

Contact: Andrea Anania

**MODIFICATION OF BROKERAGE FIRMS, FINANCIAL INSTITUTIONS
AND MONEY MARKET MUTUAL FUNDS**

Action Requested: Recommend that the Board approve:

- ▶ SUI - an increase in the maximum deposit amount with Bank of the West;
- ▶ SUI - the addition of Great Western Bank with a maximum deposit of \$50,000,000; and
- ▶ The addition of Wells Fargo Cash Investment Money Market Fund to the list of Money Market Mutual Funds (page 3).

Executive Summary: Regent Policy Manual §7.08J requires that changes in investment relationships be reviewed by the Audit/Compliance and Investment (ACIC) and approved by the Board before institutions are permitted to use their services.

FINANCIAL INSTITUTIONS: Iowa Code §12C.2 requires that the Board of Regents approve financial institutions that serve as depositories of its public funds. Approval must be entered by written resolution or order into the Board's minutes, distinctly naming each approved depository and specifying the maximum amount which may be kept on deposit.

BROKERAGE FIRMS AND MONEY MARKET MUTUAL FUNDS: Once Board approval is granted, they may be used by all Regent institutions.

Brokerage Firms as of April 24, 2013

- ◆ D.A. Davidson & Co.
- ◆ Morgan Stanley Smith Barney
- ◆ Piper Jaffray, & Co.
- ◆ Raymond James & Associates
- ◆ RBC Wealth Management
- ◆ Wells Fargo Brokerage Services LLC

Financial Institutions as of April 24, 2013

<u>Institution</u>	<u>Location</u>	<u>Maximum Deposit</u>
UNIVERSITY OF IOWA		
Wells Fargo Bank	Iowa	\$700,000,000
Bank of America	Iowa	\$500,000,000
U.S. Bank	Iowa	\$500,000,000
Bank of the West	Iowa	<u>\$100,000,000</u> \$50,000,000
Dubuque Bank & Trust	Iowa	\$30,000,000
<u>Great Western Bank</u>	<u>Iowa</u>	<u>\$50,000,000</u>
Hills Bank & Trust Company	Iowa	\$30,000,000
MidwestOne Bank	Iowa	\$30,000,000
University of Iowa Community Credit Union	Iowa	\$30,000,000
West Bank	Iowa	\$30,000,000
Wells Fargo Bank ¹	Minnesota	--
Wells Fargo Bank ²	Ohio	--
IOWA STATE UNIVERSITY		
Bankers Trust, Des Moines	Iowa	\$150,000,000
Bank of America	Iowa	\$100,000,000
Bank of the West	Iowa	\$50,000,000
U.S. Bank	Iowa	\$100,000,000
Wells Fargo Bank	Iowa	\$100,000,000
Great Western Bank	Iowa	\$100,000,000
First National Bank, Ames	Iowa	\$25,000,000
Wells Fargo Bank ¹	Minnesota	--

Financial Institutions as of April 24, 2013 (continued)

<u>Institution</u>	<u>Location</u>	<u>Maximum Deposit</u>
UNIVERSITY OF NORTHERN IOWA		
Wells Fargo Bank	Iowa	\$30,000,000
Regions Bank	Iowa	\$30,000,000
U.S. Bank	Iowa	\$30,000,000
Regions Bank ²	Illinois	--
Wells Fargo Bank ¹	Minnesota	--
IOWA SCHOOL FOR THE DEAF		
U.S. Bank	Iowa	\$3,000,000
Wells Fargo Bank ²	Iowa	--
IOWA BRAILLE AND SIGHT SAVING SCHOOL		
Regions Bank	Iowa	\$1,600,000
U.S. Bank	Iowa	\$350,000

1. Custodial Account.

2. Controlled Disbursement Account.

Maximum deposit amounts are not required for custodial and controlled disbursement accounts.

