

This rule was filed as 2 NMAC 60.2.

**TITLE 2            PUBLIC FINANCE**  
**CHAPTER 60    INVESTMENT AND DEPOSIT OF PUBLIC FUNDS**  
**PART 2           AUTHORIZATION, OPERATIONS AND REPORTING OF STATE AGENCY BANK**  
**ACCOUNTS AND INVESTMENTS**

**2.60.2.1           ISSUING AGENCY:** Office of the State Treasurer, State Cash Manager.  
[3-2-84, 4-30-96; Recompiled 10/01/01]

**2.60.2.2           SCOPE:** All state agency deposits of investments unless the agency has been specifically exempted by law. As used in this policy, the term state agency "shall mean the state of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions other than state educational institutions designated by Article 12, Section 11 of the Constitutions of New Mexico and the investments made by the state treasurer or the state investment council.  
[3-2-84, 4-30-96; Recompiled 10/01/01]

**2.60.2.3           STATUTORY AUTHORITY:** Article V, Section 1, New Mexico Constitution; Section 6-1-13 NMSA 1978; Sections 6-10-24.1, 6-10-26 and 6-10-29 NMSA 1978.  
[4-30-96; Recompiled 10/01/01]

**2.60.2.4           DURATION:** Permanent.  
[4-30-96; Recompiled 10/01/01]

**2.60.2.5           EFFECTIVE DATE:** 3-2-84, unless a later date is cited at the end of a section or paragraph.  
[3-2-84, 4-30-96; Recompiled 10/01/01]  
[Compiler's note: The words *or paragraph*, above, are no longer applicable. Later dates are now cited only at the end of sections, in the history notes appearing in brackets.]

**2.60.2.6           OBJECTIVE:** The objective of Part 2 Chapter 6 [now 2.60.2 NMAC] is to establish standards and procedures for uniform investing of state funds and proper reporting procedures.  
[4-30-96; Recompiled 10/01/01]

**2.60.2.7           DEFINITIONS:** [RESERVED]  
[3-2-84, 4-30-96; Recompiled 10/01/01]

**2.60.2.8           AUTHORIZATION OF CHECKING AND SAVINGS ACCOUNTS:** Procedures: A state agency may not open a new deposit account or deposit money in an existing deposit account unless it has submitted a request to the office of the state cash manager in writing on forms prescribed by the cash manager and received written authorization from the cash manager for each account.

A. In the written authorization, the cash manager will establish for each account those conditions and reports appropriate to that account. Reports to the cash manager are required at least monthly for all accounts.

B. Any accounts operating without authorization will be reported to the state board of finance on a monthly basis. All unauthorized accounts may be closed by the cash manager.

C. Authorizations are valid for one-year period. All state agencies, operating accounts, are required to certify in writing the need for each account on an annual basis beginning January 1, 1985 and every January 1st thereafter.

[3-2-84, 4-30-96; Recompiled 10/01/01]

**2.60.2.9           INVESTMENT ACCOUNTS:**

A. As used in this policy, the term "investment account" shall mean all in-state certificates of deposit, money market accounts and repurchase agreements.

B. **REPORTING PROCEDURES:** It is the responsibility of each state agency to provide written constitutional or statutory authority permitting the investments. Investment authority must be submitted to the cash manager on an annual basis beginning January 31, 1984 and each January 1st thereafter. All investment accounts

must be reported monthly in writing to the cash manager detailing the type, location and amount of investments held.

[3-2-84, 4-30-96; Recompiled 10/01/01]

**2.60.2.10 DEPOSIT LIMITATION:** [Section 1, 6-10-24.1 chapter 9, Laws of 1982]: "No person depositing or investing state funds in banks or savings and loan associations in New Mexico shall deposit or invest funds if that deposit or investment when added to state funds already in that bank or savings and loan association would be in excess of four hundred percent of equity capital of the bank or four hundred percent of net worth of the savings and loan association or more than twenty-five percent of the total of that financial institution's deposits, whichever is less, as shown by the most recent quarterly statement of financial condition required by federal or state financial authorities as certified by an authorized officer of that institution..."

[3-2-84, 4-30-96; Recompiled 10/01/01]

**2.60.2.11 REPORT SUBMISSION:** State agencies including the state treasurer and state investment council are required to submit a report on each checking, savings and investment account at least monthly or as otherwise specified by the cash manager. Monthly reports must be submitted and received by the office of the state cash manager on or before the 25th day of the month following the reporting period. Each report must contain a signed certification that the account has been reconciled. A summary of all reports not received by the cutoff date will be submitted to the state board of finance on a monthly basis.

[3-2-84, 4-30-96; Recompiled 10/01/01]

**2.60.2.12 TRANSFER POLICY:** The transfer of funds to the state treasurer from checking or savings accounts must not be made less frequently than agency transfer as authorized by the cash manager. Any significant changes in deposit volume should be reported as soon as possible. Any requested changes in transfer policy must be submitted in writing and requires approval of the cash manager prior to implementation.

[3-2-84, 4-30-96; Recompiled 10/01/01]

**2.60.2.13 CLOSING OF CHECKING OR SAVINGS ACCOUNTS:** When closing a checking or savings account, each state agency shall submit a written certification stating the account is closed, the circumstances necessitating the closing of the account, and a final bank or savings and loan statement indicating a zero balance.

[3-2-84, 4-30-96; Recompiled 10/01/01]

**2.60.2.14 CONSOLIDATION OF ACCOUNTS:** The cash manager shall combine accounts where feasible and instruct state agencies on deposit and reconciliation procedures.

[3-2-84, 4-30-96; Recompiled 10/01/01]

**2.60.2.15 INTEREST AND BEARING ACCOUNTS:** All state fund deposit accounts should be placed in interest bearing accounts when feasible. All state agencies maintaining demand deposit accounts are encouraged to establish interest bearing accounts whenever possible. A written explanation as to why the account is not in an interest bearing account will be required by the cash manager.

[3-2-84, 4-30-96; Recompiled 10/01/01]

#### **HISTORY OF 2.60.2 NMAC:**

Pre-NMAC History: The material in the Part was derived from that previously filed with the State Records Center and Archives:

Regulation 84-1, Authorization, Operations and Reporting of State Agency Bank Accounts and Investments, 1-30-84.

History of Repealed Material: [RESERVED]