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Ohio Pooled Collateral System

Panel Discussion

May 7, 2019

OPCS Panel

- Moderator: ERIC OCKMANEK – Director of Special Projects, Treasurer of State’s office
- Auditor of State’s Office: JESSE CARROLL– Quality Assurance and Technical Specialist
- Huntington National Bank: CHERYL SCHULTZ– Relationship Manager, Government Banking
- Treasurer of State’s Office: JENNIFER DAY– Chief of Operations

Panel Discussion - Topics

- **Past vs Present**
- **Collateralization**
- **Under-Collateralization**
- **Daily notifications**
- **Attestation**
- **General Questions**

Past vs Present – Collateralization was always here.

- **Past history:**

- ◉ Banks collateralized their public unit customers individually and issued quarterly reports.

- **Present:**

- ◉ Banks send asset holding files to the State Treasurer's office every day; under-collateralization that occurs at a financial institution is addressed same day.

- **Questions:**

- **How does this happen?**
- **Whose job is it to make sure I'm collateralized?**
- **What do I need to do as a public unit?**

I'm under-collateralized...now what?

- **The Treasurer's office performs daily analysis of collateralization.**
- **Questions:**
 - **How did this happen?**
 - **Who knows about it?**
 - **What do I need to do as a Public Unit?**

Under-Collateralization – How do we correct?

- **Let's correct this!**
- **Questions:**
 - **What does the Treasurer's office do?**
 - **What does the Financial Institution do?**
 - **What should I do as a Public Unit?**

Automatic Notifications – New!

- **Daily Notifications – everybody should sign up!**
- OPCS now has the capability to automatically send notifications to all public units. This feature is standard unless a public unit opts out of the notifications.
- **Questions:**
 - **What are they?**
 - **Who should sign up? How?**
 - **Auditor's Perspective on Notifications?**

Attestation

- **Occurs Annually!**
- **Questions:**
 - **What is it exactly?**
 - **What if I don't do the attestation?**
 - **What is the Auditor looking for when they review my attestation?**

General Questions for Discussion

- **Common Questions:**

- ◉ If I don't log into OPCS daily but my staff logs in, is that good enough?
- ◉ Are the Auditors going to view the Never Logged In Report?
- ◉ If the Collateral Sufficiency Report shows that the bank is collateralized on a certain day, does that mean all of my accounts are collateralized, too?
- ◉ I am seeing a lot of accounts that aren't mine - what do I do?
- ◉ Can I get a monthly report that shows I'm collateralized?
- ◉ Do I have to log into every bank to view my accounts or can I see all my accounts in one place in OPCS?
- ◉ If I have a large deposit but know the money is going out of the bank on the same or next day, do I have to worry about collateralization?
- ◉ TOS sends letters to every public unit not registered in OPCS or does not have an email address.

Questions?



Thank You!

opcs.ohio.gov

ROBERT SPRAGUE
— OHIO TREASURER —

Resources

FAQs/Training Manuals: (go to opcs.ohio.gov, FAQ/Help tab)

- <https://opcs.ohio.gov/login#/faqhelp>

Contact info:

- TOS main line, 614-466-2160*, support@opcs.ohio.gov
- Zach Prouty, 614-752-8479, zach.prouty@tos.ohio.gov
- Patrick Castleman, 614-629-8374, Patrick.castleman@tos.ohio.gov
- Jennifer Day, 614-387-2834, Jennifer.day@tos.ohio.gov
- Eric Ochmanek, 614-728-8873, eric.Ochmanek@tos.ohio.gov

ORC/OAC Section:

- 135.182, <http://codes.ohio.gov/orc/135.182v1>
- 135-3-01, <http://codes.ohio.gov/oac/135-3>

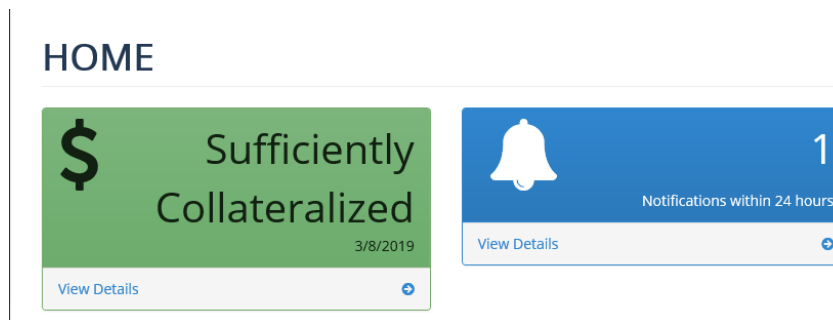
Auditor of State Compliance Supplement Manuals (2018):

- <https://www.ohioauditor.gov/references/compliancemanuals.html> (OPCS is Chapter 2, section 2-9)

*We are working on creating an OPCS specific phone number

Public Unit Roles

- PUs are encouraged to log in daily, review and monitor OPCS reports posted, verify the accuracy of their deposits.
 - TOS is responsible for reporting any discrepancies or under collateralization to the bank and PU. PUs should notify TOS of any discrepancies as well.

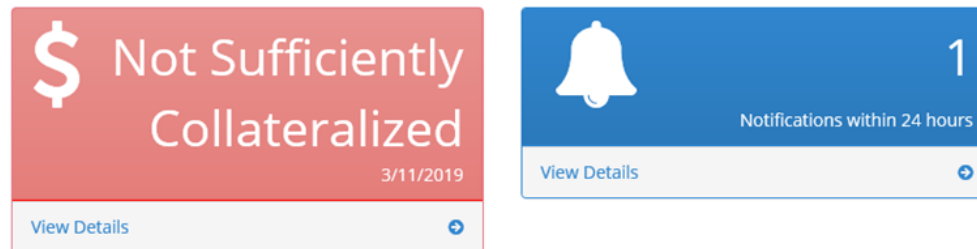


- PUs are required to do an annual attestation of their account details, including deposit balances and contact information.
- PUs may negotiate different collateral requirements for individual accounts with their bank, which may be higher than the statutory collateral requirement.

Public Unit Roles

- **Under-Collateralization:**

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- PUs may be under collateralized for several reasons:
 - 1) Large tax revenue deposits.
 - 2) Receipt of state or federal funding.
 - 3) Other unexpected revenues.
- Can be rectified by bank purchasing additional collateral or moving money out of the account.