



Safe, simple cash management for government finance officers

Working directly with just our bank, government depositors can access millions in aggregate FDIC insurance across IntraFi's network of banks through a single bank relationship. Earn returns that may compare favorably with other government-backed options.

Note: A list identifying IntraFi® network banks can be found at www.IntraFi.com/network-banks. Certain conditions must be satisfied for "pass-through" FDIC deposit insurance coverage to apply.

Rest Assured

Know that your funds are eligible for millions in aggregate FDIC insurance protection across network banks that's backed by the full faith and credit of the federal government. And ICS and CDARS are not subject to floating net asset values, so you can feel secure knowing that market volatility will not negatively affect your principal.

Earn Interest

Put your funds to work. Interest rates may compare favorably to Treasuries.

Enjoy Flexible Liquidity Options

With ICS, maintain access to your funds placed in demand deposit accounts or money market demand accounts. With CDARS, select from multiple term options to help you meet your liquidity needs.

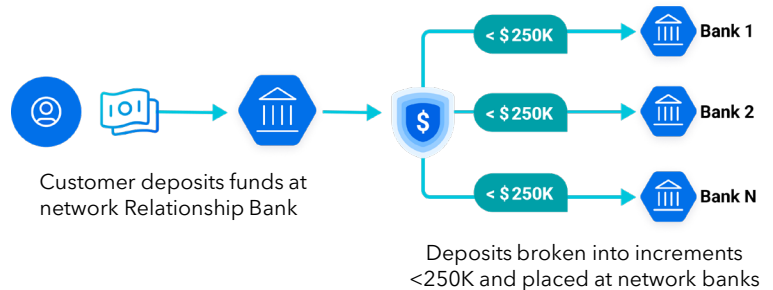
Time Savings and Transparent Reporting

Forego the need to manage multiple bank relationships. See account balances and accrued interest, 24/7, with an online dashboard. Receive regular statements provided by our bank.

Support Your Community

Feel good knowing that the full amount of your funds placed through ICS and CDARS can stay local to support lending opportunities that build a stronger community.¹

How Do ICS and CDARS Work? We are members of IntraFi's network of banks. When we place your deposit through ICS and CDARS, that deposit is divided into amounts under the standard FDIC insurance maximum of \$250,000. The amounts are then placed into deposit accounts at multiple, FDIC-insured banks. As a result, you can access FDIC coverage from many institutions while working directly just with us. As always, your confidential information is protected.



Contact Us



Heritage
BANK

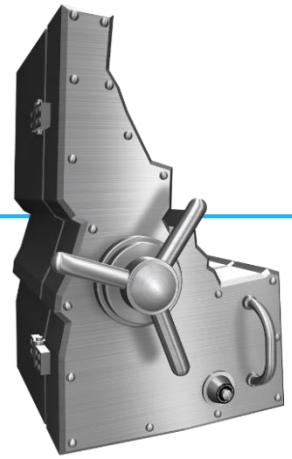
Member
FDIC

[1] When deposited funds are exchanged on a dollar-for-dollar basis with other institutions that use ICS or CDARS, our bank can use the full amount of a deposit placed through ICS or CDARS for local lending, satisfying some depositors' local investment goals or mandates. Alternatively, with a depositor's consent, our bank may choose to receive fee income instead of deposits from other participating institutions. Under these circumstances, deposited funds would not be available for local lending.

Deposit placement through an IntraFi service is subject to the terms, conditions, and disclosures in the applicable agreements. Deposits that are placed through an IntraFi service at FDIC-insured banks in IntraFi's network are eligible for FDIC deposit insurance coverage at the network banks. The depositor may exclude banks from eligibility to receive its funds. To meet conditions for pass-through FDIC deposit insurance, deposit accounts at FDIC-insured banks in IntraFi's network that hold deposits placed using an IntraFi service are titled, and deposit account records are maintained, in accordance with FDIC regulations for pass-through coverage. Although deposits are placed in increments that do not exceed the FDIC standard maximum deposit insurance amount ("SMDIA") at any one bank, a depositor's balances at the institution that places deposits may exceed the SMDIA before settlement for deposits or after settlement for withdrawals. The depositor must make any necessary arrangements to protect such balances consistent with applicable law and must determine whether placement through an IntraFi service satisfies any restrictions on its deposits. IntraFi, the IntraFi logo, CDARS, IntraFi Cash Service, and ICS are registered trademarks of IntraFi LLC.

