

Contact: Andrea Anania

**MODIFICATION OF BANKING RELATIONSHIPS**

**Action Requested:** Consider approval of changes to the financial institutions, subject to the limitations specified on page 2 with respect to purpose and maximum amount.

**Executive Summary:** The University of Iowa and Iowa State University are both requesting authorization to amend and expand their lists of authorized financial institutions within the state of Iowa.

Both universities report that this will: (1) allow the universities, when advantageous, to expand utilization of bank certificates of deposit as an investment vehicle for short-term operating funds; and (2) provide diversification and additional flexibility, as well as further contribute to the competitive bidding process for these types of investments.

The universities provided review materials to Wilshire Consulting to solicit their input. Wilshire had no additional comments.

**Background:**

**FINANCIAL INSTITUTIONS**

Iowa Code §12C.2 requires that the Board of Regents approve financial institutions that serve as depositories of its public funds. Approval must be entered by written resolution or order into the Board's minutes, distinctly naming each approved depository and specifying the maximum amount which may be kept on deposit.

Regent Policy Manual §7.08(J.2) requires that changes in investment relationships be reviewed by the Audit/Compliance and Investment Committee (ACIC) and approved by the Board before institutions are permitted to use their services.

FINANCIAL INSTITUTIONS AS OF JUNE 2009

<b>UNIVERSITY OF IOWA</b>	<u>Maximum Deposit</u>	<u>In Iowa</u>	<u>Outside Iowa</u>
Wells Fargo Bank – Iowa (DDA) <sup>1, 6, 7</sup>	\$700,000,000	X	
Bank of America – Iowa (DDA) <sup>1, 5</sup>	\$450,000,000	X	
US Bank – Iowa (DDA) <sup>1, 5</sup>	\$350,000,000	X	
<del>US Bank Iowa – Cedar Rapids (DDA)</del>	<del>\$25,000,000</del>	<del>X</del>	
<del>US Bank – Iowa City (DDA)<sup>5</sup></del>	<del>\$325,000,000</del>	<del>X</del>	
<u>Dubuque Bank &amp; Trust – Iowa</u>	<u>\$25,000,000</u>	<u>X</u>	
Hills Bank & Trust Company – Iowa <sup>10</sup>	\$25,000,000	X	
MidwestOne Bank – Iowa (DDA) <sup>9</sup>	\$25,000,000	X	
University of Iowa Community Credit Union <sup>1</sup>	\$25,000,000	X	
<u>West Bank – Iowa</u>	<u>\$25,000,000</u>	<u>X</u>	
Wells Fargo Bank – Atlantic <sup>2</sup>		X	
Wells Fargo Bank – Minnesota <sup>4, 8</sup>			X
Wells Fargo Bank – Van Wert, Ohio <sup>2</sup>			X

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<b>IOWA STATE UNIVERSITY</b>	<u>Maximum Deposit</u>	<u>In Iowa</u>	<u>Outside Iowa</u>
Bankers Trust – Des Moines (DDA) <sup>1, 2</sup>	\$150,000,000	X	
Bank of America – Des Moines (DDA) <sup>3</sup>	\$100,000,000	X	
US Bank – Ames (DDA)	\$100,000,000	X	
Wells Fargo Bank – Des Moines (DDA) <sup>6</sup>	\$100,000,000	X	
First National Bank – Ames (DDA)	\$25,000,000	X	
<u>F&amp;M Bank – Ames (DDA)</u>	<u>\$10,000,000</u>	<u>X</u>	
Wells Fargo Bank – Minneapolis, Minnesota <sup>4, 6, 8</sup>			X

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<b>UNIVERSITY OF NORTHERN IOWA</b>	<u>Maximum Deposit</u>	<u>In Iowa</u>	<u>Outside Iowa</u>
Wells Fargo Bank – Cedar Falls (DDA Account)	\$30,000,000	X	
Regions Bank – Cedar Falls (DDA Account)	\$20,000,000	X	
Wells Fargo Bank – Minnesota <sup>4, 8</sup>			X
Regions Bank – Taylorville, Illinois <sup>2</sup>			X

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<b>IOWA SCHOOL FOR THE DEAF</b>	<u>Maximum Deposit</u>	<u>In Iowa</u>	<u>Outside Iowa</u>
US Bank – Council Bluffs	\$3,000,000	X	
Wells Fargo Bank – Des Moines <sup>6</sup>		X	

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<b>IOWA BRAILLE AND SIGHT SAVING SCHOOL</b>	<u>Maximum Deposit</u>	<u>In Iowa</u>	<u>Outside Iowa</u>
Regions Bank – Vinton	\$1,600,000	X	
US Bank – Cedar Rapids	\$350,000	X	

DDA = Demand Deposit Account

1. Concentration.
2. Controlled Disbursement Account.
3. Credit Card Processor.
4. Custodial Accounts for University Investments.
5. Lockbox Included.
6. Paying Agent.
7. Trust Accounts for Bond Issues.
8. Trust Accounts for Fund Managers.
9. Regent Downer is a shareholder of Midwest One Financial Group, holding company for MidwestOne Bank.
10. Regent Downer is a shareholder of and periodically performs legal services for Hills Bancorporation, holding company for Hills Bank and Trust Company.