

Collateral Requirement

O.C.G.A. § 45-8-12

GEORGIA CODE
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*** Current through the 2009 Regular Session ***

TITLE 45. PUBLIC OFFICERS AND EMPLOYEES
CHAPTER 8. ACCOUNTING FOR PUBLIC FUNDS

O.C.G.A. § 45-8-12 (2009)

§ 45-8-12. Deposit of funds in banks or depositories -- Depository to give bond; pledge of securities in lieu of bond; acceptance of federal insurance as security; combination of securities; aggregate amount of bond

(a) The collecting officer or officer holding public funds may not have on deposit at any one time in any depository for a time longer than ten days a sum of money belonging to the public body when such depository has not given a bond to the public body as set forth in this Code section. The bond to be given by depositories, where such bonds are required, shall be a surety bond signed by a surety company duly qualified and authorized to transact business within this state in a sum as so required. In lieu of such a surety bond, the depository may pledge to the public body as security any one or more of the obligations enumerated in Code Section 50-17-59, relating to the bond required to secure state deposits and securities in lieu of bond.

(b) The collecting officer or officer holding public funds shall accept the guarantee or insurance of accounts of the Federal Deposit Insurance Corporation and the guarantee or insurance of accounts of the Federal Savings and Loan Insurance Corporation to secure public funds on deposit in depositories to the extent authorized by federal law governing the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation.

(c) A depository may secure deposits made with it partly by surety bond, partly by deposit of any one or more of the obligations referred to in subsection (a) of this Code section, partly by the guarantee or insurance referred to in subsection (b) of this Code section, or by any combination of these methods. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance.

(d) Notwithstanding any other provisions of this Code section, a depository may deduct the face amount of direct loans from deposits of a public body before being required to secure such deposits by a surety bond, deposit insurance, securities, or any combination thereof.

(e) This Code section shall not apply to collecting officers and officers holding public funds pursuant to Article 3 of Chapter 17 of Title 50, relating to state depositories.

HISTORY: Code 1933, § 89-810.2, enacted by Ga. L. 1980, p. 969, § 1; Ga. L. 1987, p. 905, § 1; Ga. L. 1987, p. 1334, § 1; Ga. L. 1994, p. 499, § 1.