



West Virginia Term Deposit Program Rules and Instructions

The West Virginia Board of Treasury Investments (BTI), on behalf of the West Virginia State Treasurer's Office (WVSTO), offers West Virginia financial institutions that are approved Designated State Depositories the opportunity to invest state funds via the West Virginia Term Deposit Program (TDP). The TDP will make \$40 million available for placement in approved Designated State Depositories through a competitive auction. The procedures for TDP accounts are subject to the following Rules.

Approved Designated State Depository

To participate in the TDP, a financial institution must:

- Be an approved Designated State Depository
 - Must be a financial institution registered, operating and doing business in the State of West Virginia.
 - Must be insured by an agency of the federal government and post collateral.
 - Meet all other requirements and provisions of the West Virginia Code and the West Virginia Code of State Rules.

For more information on Banking Services provided by the state including Designated State Depositories and collateralization requirements inquire at <https://www.wvsto.com/Financial-Institutions/Collateralization-of-Public-Deposits>.

Registration

Potential bidders must register for the TDP by 3:00 p.m. Eastern Time at least two (2) business days prior to the auction date. To register, bidders should go to the BTI's website, <https://wvbt.org/Home/Investments/Term-Deposit-Program>, download the **West Virginia Term Deposit Program Application Form** and return the completed form to the BTI. The form may be sent via mail or e-mail. The contact information is:

WV Board of Treasury Investments
Attn: Holly Garner, Investment Accountant
315 70th Street SE
Charleston, WV 25304
Phone: (304) 341-0733
Fax: (304) 341-7095
E-mail: tdprogram@wvbt.org

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Prospective bidders will receive confirmation of receipt of registration and approval to participate in the TDP auctions. Bidders will also receive a username and password to bid on the TDP. Registration is only required initially and not for each auction. If there are any updates or changes to contact information, the financial institution must submit a revised **Application** form to the BTI at least two (2) business days prior to a bid date.

Schedules

Schedules for bidding and placements will be posted on the BTI's website at <https://wvbt.gov/Home/Investments/Term-Deposit-Program>. For all auctions, the settlement date for the funding will occur on the first business day following the bid date. Approved financial institutions will receive an e-mail prior to the auction date indicating the date, time and term of the auction. On the morning of the auction date, the financial institutions will be sent an e-mail with the TDP term and minimum rate. This information will also be posted to the BTI's website.

Bidding

Interested bidders must log on to the BTI's website at <https://wvbt.gov/Home/LoginPage?returnurl=%2fHome%2fInvestments%2fTerm-Deposit-Program> and input their username and password. Bids must be submitted via the online Bid Form by the bid deadline specified in the auction notification. Bids are evaluated on the following criteria: bid rate and time of submission. If the total face amount of bids received is greater than the amount offered, bids will be ranked first by rate and next by time of submission. In the event that two qualifying bids are tied, and there is only enough available in the auction to satisfy all or a part of one of those bids, the bid that was submitted earliest will prevail, up to the dollar amount available. Winning bids will be confirmed with the financial institutions by BTI staff via phone or e-mail within one hour after close of bidding. After confirmation is made, an e-mail verification of the winning bid and wiring instructions will be sent to the primary and secondary contacts of the winning bidders. The auction results will be posted on the website after all bids have been verified.

Bid Requirements

- The minimum amount for a bid is \$100,000.00. Bids must be in increments of \$100,000.00 to a maximum of \$10,000,000.00 per parent institution per placement.
- All Term Deposits are a one-year term.
- The minimum rate will be equivalent to the Effective Federal Funds Rate as published by the Federal Reserve Bank of New York for the prior business day, plus or minus a spread. The minimum spread will be minus 40 basis points. The floor for the total rate (base rate plus or minus the spread) shall be 5 basis points. The rate will be included in notifications of upcoming auctions and displayed on the BTI's website prior to the auction date. Bids below the minimum rate will not be accepted.

