



Utah State Treasurer's Office PTIF Instructions and Information

PTIF OBJECTIVES

The Utah Public Treasurers Investment Fund (PTIF), or the "Pool," invests to maintain safety of principal, liquidity and a competitive return on short term investments.

WHO CAN INVEST

Any funds administered by a State of Utah public treasurer may be invested in the Pool. This includes funds held by Utah local governments, city and county treasurers, state boards, commissions, institutions, departments, divisions, agencies, or other similar instrumentalities, school districts, and other public bodies.

WHY INVEST IN THE POOL?

Investing in the Pool is a convenient and effective way to invest excess and idle liquidity. The Pool can readily accommodate large investments while providing local government or agency officials with a high degree of liquidity.

Investment professionals in the State Treasurer's Office have extensive, regular interactions with local and national securities dealers, analysts and fund managers. By investing in the PTIF, public entities can leverage the expertise of the Treasurer's Office while minimizing the expense of investment management to local taxpayers.

STABILITY

Every dollar invested today is managed to be worth a dollar tomorrow plus income earned at competitive rates.

COMPETITIVE RATES

The pooling of monies from numerous public entities within Utah enables the Treasurer's Office to purchase securities in large block sizes. Large block sized transactions such as these minimize and/or avoid certain investment service charges and/or spreads often assessed by banks and brokers on smaller-lot purchases, providing Pool investments with a lower cost, higher-yielding structure than is available to smaller portfolios. Reduced cost and effective selection of securities results in a safe and competitive yield on your investment. Pool yield fluctuates with prevailing market interest rates.

LIQUIDITY

The high degree of liquidity offered by the Pool eliminates the need for pool participants to predict precisely how long excess funds can be invested in the Pool. The prevailing pool yield is paid on all pool investments regardless of how long the funds are invested. The Pool is not intended to be a substitute for a treasurer's operating accounts, sweep account, or daily repurchase arrangements. While providing daily liquidity, the Pool is intended for funds which are invested for several days or longer. The Treasurer's Office may invest state monies in the Pool and may withdraw such monies from time to time in the same manner as other participants.

SECURITY

All investments in the PTIF must comply with the [Money Management Act](#) and Rules of the Money Management Council. Refer to the Money Management Act, Section 51-7-11, for details.

The Pool invests primarily in money market securities, including time certificates of deposit, domestic commercial paper, short term corporate notes, obligations of the U.S. Treasury and of certain U.S. government agencies. These securities are issued by top rated, highly credit-worthy corporations and government agencies and, as held within the Pool in a diversified portfolio, represent limited risk to pool participants.

The maximum final maturity of any security purchased by the Pool is five years. The maximum adjusted weighted average maturity of the portfolio does not exceed 90 days.

By statute, investment transactions are conducted only through [certified dealers](#), [qualified depositories](#) or directly with issuers of the securities.

All purchased securities are delivered to the custody of the Treasurer's Office, assuring a perfected interest in the securities. For safety and convenience, the Treasurer's Office uses a custodial bank to take delivery of some securities. Securities owned by the Pool are completely segregated from securities owned directly by the State. The State of Utah has no claim on assets owned by the Pool except for those investments of State monies *in* the Pool. Pool deposits are not insured or guaranteed by the FDIC, the State of Utah or any other instrumentality of the United States.

Investments managed by the Treasurer's Office (including those held by the PTIF) are reviewed periodically by the Money Management Council and are audited by the Utah State Auditor.

DIVERSIFICATION

By combining the funds of many investors, the Pool can diversify among many issuers, thereby avoiding excessive concentration in the securities of any one issuer. In accordance with the Rules of the Money Management Council, no more than 5% of the Pool may be invested in the securities of any single issuer.

NO MINIMUM BALANCE REQUIREMENT

The Pool has no minimum balance requirement and no limit on the number of pool account transactions.

HOW TO OPEN AN ACCOUNT WITH THE PTIF

Complete, sign and submit a [PTIF New Account Application and Change Form](#). The form can be submitted by mail, FAX or email as follows:

By Mail:	Utah State Treasurer 350 N. State Street, Suite 180 P.O. Box 142315 Salt Lake City, UT 84114-2315
By FAX:	(801) 538-1465
By Email:	To ptifadmin@utah.gov

Key points to remember when completing the [PTIF New Account Application and Change Form](#):

- Only individuals authorized on the Form may request transactions.
- Deposit and withdrawal transactions can only settle to or from the depository bank account detailed on the Form.
- The Form requires two signatures.

After the Form is processed, you will be contacted by the Treasurer's Office with your PTIF account number and to arrange for an initial deposit into the Pool.

ONLINE TRANSACTIONS USING iPAS

iPAS is an online, web-based tool that provides Pool participants with the ability to securely initiate ACH deposits and withdrawals online via the Internet. It also allows Pool participants access to account balances, transaction details and account statements.

Once your Pool account is established, you can gain iPAS access by calling the Treasurer's Office or emailing your request to ptifadmin@utah.gov.

TRANSACTIONS REQUESTED BY PHONE

Pool participants can also request transactions (including deposits, withdrawals or interfund transfers) by calling the Treasurer's Office at (801) 538-1470 or (800) 395-7665 (toll free).

