



DEPARTMENT OF FINANCIAL SERVICES
Division of Treasury – Bureau of Collateral Management

Department of Financial Services
Division of Treasury
Bureau of Collateral Management
200 East Gaines Street
Tallahassee FL 32399-0345

CASH ARRANGEMENT AGREEMENT

Special Identification Number:
(to be completed by CFO)

Instructions: This agreement is used when the pledgor elects to use cash as collateral and the Chief Financial Officer serves as the Custodian. Proof of authority must accompany this agreement pursuant to Rule 69C-2.032, F.A.C. Submit this completed agreement to the Chief Financial Officer by email at PublicDeposits@myfloridacfo.com or as directed by the Chief Financial Officer. Regarding any questions relating to this agreement, you may contact the Division of Treasury Bureau of Collateral Management. Contact information can be found at <https://www.myfloridacfo.com/division/treasury/collateral-management>.

I. EFFECTIVE DATE AND PARTIES TO THE AGREEMENT

THIS CASH ARRANGEMENT AGREEMENT (Agreement) is effective on the date that the Chief Financial Officer of the State of Florida (CFO), or his or her designee, executes it. The parties to this Agreement are the CFO, who also serves as the Custodian; and the Pledgor, which includes _____, the Qualified Public Depository, and, if one is used, the Operating Subsidiary _____.

II. RECITALS

WHEREAS, sections 280.04 and 280.041, F.S., requires the parties enter into a collateral arrangement agreement, which depending on the collateral being pledged may include this Agreement, in order to participate in the Florida Public Deposits Program.

WHEREAS, section 17.59(1), F.S., states "[t]he Chief Financial Officer shall administer a collateral management service for all state agencies as defined in s. 216.011, or any county, city, or political subdivision thereof, or other public authority that requires by statute, rule, or contract the deposit or pledge of collateral." This includes any cash deposited in the Treasury Cash Deposit Trust Fund.

WHEREAS, section 17.61(1), F.S., provides that the CFO has the responsibility to invest all trust funds.

III. TERMS AND CONDITIONS

NOW, THEREFORE, the parties agree:

A. The Pledgor agrees to the following:

- (1) The Pledgor owns the pledged collateral and acknowledges that the CFO has a perfected security interest. The pledged collateral must be eligible collateral and shall be at least equal to the amount of required collateral.
- (2) The Pledgor grants to the CFO an interest in pledged collateral used as security for Florida public deposits. The Pledgor must not enter into or execute any other agreement related to the pledged collateral that would create an interest in or lien on that collateral in any manner in favor of any third party without the written consent of the CFO.
- (3) The Pledgor must not grant the Custodian any lien that attaches to the collateral in favor of the Custodian that is superior or equal to the security interest of the CFO.
- (4) The Pledgor agrees that the CFO may without notice to or consent by the Pledgor, require the Custodian to comply with and perform any and all requests and orders directly from the CFO. These include, but are not limited to, liquidating all collateral and submitting the proceeds directly to the CFO in the name of the CFO only or transferring all collateral into an account designated solely by the CFO.
- (5) The Pledgor acknowledges that the CFO may, without notice to or consent by the Pledgor, require the Custodian to hold principal payments and income for the benefit of the CFO.