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- In the event that the starting minimum total rate (minimum spread plus the base rate) is less than 5 basis points on the day of the auction, the minimum spread shall be adjusted to ensure that the starting minimum total rate is at least 5 basis points.
- Each TDP Bid Form permits a financial institution the opportunity to submit up to five (5) bids. However, only one (1) bidder per financial institution may participate and the total of the five (5) bids may not exceed \$10,000,000.00 per parent institution per placement.
- Bids will be evaluated and ranked by the highest rate and the time of receipt. Should there be a tie, the earliest bid will prevail.
- Bids will be evaluated real time to determine if they are winning bids. Once bids have been submitted by the financial institution, the bids will be outlined in a color indicating their status. Green represents winning the full bid amount. Yellow represents winning a partial bid amount. Red represents a losing bid. See detailed instructions on the bid form (bottom of page).
- The color outlining the bids may change as the auction progresses, depending on whether the bids are winning, partially winning or losing.
- Bidders can revise bids throughout the auction.
- Winning bids will be confirmed via telephone or e-mail within one hour of close of bidding.
- Settlement date is the first business day after the auction date and will be displayed on the BTI's website.
- The maturity date for a given placement will be included in the placement notification and displayed on the BTI's website.

Collateral Requirements

The amount of state funds on deposit in any depository in excess of the amount insured by an agency of the federal government shall be secured in accordance with West Virginia State Code §12-1-4 and §12-1-5. The WV State Treasurer's Office is responsible for ensuring public funds deposited in financial institutions are properly collateralized and protected. All public funds will be collateralized, and collateral will be held in benefit to the West Virginia State Treasurer.

Winning bidders shall work with the WV State Treasurer's Office to ensure proper collateralization is in place prior to receiving funds won in an auction. Please utilize the following link for more information on Collateral Policies and Procedures, the Collateral Pledge or Release Form and Eligible Collateral types: <https://www.wvsto.com/Financial-Institutions/Collateralization-of-Public-Deposits>.

TDP Requirements

- Interest on the TDP will be calculated on an Actual/365 per diem basis for the accrual period.
- The total interest rate shall reset on the first business day of each month based on the Effective Federal Funds Rate published by the Federal Reserve Bank of New York for the prior business day.

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- The minimum total rate (base plus or minus the spread) over the life of the term deposit shall not be less than 5 basis points.
- Interest is payable monthly and shall be reinvested in the account.
- Term deposits will be book-entry in the name of the BTI.
- Initial Term deposits will be completed by wire transfer on settlement date, the next business day following the auction. The wiring instructions will be included on a notice issued by the BTI.
- The financial institution must provide online access to view account activity and statements.

Additional Conditions

- The BTI reserves the right to reject any bid, in whole or in part, for any reason in its sole discretion. The BTI also reserves the right to award a portion of a bid subject to the minimum and multiple amounts described above.
- As a condition of participating in the TDP, each bidder will be required to acknowledge their understanding and acceptance of the TDP guidelines when they sign up for the auction. Interested bidders will be provided any amendments to the TDP and must acknowledge their understanding and acceptance of the amendments to continue to participate in the TDP.
- Interested bidders understand that in submitting a bid, the bidder has made a formal offer.
- A bidder submitting a winning bid is irrevocably obligated to provide and honor the Term deposit at the specified rate, amount and maturity, if acceptable to the BTI, as herein set forth. The bidder understands that an award has not been made until the bidder has been notified by the BTI via e-mail that an award has been made.
- The TDP may be discontinued at any time by the WVSTO, the BTI or the West Virginia Legislature.
- The BTI shall not be liable or responsible for any costs incurred by bidders.
- Bidders shall not use subcontractors without the express written consent of the BTI.
- The laws of the State of West Virginia shall govern all rights and duties under the TDP and any action brought by either party in connection with the TDP shall be filed in the Circuit Court of Kanawha County, West Virginia.

Disclaimer

The BTI is not responsible for technical difficulties or other problems or issues that result in the failure of a bid being timely received by the BTI.

Acceptance of Rules

Bidder must accept and agree to abide by all terms and conditions specified in the BTI Term Deposit Program Rules and subsequent amendments thereto.