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**United States Department of Agriculture  
Marketing and Regulatory Programs  
Agricultural Marketing Service**

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**AMS Directive**

**AMS 2210.2**

**11/03/2023**

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**INVESTMENT OF PUBLIC FUNDS**

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**1. PURPOSE**

This Directive states the policy and responsibilities for investments of public funds maintained by the Agricultural Marketing Service (AMS).

**2. SPECIAL INSTRUCTIONS AND REPLACEMENT HIGHLIGHTS**

This Directive replaces AMS Directive 2210.2, dated 2/7/11.

**3. AUTHORITIES AND REFERENCES**

- a. [Title 31, Code of Federal Regulations \(CFR\), Parts 202-226](#), “Money and Finance: Treasury.”
- b. [Volume I, Treasury Financial Manual 6-9000](#), “Securing Government Deposits in Federal Entity Accounts.”

#### 4. DEFINITIONS

- a. Agency – Any Department, Agency, or instrumentality of the U.S. Government.
- b. Designated Depository – A financial institution designated by the Department of the Treasury as a depository and financial agent of the Federal Government which has been selected by an agency to hold public funds.
- c. Federal Reserve Districts and Banks – The Federal Reserve Bank or branch of the district within the geographic area in which the agency’s designated depository is located.
- d. Government Deposits – Public money including, but not limited to, revenue and funds of the United States and deposit funds subject to the control or regulation of the United States or any of its offices, agents, or employees.
- e. Recognized Insurance Coverage – The insurance provided by the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund, and the insurance organizations specifically approved by the Secretary of the Treasury under 31 CFR Part 226.

#### 5. SCOPE

This Directive applies to AMS programs and employees.

#### 6. POLICY

It is AMS policy to:

- a. Exercise prudent cash management of funds collected through fees for services, assessments collected from handlers and producers to finance research and promotion efforts, and assessments collected to administer marketing agreements and orders. This also applies to payments received by producer settlement funds and interest, or other charges collected on overdue accounts.
- b. Require that a formal agreement or Memorandum of Understanding be signed between parties before funds are deposited with a financial institution. This agreement is to state the responsibilities of both the custodial and the financial institutions and must conform to the policies and guidelines established by the U.S. Treasury with respect to the deposit of, and collateral for, public funds.
- c. Require complete safety of invested funds. In this regard, AMS adheres to the U.S. Department of the Treasury Regulations, 31 CFR Parts 202-226.

## 7. ROLES AND RESPONSIBILITIES

- a. In AMS, public funds are maintained by the Budget Division, the Research and Promotion Boards, Milk Market Administrators, and the Fruit and Vegetable Marketing Order Administrative Committees. They are the fund custodians for AMS. When investing funds held in public trust, fund custodians must follow these guidelines:
- (1) **Investments.** Investments must be short-term (or long-term with permission), in risk-free, interest-bearing instruments.
    - (a) *Short-Term.* Investments must have a maturity period of 1 year or less to ensure availability and rapid conversion of the principal to cash.
    - (b) *Long-Term.* Investment with terms longer than one year is considered long-term. Such investments must be granted permission by the AMS Budget Officer. These investments must maintain liquidity to meet forecasted cash needs.
    - (c) *Risk-Free.* All investments must be federally insured or fully collateralized with Federal Government securities.
  - (2) **Insurance Coverage.** All investments must be fully secured. Accounts are to be established at financial institutions having FDIC insurance which protects the funds that depositors place in banks and savings associations. Accounts at individual institutions should not exceed, in the aggregate, FDIC insured thresholds in order to ensure full insurance for both account principal and interest.
  - (3) **Collateralization.** All investments exceeding FDIC insured thresholds, within said institutions, must be fully collateralized.
    - (a) Before sending funds to an institution for investment, eligible collateral must be pledged to an account under the control of the investing custodian.
    - (b) Only those securities specified in U. S. Department of the Treasury Regulations, 31 CFR Part 202, are acceptable collateral. They include securities issued, fully insured, or guaranteed by U.S. Government Agencies, or U.S. Government sponsored corporations. Regulations that govern the types of acceptable collateral that may be pledged to secure deposits of public monies, as well as the validation of that collateral, are addressed in 31 CFR Part 380. For a current list of acceptable classes of securities and

instruments described within this Code and their valuations, see the [Bureau of Public Debt's web site](#).

- (c) Collateral must be pledged at face value. Financial institutions must provide the investor with periodic inventories of pledged collateral, showing both face and market value.
  - (d) Pledged collateral must be separately segregated in the name of the investor (i.e., AMS Budget Division, Board, Milk Market Administrator, or Administrative Committee), in order to prevent double pledging.
  - (e) Collateral not held by the Federal Reserve Board must be held by a financial institution authorized by Treasury as a Federal Depositary, having FDIC insurance, and approved by the Federal Reserve Board.
- b. When AMS is investing in commercial instruments at financial institutions, employees authorized to conduct business with such financial institutions must complete an AMS Investment Program Disclosure Statement Form on an annual basis. This form indicates any personal relationship with those financial institutions with which AMS invests. Annual disclosures are unnecessary if the agency does not purchase certificates of deposit from commercial banks.
- c. For the purpose of approving daily investment decisions, the Formulation and Execution Branch Chief and the AMS Budget Officer share this responsibility respectively. In their absence, acting staff (GS-13 and above) assume these responsibilities provided they have signed disclosure statements and have confidential disclosure reports on file.

## **8. RECORDS MANAGEMENT**

Federal records created by this Directive must be maintained in accordance with the established General Records Schedule (GRS) and/or the AMS/APHIS Records Management Handbook when applicable. If employees are named in an active litigation hold, Freedom of Information Act (FOIA) request, and/or other action, those records, regardless of media, must be preserved and maintained in their native format until otherwise notified by your Agency Records Officer and/or the Office of General Counsel.

- a. MRP Information Technology, Information Management Branch (MRP-IT, IMB) is the official recordkeeper of this Directive, which is to be preserved permanently, per Paperwork and Data Management (PDM) 4-1.

- b. The Resource Management Specialists for FMD are the official recordkeepers of the records listed below, which will be maintained in accordance with the APHIS Records Handbook and with:
  - (1) GRS 1.1 – Item 001: Official record of assignment and subject files; destroy when 3 years old, but longer retention is authorized if required for business use.
  - (2) GRS 1.2 – Item 010: Financial transaction records related to collecting debts and accounting; official record held in the office of record; destroy 6 years after final payment or cancellation, but longer retention is authorized if required for business use.
  - (3) GRS 1.2 – Item 011: Copies used for administrative or reference purposes; destroy when business use ceases.

## **9. INQUIRIES AND ADDITIONAL INFORMATION**

- a. General inquiries concerning this Directive may be directed to the AMS Budget Office.
- b. This directive can be accessed online via the [AMS web page](#).

/s/

Erin Morris  
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Agricultural Marketing Service