

Treasury Overview

DPO Advisory Council



OREGON
STATE
TREASURY

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“There shall be elected by the qualified electors of the State...[a] Treasurer of State....”

Oregon Constitution

“The State Treasurer is designated the sole banking and cash management officer for the state...”

ORS 293.875

What Does It Mean for State Government?

- ▶ Treasury provides banking services to all state agencies (other than semi-independent agencies) as captive customers
- ▶ Treasury owns high-level accounts at financial institutions
- ▶ Stage agency accounts are held at Treasury—not at financial institutions
- ▶ All payments to/from state agencies flow through Treasury
- ▶ Most of the state's operating funds (\$22+B) are invested by Treasury through the Oregon Short Term Fund

In **2023** Treasury Processed

17.6M Banking Transactions

Totaling **\$405B**

1,042 accounts

for **80** state agencies,

and **10** Public university entities

Cash Retainage Options

House Bill 4006 (2024) took effect March 7

- ▶ Prioritizes non-cash retainage options
- ▶ Removes escrow account requirement for contracts exceeding \$500,000
- ▶ Under ORS 279C.560(2)(a), cash retainage must now be held directly at Treasury
- ▶ Under ORS 279C.560(2)(b), cash retainage must be deposited in an interest-bearing account *approved by Treasury* in a bank or financial institution

Third Party Vendors

- ▶ Treasury approval needed for agencies to contract for any cash management service
- ▶ Treasury's review of third party vendors considers compliance with
 - ▶ Public funds laws
 - ▶ Industry and regulatory requirements
 - ▶ Treasury operating requirements
 - ▶ Other security, interface, or depository requirements

[FIN 214: Third Party Vendor Requirements](#)

Third Party Vendors

With Treasury approval, there are multiple ways that state agencies can satisfy public fund requirements when contracting with third party vendors for cash management services:

- ▶ Moneys directly deposited to/paid from the *agency's* account(s) at Treasury
- ▶ Moneys deposited to/paid from the *vendor's* account(s) at a Qualified Depository as long as the account is held for the benefit of the state and is flagged as holding public funds (may require use of the *agency's* Taxpayer Identification Number)
- ▶ Moneys deposited to/paid from the *vendor's* account(s) if the vendor has provided an alternative method to protect the public funds
- ▶ Moneys paid in advance by the vendor and then reimbursed by the agency

FIN 216: Alternative Methods for Protecting Public Funds

**You can be held personally liable for *any* loss
of public funds if not in compliance with ORS
Chapter 295**

Your Treasury Team

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Questions?



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