

**Chapter 19-7**  
**RULES AND REGULATIONS GOVERNING THE ADMINISTRATION OF THE LOCAL GOVERNMENT SURPLUS FUNDS TRUST FUND (FLORIDA PRIME)**

**19-7.001 Purpose.**

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**19-7.001 Purpose.**

These rules are promulgated to provide guidance and to establish general operating procedures for the administration of the Local Government Surplus Funds Trust Fund.

*Rulemaking Authority 218.405, 218.412 FS. Law Implemented Ch. 218, Part IV FS. History—New 8-24-82, Formerly 19-7.01, Amended 3-26-02.*

**19-7.002 Investment Policy Statements.**

The Local Government Surplus Funds Trust Fund (Non-Qualified) Investment Policy Statement, as approved and made effective by the Trustees of the State Board of Administration on June 14, 2017, <http://www.flrules.org/Gateway/reference.asp?No=Ref-08622>, is hereby adopted and incorporated by reference. The Investment Policy Statement may be obtained by contacting: State Board of Administration, 1801 Hermitage Blvd., Suite 100, Tallahassee, Florida 32308, Attn.: Florida PRIME Program, or by accessing the sbafila.com website, and clicking on the Florida PRIME heading under the Funds We Manage tab. The Investment Policy Statement for the Local Government Surplus Funds Trust Fund (Non-Qualified) can be accessed under the Risk Management and Oversight section.

*Rulemaking Authority 218.412, 218.421(1), 288.405(4) FS. Law Implemented 218.405(1), (2), (3), (4), 218.409(2), (9), 218.415(17), 218.418, 218.421(2) FS. History—New 12-13-09, Amended 4-11-12, 1-18-14, 11-20-14, 2-18-16, 2-9-17, 2-12-18.*

**19-7.010 Pooled Investment Accounts.**

Rules 19-7.001 through 19-7.016, F.A.C., are developed for the Local Government Surplus Funds Trust Fund pursuant to Section 218.409, F.S.

*Rulemaking Authority 218.405, 218.412 FS. Law Implemented Ch. 218, Part IV FS. History—New 8-24-82, Formerly 19-7.10, Amended 3-26-02, 9-5-10.*

**19-7.011 Rate of Return Calculation.**

The Rate of Return for the Local Government Surplus Funds Trust Fund shall be calculated in accordance with the yield methodology set forth by the Securities and Exchange Commission (SEC) Rule 2a-7 (17 CFR §270.2a-7) under the Investment Company Act of 1940 for money market funds. Rule 2a-7 can be obtained by accessing the SEC website at [sec.gov](http://sec.gov) and clicking on the Laws & Regulations section. For the purposes of comparing the yield of the Local Government Surplus Funds Trust Fund to that of a performance benchmark for participant reporting, a net-of-fees methodology will be utilized for all reporting periods for both the Local Government Surplus Funds Trust Fund and the performance benchmark.

*Rulemaking Authority 218.405, 218.412 FS. Law Implemented 218.409(4) FS. History—New 8-24-82, Formerly 19-7.11, Amended 4-8-92, 3-26-02, 9-5-10.*

**19-7.013 Reporting Procedures.**

The State Board of Administration shall generate for each Pool participant a monthly statement containing each account's activity including deposits, withdrawals, balances, and earnings. If no errors are reported to the Board within 14 days, the

statement will be considered correct.

*Rulemaking Authority 218.405, 218.412 FS. Law Implemented 218.409(6) FS. History—New 8-24-82, Formerly 19-7.13, Amended 12-18-88, 11-7-99, 3-26-02, 9-5-10.*

**19-7.014 Number of Accounts.**

*Rulemaking Authority 218.405, 218.412 FS. Law Implemented 218.409(5) FS. History—New 8-24-82, Formerly 19-7.14, Amended 12-2-93, 3-26-02, Repealed 1-28-14.*

**19-7.015 Allocation of Earnings.**

The Local Government Surplus Funds Trust Fund System is used to keep current account balance information for individual accounts participating in the pooled investment account and to apportion the pooled investment earnings back to each account. At the end of each month, pool month-to-date accrued earnings minus accrued expenses are apportioned to the participants directly proportionate to the respective net amounts deposited in the Fund and the length of time such amounts remain therein. The resulting proportionate amount is credited to each account at that time. If the end of the month account balance falls below \$1,000.00, the State Board of Administration may choose to close the account and return the residual balance to the participant.

*Rulemaking Authority 218.405, 218.412 FS. Law Implemented 218.409(4), (5) FS. History—New 8-24-82, Formerly 19-7.15, Amended 6-26-95, 3-26-02, 9-5-10.*

**19-7.016 Close of Business.**

Any requests for funds to be returned or notification of funds to be wired for investment after 1:00 p.m. EST may be included in the following day's business. In the event that the Board is informed by 1:00 p.m. EST of a deposit for investment that day, and the funds are not transmitted to the Board's bank account by the close of business that day, which results in a shortfall, a fee shall be charged to the participant for each day until the shortfall is corrected. The fee will be based on the current overdraft fee charged by the bank on the amount of the shortfall.

*Rulemaking Authority 218.405, 218.412 FS. Law Implemented 215.515 FS. History—New 8-24-82, Formerly 19-7.16, Amended 6-26-95, 3-26-02, 9-5-10.*