

SURPLUS FUNDS INVESTMENT POOL ACT (EXCERPT)
Act 367 of 1982

129.112 Definitions.

Sec. 2.

(1) As used in this act:

(a) "Depository" means that department of the financial institution which is responsible for managing, investing, and reinvesting funds placed in an investment pool.

(b) "Financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this state under the laws of this state or the United States and which is eligible to be a depository of surplus funds belonging to the state under section 6 of 1855 PA 105, MCL 21.146.

(c) "Local unit" means a county, city, village, township, school district, authority, or any other political subdivision organized under the laws of this state.

(d) "Participant" means a local unit which has entered into a contract with a financial institution and has placed funds in an investment pool managed by that financial institution.

(e) "Surplus funds" means money which belongs to or is under the control of the local unit and is available for investment, not being required by law or agreement with bondholders to be segregated and invested in a specified manner.

(2) Assets acceptable for pledging to secure deposits of township funds are limited to any of the following:

(a) Assets considered acceptable to the state treasurer under section 3 of 1855 PA 105, MCL 21.143, to secure deposits of state surplus funds.

(b) Any of the following:

(i) Securities issued by the federal home loan mortgage corporation.

(ii) Securities issued by the federal national mortgage association.

(iii) Securities issued by the government national mortgage association.

(c) Securities considered acceptable to the township and the financial institution.

History: 1982, Act 367, Eff. Mar. 30, 1983 ;-- Am. 1997, Act 48, Imd. Eff. June 30, 1997