

**CPIM**

CENTER FOR PUBLIC INVESTMENT MANAGEMENT



A PROGRAM BROUGHT TO YOU BY:

**JOSH MANDEL**

STATE TREASURER OF OHIO

# **STAR Plus: Webinar for Public Funds Managers**

**2012 CPIM Academy**

**STAR Plus**  
 Federally Insured Cash Account™  
 For Public Funds Managers

*A maximum of one (1.0) CPIM credit is offered for attendance to this webinar*

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**STAR Plus for Ohio Public Funds Managers**

**Josh Mandel**  
 State Treasurer of Ohio

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**STAR Plus for Ohio Public Funds Managers**

*"STAR Plus is ideal for our district because it allows for increased yield over other available investment options, and comes with full federal insurance and no risk of loss on deposits.*

*Greenfield schools intend to utilize the revenues generated by STAR Plus to invest in projects and initiatives that will improve the learning environment for our local students, and to continue our tradition of excellence in education."*

- Joe Smith, Greenfield Schools Treasurer

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STAR Plus for Ohio Public Funds Managers



"The Treasurer's new STAR Plus program is a welcome option for counties looking for safe investments that provide competitive returns for taxpayers. The fact that this program seeks to place deposits in Ohio banks is an added bonus that can help keep our tax dollars closer to home in local communities."

- Nancy Nix, Butler County Treasurer

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Questions



Questions?

**Webinar was prerecorded on Monday, July 30<sup>th</sup> 2012.**

Please submit all questions to STAR Plus:

- Phone: (855) 648-PLUS (7587)
- Email: [clientservices@starohioplus.com](mailto:clientservices@starohioplus.com)
- [www.starohioplus.com](http://www.starohioplus.com)

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How STAR Plus Works



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**STAR Plus For Political Subdivisions**



**STAR Plus Basics:**

- Convenience of one account and one statement
- All deposits are demand deposits and are 100% FDIC-insured
- Up to \$15 million in deposits per legal entity
- Seamless integration with STAR Ohio account
- Weekly withdrawal and daily deposit capability
- Powered by Federally Insured Cash Account™ (FICA®)
- Daily transparency with 24/7 online access to account information

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**State Treasurer's Office Endorsed**



**The State Treasurer of Ohio:**

- Endorses STAR Plus as a secure cash management option for public fund managers
- Modeled the program after private-sector programs
- Supported HB 209 passing with bipartisan approval, added ORC 135.145 and 135.354
- Will provide continuous oversight and review of program
- Encourages all Ohio Public Funds Managers to consider STAR Plus as a competitive cash management option
- Encourages all Ohio community banks to participate in STAR Plus

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**Why STAR Plus was Created**



- Offer an option for cash reserves that provides greater yield and a high level of safety and security
- Ability to deposit Ohio public funds in qualified Ohio banks
- Create an environment for job creation in local economies and opportunity for economic growth

Community banks hold less than 25% of all deposits in the banking system nationally, but make more than 50% of the small business loans.

Source: FDIC

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**Eligibility**

- STAR Ohio participants
- Ohio Political Subdivision, defined ORC 135.45(F)(2)(a)
  - Cities
  - Counties
  - Libraries
  - Park Districts
  - School Districts
  - Townships
  - Other Government / Public Entities



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**Advantages of STAR Plus**

- Approved and endorsed by the Ohio Treasurer of State
- FDIC protection
- No credit risk or market risk
- Competitive yield
- Weekly liquidity
- No long-term commitment on deposit
- No penalties or withdrawal fees
- Integrated with STAR Ohio
- Daily transparency with 24/7 online account access
- Preference to Ohio banks
- Complimentary cash management vehicle for local governments

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**STAR Ohio vs. STAR Plus**

	STAR Ohio	STAR Plus
Type:	Pooled Investment Account	Demand Deposit Account
Participants:	Ohio Political Subdivisions	Ohio Political Subdivisions
Withdrawals:	Daily	Weekly
Deposits:	Daily	Daily
Minimum Initial Deposit:	None	\$500,000
Maximum Deposit:	None	\$15,000,000
Interest Frequency:	Accrued Daily / Posted Monthly	Accrued Daily / Posted Monthly
Safety:	AAAm Rated	FDIC-Insured – Full Faith and credit of the U.S. Government
Investments:	Federal Government agency securities, eligible commercial paper, money market funds and collateralized bank deposits	<u>Only bank deposits, with goal of placing with qualified Ohio community banks</u>

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**STAR Plus Service Providers**

- Administrator
  - Public Funds Administrators (PFA)
- Advisor
  - StoneCastle Cash Management, LLC
- FICA® Custodian
  - U.S. Bank, N.A.



