

CHAPTER 2

LONG-TERM LOCAL INVESTMENT POOL

Section 1. Purpose.

The purpose of these rules is to set forth procedures to be followed by the State Treasurer for the operation of a long-term local investment pool, pursuant to the provisions of Wyoming Statute 9-4-831(a)(xxvii) and W.S. 9-1-416.

Section 2. Authority.

The State Treasurer, pursuant to W.S. 9-1-416 and W.S. 9-4-831(a)(xxvii), adopts the following rules for the operation of a long-term local investment pool.

Section 3. Definitions.

(a) "Designated Time" means the time before which a Participant must provide notice of a Transaction in order for that Transaction to be posted the following day, as designated in writing by the Pool Administrator.

(b) "Early Withdrawal" means withdrawal of funds by the Pool Participant before the expiration of the minimum term subjecting the Pool Participant to penalty.

(c) "Electronic Transfer" is a wire transfer or an Automated Clearing House (ACH) transfer.

(d) "Long-Term Investment Pool" or "Pool" is a common fund with long-term redemption options maintained by the Pool Administrator consisting of deposits from Pool Participants.

(e) "Minimum Term" is the minimum length of time the Pool Participant must leave deposits for investment with the Pool Administrator before withdrawal or be subject to early withdrawal penalty.

(f) "Pool Administrator" is the Wyoming State Treasurer.

(g) "Pool Participant" or "Participant" shall be any county, municipality, school district, joint powers board or any other local governmental entity.

(h) "Transaction" is a deposit or a withdrawal.

(i) "Undivided Interest" is a proportionate share of all assets of the long-term Pool taken together as a whole and not separated out into parts.

Section 4. Form of Investment.

- (a) The Long-Term Investment Pool shall have separated accounts maintained for each Pool Participant, but all monies will be co-mingled for investment purposes.
- (b) All Participants shall have an undivided interest in the Pool. No Pool Participant shall have a claim on any specific asset of the Pool but shall have an undivided interest based on the proportion of that Participant's cash balance as a percentage of the total cash balance of the Pool.
- (c) No separate investments shall be made for any Participant.
- (d) Separate accounts shall be maintained for each Participant.
- (e) Participant funds shall only be invested in the Pool and will not be co-mingled with State funds or any other pooled funds.
- (f) Funds must be invested for a minimum term of three (3) months or as otherwise designated in writing by the Pool Administrator and applicable to all Participants. Early withdrawal subjects the withdrawing Pool Participant to a Penalty as provided in Section 11 of these Rules.

Section 5. Income Distribution.

- (a) All income earned by the Pool minus Fees as provided in Section 11 will be distributed to Participants.
- (b) Income will be calculated on each Participant's average daily cash balance in the Pool.
- (c) Interest will be calculated and credited to the principal of each account by the fifteenth day of the following month. Each Participant will have the benefit of daily compounding of interest regardless of the date in which its account balance is adjusted and reported.

Section 6. Transaction Amount.

- (a) The minimum transaction size for deposit to the Pool will be one thousand five hundred dollars (\$1500.00) or as otherwise designated in writing by the Pool Administrator and applicable to all Participants.
- (b) The Pool Administrator may set a maximum transaction size for deposit to or withdrawal from the Pool based on the total Pool size and other situational conditions. Any set maximum transaction size will be applicable to all Participants, and the Pool Administrator shall notify each Participant of any maximum transaction size.

Section 7. Transactions.

(a) All deposits may be made by check, warrant, or Electronic Transfer, but third party checks will not be accepted.

(i) Deposits are credited to the Participant after receipt by the Pool Administrator and on the day funds are available for investment.

(ii) Withdrawals made by Electronic Transfer will be available on the effective date of the transfer.

(b) All costs of Electronic Transfers shall be borne by the Participant.

(c) For Electronic Transfers, each Participant must provide complete instructions for withdrawals and deposits. Upon request, the Pool Administrator will supply to the Participant complete Electronic Transfer instructions for deposits to the Pool.

(d) The Pool Administrator shall set the Designated Time which shall be applicable to all Participants and notify each Participant in writing of the Designated Time.

Section 8. Notice of Transaction.

(a) Pool Participants must provide notice of any deposit or withdrawal to the Pool Administrator prior to the Designated Time. Notices must be made in writing.

Section 9. Reporting Requirements.

(a) Pool Participants shall have an electronic means of confirming Transactions.

(b) The Pool Administrator shall report cash balances monthly.

(c) The Pool Administrator shall provide an interest earnings statement monthly.

(d) The Pool Administrator shall respond to all Participant audit confirmations.

Section 10. Risk.

(a) Pool Participants acknowledge that there is risk associated with investing in the Pool. The Pool does not have a guaranteed rate of return, and Participants expose their investments to market losses as well as gains. All market risks associated with the Pool are assumed by the Participant.

(b) Nothing in these Rules shall be construed to require the State of Wyoming to reimburse Pool Participants for any losses that may occur on investments.

Section 11. Fees.

(a) The Pool Administrator shall charge Pool Participants for the investment, banking, and administrative fees which the Pool Administrator has incurred in providing the Long-Term Investment Pool.

(b) The Fees shall not exceed the direct costs incurred by the Pool Administrator.

Section 12. Penalty.

(a) The Pool Administrator will impose a ten percent penalty for Early Withdrawal.