



What is OPCS?

The Ohio Pooled Collateral System (OPCS) allows for an eligible Ohio public depository, or Financial Institution, to pool collateral for depositing public entities, or Public Units, and establishes the Ohio Treasurer's Office (Treasurer's Office) as the sole administrator and monitor of the program. OPCS was established based on changes to the Ohio Revised Code in 2015 and is scheduled to launch on or before July 1, 2017. OPCS is one of two options available to financial institutions to collateralize public deposits.

How does OPCS impact public entities?

Under OPCS, the Treasurer's Office will ensure that securities pledged by participating Financial Institutions as collateral have a market value in excess of deposited Public Unit funds less the applicable FDIC coverage limits, and that all necessary steps are taken to ensure Public Units have a security interest in collateral pledged by the Financial Institution. OPCS will safeguard deposits of public funds, allow greater efficiency, and may reduce costs for both participating Public Units and Financial Institutions.

The Treasurer's Office will maintain OPCS for use by Financial Institutions, Public Units, and Collateral Trustees via an online portal for the efficient and transparent reporting and monitoring of public deposits and corresponding collateral. The Treasurer's Office will build and maintain OPCS for the receipt, analysis, and reporting of balance and collateral data available to the Financial Institutions and Public Units. Financial Institutions will report the amount of Public Unit deposits daily via file transfer to OPCS and the Treasurer's Office will receive the collateral detail from Trustees and price the collateral daily. It will then compare the total market value of collateral pledged by a Financial Institution to the total amount of deposits, plus any accrued interest, in the Financial Institution's pool, less the applicable FDIC limits and agreed Rule Based Collateral reduction and report the information on OPCS daily. Public Units are responsible for periodically reviewing the daily ledger balance of their itemized deposits reported to ensure accuracy. Public Units can compare their Financial Institution's total pooled collateral amounts to the total pooled deposit amounts via OPCS. For the first time, Public Units will be able to see daily collateral reports, compared to the current monthly or quarterly reports provided by the Financial Institutions.

Ohio's local governments will still have control and flexibility in handling their public deposits. Local governments retain the authority to select their Financial Institution and can still require collateral above the state statutory rate.

How can public entities get involved?

Public entities can contact their Financial Institution to discuss OPCS and can also contact the State Treasurer's Office for more detail on the system. Please contact Lizz Lewis at the Treasurer's office for more information at 614-995-3773 or constituentaffairs@tos.ohio.gov.