- (6) The Pledgor shall initiate collateral transactions on forms prescribed by the CFO in the following manner:
- (a) A deposit transaction of eligible collateral may be made without prior approval from the CFO provided: security types that have restrictions have been approved in advance of the transaction by the CFO; simultaneous notification is given to the CFO; and the Custodian has not received notice from the CFO prohibiting deposits without prior approval.
 - (b) A substitution transaction of eligible collateral may be made without prior approval from the CFO provided: security types that have restrictions have been approved in advance of the transaction by the CFO; the market value of the securities to be substituted is at least equal to the market value amount of the securities to be withdrawn; simultaneous notification is given to the CFO; and the Custodian has not received notice from the CFO prohibiting substitution.
 - (c) A transfer of collateral between accounts at a Custodian requires the CFO's prior approval. The collateral shall be released subject to redeposit in the new account with a pledge to the CFO intact.
 - (d) A transfer of collateral from a Custodian to another Custodian requires the CFO's prior approval and a valid collateral agreement with the new Custodian. The collateral shall be released subject to redeposit at the new Custodian with a pledge to the CFO intact.
 - (e) A withdrawal transaction requires the CFO's prior approval. The market value of eligible collateral remaining after the withdrawal shall be at least equal to the amount of required collateral. A withdrawal transaction shall be executed for the release of any pledged collateral including maturity or call proceeds.
 - (f) Written notice shall be sent to the CFO to remove from the inventory of pledged collateral a pay-down security that has paid out with zero principal remaining.
- (7) Pursuant to section 280.13, F.S., and Rule 69C-2.007, F.A.C., all eligible securities must be pledged in a book entry form.
- (8) The Pledgor is responsible for all costs necessary to the functioning of this collateral agreement or associated with confirmation of pledged collateral to the CFO and acknowledges that these costs shall not be a charge against the CFO or his or her interests in the pledged collateral.
- (9) The Pledgor, if notified by the CFO, shall not be allowed to use a Custodian if that Custodian fails to complete the collateral agreement, releases pledged collateral without the CFO's approval, fails to properly complete confirmations of pledged collateral, or fails to honor a request for examination of records of book-entry securities. The period for disallowing the use of a Custodian shall be 1 year.
- (10) The Pledgor is subject to the jurisdiction of the courts of the state of Florida, or of courts of the United States located within the state of Florida, for the purpose of any litigation arising out of Chapter 280, Florida Statutes (F.S.), "Florida Security for Public Deposits Act" (the Act).
- (11) The Pledgor is responsible and liable to the CFO for any action of agents the Pledgor uses to execute collateral transactions or submit reports to the CFO.
- (12) The Pledgor agrees that any information, forms, or reports electronically transmitted to the CFO shall have the same enforceability as a signed writing.
- (13) The Pledgor shall submit proof that authorized individuals executed the collateral agreement on behalf of the Pledgor.
- (14) The Pledgor shall agree by resolution of the board of directors that collateral agreements entered into for purposes of this section have been formally accepted and constitute official records of the Pledgor.
- (15) The Pledgor shall be bound by any other provisions found necessary for a perfected security interest in collateral under the Uniform Commercial Code.

B. The Custodian agrees to the following:

- (1) The Custodian shall have no responsibility to ascertain whether the market value of pledged securities is at least equal to the amount of required collateral nor whether the pledged securities are eligible collateral.

- (2) The Custodian shall hold pledged collateral in a custody account for the CFO to secure Florida public deposits. The Custodian shall not enter into or execute any other agreement related to the collateral that would create an interest in or lien on that collateral in any manner in favor of any third party without the written consent of the CFO.
- (3) The Custodian agrees that any lien that attaches to the collateral in favor of the Custodian shall not be superior or equal to the security interest of the CFO.
- (4) The Custodian shall, without notice to or consent by the Pledgor, comply with and perform any and all requests and orders directly from the CFO. These include, but are not limited to, liquidating all collateral and submitting the proceeds directly to the CFO in the name of the CFO only or transferring all collateral into an account designated solely by the CFO.
- (5) The Custodian shall consider principal payments on pay-down securities and income paid on pledged collateral as the property of the Pledgor and shall pay thereto provided the Custodian has not received written notice from the CFO to hold such principal payments and income for the benefit of the CFO.
- (6) The Custodian shall process collateral transactions on forms prescribed by the CFO in the following manner:
 - (a) A deposit transaction of eligible collateral may be made without prior approval from the CFO unless the Custodian has received notice from the CFO requiring the CFO's prior approval.
 - (b) A substitution transaction of eligible collateral may be made without prior approval from the CFO provided the Pledgor certifies the market value of the securities to be substituted is at least equal to the market value amount of the securities to be withdrawn and the Custodian has not received notice from the CFO prohibiting substitution.
 - (c) A transfer of collateral between accounts at a Custodian requires the CFO's prior approval. The collateral shall be released subject to redeposit in the new account with a pledge to the CFO intact. The Custodian must provide the CFO with confirmation of the transfer within 5 business days of the redeposit.
 - (d) A transfer of collateral from a Custodian to another Custodian requires the CFO's prior approval. The collateral shall be released subject to redeposit at the new Custodian with a pledge to the CFO intact. The new Custodian must provide the CFO with confirmation of the transfer within 5 business days of the redeposit.
 - (e) A withdrawal transaction requires the CFO's prior approval. A withdrawal transaction shall be executed for the release of any pledged collateral including maturity or call proceeds.
- (7) Pursuant to section 280.13, F.S. and Rule 69C-2.007, F.A.C., all eligible securities must be pledged in a book entry form.
- (8) The Custodian acknowledges that the Pledgor is responsible for all costs necessary to the functioning of this collateral agreement or associated with confirmation of securities pledged to the CFO and that these costs shall not be a charge against the CFO or his or her interests in the pledged collateral.
- (9) The Custodian shall agree to provide confirmation of pledged collateral upon request from the CFO. This confirmation shall be provided within 15 working days after the request, in a format prescribed by the CFO, and shall require no identification other than the Pledgor name and location, unless the special identification number is provided in the collateral agreement. The confirmation of pledged collateral must meet the requirements of Rule 69C-2.031, F.A.C.
- (10) The Custodian is subject to the jurisdiction of the courts of the state of Florida or of courts of the United States located within the state of Florida for the purpose of any litigation arising out of the Act.
- (11) The Custodian is responsible and liable to the CFO for any action of agents the Custodian uses to hold and service collateral pledged to the CFO.
- (12) The Custodian agrees that any information, forms, or reports electronically transmitted to the CFO shall have the same enforceability as a signed writing.