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**Deposit in STAR Plus**

- The Office of the State Treasurer participates in STAR Plus. Our Investment Policy allows for obligations backed by the full faith and credit of the U.S. Government.
- If there are any questions regarding your investment policy and the applicability of STAR Plus, we encourage you to speak with your financial advisor or call (855) 648-PLUS (7587).

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**CPIM Continuing Education**

- **County Treasurers:** According to Ohio Revised Code 135.35(A)(3) and 321.46(F)(1), **county treasurers** may participate in STAR Plus without satisfying the CPIM continuing education requirement.
- **All Public Funds Managers:** All other **public funds managers**, excluding county treasurers, do need to satisfy the CPIM continuing education requirement by 12.31.2012 to participate in STAR Plus.
  - Can place funds in STAR Plus immediately if plan to complete continuing education requirements by end of year.

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**CPIM Continuing Education**

  
JOSH MANDEL  
GOVERNOR OF OHIO



- One (1.0) hour may be earned by viewing this webinar
- If you do not complete the full webinar, you will not receive credits
- Questions regarding CPIM credit or requesting the certification of hours form, please contact CPIM at (800) 228-1102, option #2 or cpim@tos.ohio.gov

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**STAR Plus for Ohio Public Funds Managers**

  
JOSH MANDEL  
GOVERNOR OF OHIO



**Jason Click**  
*Public Funds Administrators*

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**STAR Plus**

  
JOSH MANDEL  
GOVERNOR OF OHIO



- STAR Plus seeks to obtain a high level of current income while providing full FDIC insurance with weekly liquidity
- This innovative, patent-pending process ensures that your cash deposit has full FDIC insurance coverage from an extensive proprietary network of carefully-screened, participating banks
- Depositors can view their deposits by bank, on a daily basis

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Safety



**“No insured depositor has ever lost a penny of FDIC insured deposits - and none ever will.”**

- Former FDIC Chairman Sheila C. Bair in FDIC Booklet  
*No Safer Place in the World for Your Money*  
(FDIC Consumer News, Fall 2009)

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Liquidity



- Daily Deposits
  - 9:00 am cutoff
- Weekly Withdrawals
  - Processed on first business day of each week
  - 9:00 am cutoff



Daily Deposits



Weekly Withdrawals

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Yield



**0.25%\***

Interest paid monthly

Competitive yield as compared to:

- |                    |                         |
|--------------------|-------------------------|
| Money Market Funds | U.S. Treasury Bills     |
| Commercial Paper   | Certificates of Deposit |
| Time Deposits      |                         |

\* Yield as of 7/1/2012. Net of all program expenses.

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## STAR Ohio Account Role



- Must be a STAR Ohio participant to participate in STAR Plus
- STAR Plus is fully integrated with STAR Ohio
- Coordinated administration for both STAR Plus and STAR Ohio
- All deposits to and withdrawals from STAR Plus flow through your STAR Ohio account

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## How STAR Plus Works



1. **Open one account** - Complete one simple STAR Plus application to open your account.
2. **Deposit funds** - Funds will be transferred from your STAR Ohio account to the custodian. The custodian will then deposit funds into selected FDIC-insured banks participating in the program.
3. **Withdraw funds** - Funds will be transferred from banks participating in the program to the custodian. The custodian will then transfer funds to your STAR Ohio account.



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## How to Open a STAR Plus Account



- If not already established, open a STAR Ohio account
- Complete a STAR Plus application
- Complete and return documents as instructed on the application. If assistance is needed, please call Client Services
- Once all required documents are received, an account will be opened usually within 2 – 3 business days
- Online access will be provided for your account immediately upon initial funding

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## STAR Plus and Other Cash Management Options



- STAR Plus is designed as another cash management option available to public funds managers
- STAR Plus can be used in addition to other options in order to optimize your cash management strategy
- Star Plus associates are available to assist you with understanding how STAR Plus may fit into your overall cash management strategy

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## STAR Plus for Ohio Public Funds Managers



### Strong early response to STAR Plus:

- **Since the program's introduction and the July 30, 2012 webinar, STAR Plus continues to grow. As of August 2012, there was nearly \$200 million in local government deposits and nearly 50 entities participating in the program.**
- All types of public fund entities have opened STAR Plus Accounts
  - Counties
  - Cities
  - School Districts
  - Transit Authorities
  - Park Districts
  - Townships
  - Universities
  - Fire Districts
- Account sizes range from min of \$500k to max of \$15 million

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## How to Contact STAR Plus Client Services



- Phone: (855) 648-PLUS (7587)
- Email: [clientservices@starhioplus.com](mailto:clientservices@starhioplus.com)
- [www.starhioplus.com](http://www.starhioplus.com)



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