of the Treasurer’s regular bank account and two auxiliary accounts: the Consolidated Check Clearing Account and the Treasurer’s Custodial Contingency Account. A small portion of the funding, \$14,000 per fiscal year, is to pay for support services provided by the Treasurer of State staff.

The Board of Deposit uses no GRF moneys. The Board of Deposit Expense Fund (Fund 4M20) receives transfers of cash from the Investment Earnings Redistribution Fund (Fund 6080) after certification of the Board's expenses by the Treasurer of State.



Board of Deposit (974601)

This line item provides for banking charges and fees accrued through operation of the Treasurer of State's regular bank account and two auxiliary accounts: the Consolidated Check Clearing Account and the Treasurer's Custodial Contingency Account. The executive recommendation is \$1.9 million each for FY 2020 and FY 2021, unchanged from expected FY 2019 expenditures. Funding for this line item has historically come from transfers from the Investment Earnings Redistribution Fund (Fund 6080), and language in the budget bill requires the Director of Budget and Management, upon receiving certification of expenses from the Treasurer of State, to transfer cash from Fund 6080 to the Board of Deposit Expense Fund (Fund 4M20) in order to pay for any banking expenses necessary for the operation of the state of Ohio Regular Account.

Each month, the Board's chairperson is required to provide a monthly report to the Board consisting of notifications received from the Treasurer of State that public moneys have been classified as interim moneys and to post the report to a website maintained by the Treasurer of State.

As of March 20, 2019, 93 financial institutions throughout the state have been designated by the Board as public depositories for state funds.¹

BDP/lb

¹ <http://www.tos.ohio.gov/depositorybanks>.