

SAM – TRUST AND AGENCY FUNDS (Non-Treasury)

GUARANTY DEPOSITS

19410

(Revised 12/2007)

Guaranty and/or performance deposits are held by several State agencies to ensure compliance with various legal requirements. These deposits may consist of securities or cash.

Negotiable securities will be held by the [State Treasurer](#) for safekeeping. Negotiable securities are defined as any security which can be legally transferred to another party by endorsement or delivery. This includes any security which can be converted to cash by presentation or endorsement, e.g. bearer bonds and stocks. Securities held as guaranty deposits will be valued in accordance with individual agency requirements. Differences in statutory and operating requirements for the handling of these securities make it impossible to prescribe a standard fixed valuation procedure. Securities held by the Treasurer will be accounted by agencies as a debit to General Ledger Account No. 2720, Securities and Other Property Held in Trust, and a credit to Account No. 3510, Deposits.

Cash deposits will be deposited by the agency in the centralized State Treasury System, in accordance with applicable legal or administrative provisions. These deposits will be accounted as a debit to Account No. 1120, Agency Trust Fund Cash, and a credit to Account No. 3510, unless the cash is in lieu of a bond. Cash received in lieu of a bond and subject to the provisions of Code of Civil Procedure Section [995.710](#) must be maintained in an interest bearing account. To comply with this requirement, agencies will request an account in the Special Deposit Fund, as described in SAM [18000](#).