ICS and CDARS for Public Funds

In the State of Idaho



Idaho General Laws State Government and State Affairs Chapter 12. State Treasurer § 67-1210. Investment of idle moneys

It shall be the duty of the state treasurer to invest idle moneys in the state treasury, other than moneys in public endowment funds, in any of the following:

(a) Bonds, treasury bills, interest-bearing notes, or other obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

* * *

(d) ...in other obligations issued or guaranteed by agencies or instrumentalities of the government of the state of Idaho or of the United States, including the United States small business administration guaranteed portion of any loan approved by an Idaho banking corporation and by the state treasurer.

Idaho General Laws Title 57. Public Funds in General Chapter 1. Public Depository Law § 57-127. Deposit of Public Funds—Duties of treasurer and supervising board

Except where the public moneys of a depositing unit in the custody of the treasurer at any one (1) time are less than one thousand dollars (\$ 1000), the treasurer shall deposit, and at all times keep on deposit, subject to the provisions of this law, in designated depositories, all public moneys coming into his hands, and it is hereby made the duty of said supervising board not less than once every six (6) months to certify to the treasurer the capital and surplus or reserves and unallocated or undivided earnings, as applicable, of each public depository, a copy of which certificate shall immediately be served on the treasurer by the supervising board or its clerk; provided, that with the approval of the supervising board of the depositing unit, the

treasurer is authorized and empowered to invest surplus or idle funds of the **depositing unit** in investments permitted by section 67-1210, Idaho Code,...

* * *

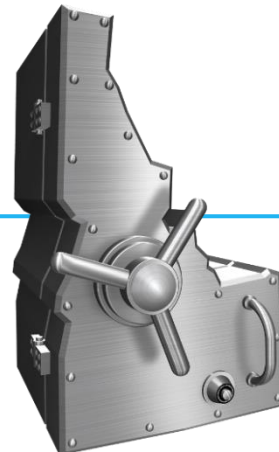
§ 57-104. Deposit unit

Every municipal and quasi-municipal corporation, recreation district, improvement district, school district, or governmental unit, of every kind, character or class, now or hereafter created or organized, and authorized by law to levy taxes or special assessments, for which the county treasurer does not act as treasurer, and every county, is a depositing unit: provided, that as to any such depositing unit as herein defined the moneys of which may at any time be in the custody, charge or possession of any county treasurer or tax collector, the county shall be deemed to be the depositing unit with respect to such moneys while the same so remain in such custody, charge or possession, and also of all moneys in the custody, charge or possession of any county treasurer or tax collector for the credit of any school district or other political subdivision of a county authorized by law to levy taxes or special assessments and not herein defined as a "depositing unit.**"**



CDARS for Public Funds

In the State of Idaho



IDAHO
DEPARTMENT OF FINANCE

C.L. "BUTCH" OTTER
Governor

GAVIN M. GEE
Director

October 30, 2009

CEO of Bank Addressed

RE: Availability of CDARS Program for Idaho Public Deposits

The Department of Finance ("Department") has undertaken an analysis of the availability of the CDARS (Certificate of Deposit Account Registry Service) program for public deposits within Idaho. This analysis is limited to public deposits, meaning funds of political subdivisions and municipal and quasi-municipal corporations of the state, and does not address deposits of state funds under the control of the Idaho State Treasurer. It is our conclusion that public deposits may be placed in the CDARS program through designated depositories in Idaho.

The Department analyzed this question as part of its responsibility to protect depositors in Idaho and promote competition among banks located within the state.

* * *

Depositing units (counties, municipal and quasi-municipal corporations, recreation districts, improvement districts, school districts, or other governmental units authorized to levy taxes or special assessments) may deposit surplus or idle funds (excess of available moneys in the treasury over and above the reasonably anticipated expenditures) in investments permitted by Idaho Code § 67-1210. Idaho Code § 57-131. The deposits must be in a "designated depository", defined as a bank or credit union designated by the supervising board, located within the geographical boundaries of any depositing unit. Idaho Code §§ 57-110 and 57-111.

As described above, if the designated depository establishes an initial time deposit account, that portion of the CDARS investment is permissible pursuant to Idaho Code §§ 67-1210(i) and (j).

Pursuant to Idaho Code §§ 67-1210(a) and (d), the remainder of the investment placed in the CDARS program creates obligations "for which the faith and credit of the United States are pledged for the payment of principal and interest" (67-1210(a)) and an obligation "guaranteed by agencies or instrumentalities of the government of the ... United States...." (67-1210(d)).

The CDARS program is therefore an investment permitted by Idaho Code §§ 67-1210(a) and (d).

We hope the availability of CDARS for public deposits will be of benefit to your institution. Please contact our office if you have questions about or wish to discuss this issue.

Sincerely,

Gavin M. Gee
Director of Finance
GMG/MEH/m

cc: Idaho Bankers Association
Promontory Interfinancial Network, LLC

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PROTECTING THE INTEGRITY OF IDAHO FINANCIAL MARKETS SINCE 1905