Disclosures:

With respect to the financial institutions and brokers listed in this memorandum, the: (1) Regents; (2) University Presidents, Vice Presidents of Business and Finance, and Treasurers; and (3) Special School Superintendents and Directors of Business Operations disclose the following:

- ◆ Regent Miles has a loan from West Bank. Miles Capital Holdings, Inc., a company that Regent Miles controls, has a loan through West Bank.
- ◆ Regent Evans is a shareholder of Hills Bancorporation.
- ◆ Regent Downer is a shareholder of: (1) Midwest One Financial Group, holding company for MidwestOne Bank, N.A. of Iowa City; (2) U.S. Bancorporation, the parent company of U.S. Bank; and (3) Hills Bancorporation, holding company for Hills Bank and Trust Company. He also periodically performs legal services for Hills Bancorporation and MidwestOne Bank. Regent Downer has a renewal of credit at MidwestOne Bank, N.A. Regent Downer is also a Class B shareholder in Berkshire, Hathaway, Inc., owner of MidAmerican Energy.
- ◆ SUI President Sally Mason is a shareholder of MidwestOne Bank.
- ◆ ISU President Steven Leath is a member of the Board of Directors of Bankers Trust of Des Moines.
- ◆ ISU Vice President Warren R. Madden is a shareholder of Ames National Corporation (ANC) and member of the Boards of Directors of ANC and First National Bank (FNB), Ames. ANC is a holding company that fully owns five banks, including First National Bank, Ames, which is on the list of financial institutions on page 1; the other four are not authorized to do business with the Regents institutions. Vice President Madden reports that ISU's Treasurer handles all decisions regarding activities or relationships when these institutions are involved; he is not involved.
- ◆ ISD Director of Business Operations Jim Heuer is a shareholder of U.S. Bank.

Money Market Mutual Funds as of April 24, 2013

Various investment programs of SUI, ISU, and UNI contain allocations to money market mutual funds. Having multiple money market options from which to choose provides flexibility; the universities use these funds at their discretion.

The Board approved the following money market mutual fund options at its February 2013 meeting. Approval is requested for the addition of one prime fund as indicated below.

Fund Name	Ticker
Prime	
BlackRock TempCash	TMCXX
BlackRock TempFund	TMPXX
Dreyfus Cash Management	DICXX
Federated Prime Obligations Fund	POIXX
Federated Prime Value Obligations Fund	PVOXX
JP Morgan Prime Money Market Fund	CJPXX
SSGA Institutional Liquid Reserves Fund	SSIXX
Vanguard Prime Money Market Fund	VMRXX
Wells Fargo Heritage Money Market Fund	SHIXX
Wells Fargo Heritage Money Market Fund	WFJXX
Wells Fargo Cash Investment Money Market Fund	SHIXX
<u>Wells Fargo Cash Investment Money Market Fund</u>	<u>WFIXX</u>
Wells Fargo Cash Investment Money Market Fund	WFQXX
Western Asset Institutional Liquid Reserves	CILXX
Government	
BlackRock FedFund	TFDXX
Dreyfus Government Cash Management	DGCXX
Dreyfus Government Prime Cash Management	DIPXX
Federated Government Obligations Fund	GOIXX
JP Morgan U.S. Gov't Money Market Fund	OGVXX
SSGA Institutional U.S. Gov't Money Market Fund	GVMXX
Wells Fargo Government Money Market Fund	GVIXX
Western Asset Institutional Government Reserves	INGXX
Treasury	
BlackRock T-Fund	TSTXX
Dreyfus Treasury Prime Cash Management	DIRXX
Dreyfus Treasury & Agency Cash Management	DTRXX
Federated Treasury Obligations Fund	TOIXX
JP Morgan 100% U.S. Treasury Money Market Fund	CJTXX
SSGA Institutional Treasury Money Market Fund	TRIXX
Wells Fargo Treasury Plus Money Market Fund	PISXX
Western Asset Institutional U.S. Treasury Reserves	CIIXX