- (13) The CFO has the right to examine definitive pledged collateral and records of book-entry securities during the regular business hours of the Custodian without cost to the CFO.
- (14) The responsibilities of the Custodian for the safekeeping of the pledged collateral shall be limited to the diligence and care usually exercised by a banking or trust institution toward its own property.
- (15) If there is any change in the Uniform Commercial Code, as adopted by law in this state, which affects the requirements for a perfected security interest in collateral, the CFO shall notify the Custodian of such change. The Custodians shall have a period of 180 calendar days after such notice to withdraw as Custodian if the Custodian cannot provide the required custodial services.

IV. DEFINITIONS

- A. "Custodian" means the same as section 280.02, F.S.
- B. "Operating Subsidiary" means the same as section 280.02, F.S.
- C. "Pledged Collateral" means the same as section 280.02, F.S.
- D. "Pledgor" means the same as section 280.02, F.S.
- E. "Qualified Public Depository" or "QPD" means the same as section 280.02, F.S.
- F. "Required Collateral" means the same as section 280.02, F.S.
- G. "CFO" means the same as section 17.001, F.S.

V. AUTHORIZED SIGNATURE OF PARTIES

A. Qualified Public Depository Oath

Under oath or affirmation, I have read this Agreement in its entirety, can attest to the accuracy and truth of the matters, and agree to its terms as stated.

Signature of Authorized Officer

Legal Name of Depository:

Name of Authorized Officer:

Title of Authorized Officer:

Home Office City and State:

STATE OF _____
COUNTY OF _____

Sworn to and subscribed before me this _____ by _____. The person making statement is either: Personally Known ☐ OR Produced Identification ☐ and type of identification produced: _____.

Signature of Notary Public (Seal)

Name of Notary Public:

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B. Operating Subsidiary Oath

Under oath or affirmation, I have read this Agreement in its entirety, can attest to the accuracy and truth of the matters, and agree to its terms as stated.

Signature of Authorized Officer

Legal Name of Operating Subsidiary:

Name of Authorized Officer:

Title of Authorized Officer:

Home Office City and State:

STATE OF _____
COUNTY OF _____

Sworn to and subscribed before me this _____ by _____. The person making statement is either: Personally Known ☐ OR Produced Identification ☐ and type of identification produced: _____.

Signature of Notary Public

Name of Notary Public:

(Seal)

C. Chief Financial Officer Approval and Oath, serving as Custodian

I have read this Agreement in its entirety, can attest to the accuracy and truth of the matters, and agree to its terms as stated.

Signature of Chief Financial Officer or Designee

Date

Name of Chief Financial Officer or Designee: _____

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