

Contact: Andrea Anania

MODIFICATION OF BANKING RELATIONSHIPS

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

Executive Summary: Iowa State University is requesting to amend its list and the University of Northern Iowa is requesting to expand its list of authorized financial institutions within the state of Iowa.

ISU reports that the proposed change will allow the University to take advantage of competitive interest rates and UNI reports that the proposed addition will allow the University to expand utilization of bank certificates of deposit as an investment vehicle.

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 SEPTEMBER 2009

UNIVERSITY OF IOWA	<u>Maximum Deposit</u>	<u>In Iowa</u>	<u>Outside Iowa</u>
Wells Fargo Bank – Iowa (DDA) ^{1, 6, 7}	\$700,000,000	X	
Bank of America – Iowa (DDA) ^{1, 5}	\$450,000,000	X	
U.S. Bank – Iowa (DDA) ^{1, 5}	\$350,000,000	X	
Dubuque Bank & Trust – Iowa	\$25,000,000	X	
Hills Bank & Trust Company – Iowa	\$25,000,000	X	
MidwestOne Bank – Iowa (DDA)	\$25,000,000	X	
University of Iowa Community Credit Union ¹	\$25,000,000	X	
West Bank – Iowa	\$25,000,000	X	
Wells Fargo Bank – Atlantic ²		X	
Wells Fargo Bank – Minnesota ^{4, 8}			X
Wells Fargo Bank – Van Wert, Ohio ²			X
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IOWA STATE UNIVERSITY	<u>Maximum Deposit</u>	<u>In Iowa</u>	<u>Outside Iowa</u>
Bankers Trust – Des Moines (DDA) ^{1, 2}	\$150,000,000	X	
Bank of America – Des Moines (DDA) ³	\$100,000,000	X	
U.S. Bank – Iowa (DDA) ¹¹	\$100,000,000	X	
Wells Fargo Bank – Des Moines (DDA) ⁶	\$100,000,000	X	
First National Bank – Ames (DDA)	\$25,000,000	X	
F&M Bank – Ames (DDA)	\$25,000,000		
Wells Fargo Bank – Minneapolis, Minnesota ^{4, 6, 8}	\$10,000,000	X	X
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UNIVERSITY OF NORTHERN IOWA	<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)	\$30,000,000	X	
	\$20,000,000		
Wells Fargo Bank – Minnesota ^{4, 8}			X
Regions Bank – Taylorville, Illinois ²			X
U.S. Bank – Iowa (DDA)	\$30,000,000	X	
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IOWA SCHOOL FOR THE DEAF	<u>Maximum Deposit</u>	<u>In Iowa</u>	<u>Outside Iowa</u>
U.S. Bank – Iowa	\$3,000,000	X	
Wells Fargo Bank – Des Moines ⁶		X	
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IOWA BRAILLE AND SIGHT SAVING SCHOOL	<u>Maximum Deposit</u>	<u>In Iowa</u>	<u>Outside Iowa</u>
Regions Bank – Vinton	\$1,600,000	X	
U.S. Bank – Iowa	\$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.

Disclosures:

- ◆ Regent Downer is a shareholder of: (1) Midwest One Financial Group, holding company for MidwestOne Bank, N.A. of Iowa City; (2) U.S. Bancorporation, the parent company of U.S. Bank; and (3) Hills Bancorporation, holding company for Hills Bank and Trust Company. He also periodically performs legal services for Hills Bancorporation.
- ◆ President Pro Tem Evans is a shareholder of Wells Fargo Bank and U.S. Bank.