When requesting **deposits** or **withdrawals** by phone, please provide the following details:

- Date funds are to be transferred¹
- Amount to be transferred
- Pool account name and number
- Name of bank and account number to which the transfer will settle

When requesting **interfund transfers** by phone, please provide the following details:

- Date funds are to be transferred²
- "From" Pool account name and number
- "To" Pool account name and number
- Amount to be transferred

POOL DEPOSITS INITIATED BY WIRE TRANSFER OR ACH CREDIT

The Treasurer's Office processes wire transfer deposits on a limited basis due to the relatively high transaction costs associated with wires. If Pool deposits are initiated by wire transfer or ACH credit, **same-day phone or email notification must be provided to the Treasurer's Office before noon** to ensure that the deposit is credited to the Pool account on the date the deposit is transmitted.

¹ Transfer requests made by 11:59 a.m. will settle via ACH on the following business day or any future date as specified.

² Interfund transfers can be processed on any date of the current month.

POOL DEPOSITS MADE BY CHECK

For deposits by check or warrant, mail or hand-deliver your deposit to:

Utah State Treasurer
350 N. State Street, Suite 180
P.O. Box 142315
Salt Lake City, Utah 84114-2315

Funds deposited to Pool accounts by check or warrant begin earning interest on the day they are collected:

<u>Type of Check or Warrant</u>	<u>Funds are Collected</u>
In-state.....	Day after receipt
Out-of-state.....	Two days after receipt

INTER-FUND TRANSFERS

The Treasurer's Office can make transfers from one entity's Pool account to another entity's Pool account to distribute tax revenues and other amounts. (For example, property taxes collected by a county can be conveniently and efficiently distributed to a city or to a school district using this method.) Such transfers can be initiated using the following methods:

- Initiate online using iPAS
- Request in writing by FAX to (801) 538-1465
- Request via email to ptifadmin@utah.gov . (Multiple transfers can be effected through use of electronic file. Contact PTIF support for detailed instructions).
- Request by phone by calling (801) 538-1470

When requesting interfund transfers, remember to provide the date funds are to be transferred, the "from" Pool account name and number, the "to" Pool account name and number, and the amount to be transferred.

POOL OPERATING GUIDELINES

- Pool participants **must provide the Treasurer's Office with at least 48 hours' advance notice** when withdrawing more than \$10,000,000.
- Deposit and withdrawal transactions **must be requested prior to noon** for next business day settlement.
- Inter-fund transactions³ can be processed on any date of the current month.
- All funds withdrawn are delivered directly to the Pool participant's designated bank account. Treasurer's Office internal control policies prohibit payments to third parties.

INTEREST EARNED

Interest earnings are calculated on an accrual basis and credited to each account on the last day of the month. The monthly yield is quoted as a simple average using the actual number of days in the month and a 360 day year. As an

³ "Inter-fund transactions" refers to transfers from one PTIF account to another.

example, an account having an average daily balance of \$100,000 during the month earns \$333.33 at a 4% yield, calculated as follows:

$$\$100,000 \times 4.00\% \times 30 \text{ days}/360 \text{ days}$$

Most money market investment vehicles quote yields based on a 365 day year and may quote a compounded "return". Using the example above, an investment that paid \$333.33 would yield 4.0555% based on a 365 day year.

The monthly apportionment of interest includes accrued interest, amortization of premium or discount, realized gains and losses, any addition or reduction from/to interest reserves, and is net of all administrative and safekeeping charges (see "ADMINISTRATIVE CHARGES").

The PTIF may maintain an interest reserve to stabilize the monthly apportionment of interest. Any balance maintained in the interest reserve is reflected in the GASB 31 fair market value factor⁴.

Funds transferred to the Pool begin earning interest on the day they are collected:

<u>Mode of Transfer</u>	<u>Funds are Collected</u>
ACH or wire.....	Day of transfer
In-state check.....	Day after receipt
Out-of-state check.....	Two days after receipt

Funds continue to earn interest until withdrawn by the participant.

MONTHLY INVESTMENT STATEMENT

Statements of account are available online via iPAS or are mailed to participants, and detail the following information:

- Beginning and ending balances
- Deposits and withdrawals
- Interest earned and credited
- Weighted average balance
- Average yield for the month

Statements are prepared and mailed on the third or fourth business day of each month, and are available online via iPAS by the third business day of each month. The monthly statement should be retained as a permanent record.

ADMINISTRATIVE CHARGES

A minimal administrative fee is charged to help cover operating expenses and related costs for Pool operations. This fee is deducted from gross earnings and is not reflected on the monthly statement. The fee is subject to adjustment from time to time based on costs incurred. The Treasurer's Office has established a maximum fee of 10 basis points (one-tenth of one percent (.001)) per annum, applied to the average account balance on a monthly basis. Historically, the total charge has averaged about 1 basis point (.0001) per annum. No other costs or fees are assessed by the Treasurer's Office.

⁴ GASB Statement 31 requires fair value reporting of all investments. The fair value of your investment in the PTIF can be calculated by multiplying the pool's fair value per share factor times your pool balance, as shown on your statement.