

<b>AGENCY NAME:</b>	<b>Office of the State Treasurer</b>		
<b>AGENCY CODE:</b>	<b>E16</b>	<b>SECTION:</b>	<b>98</b>

**Fiscal Year 2015-16  
Accountability Report**

**SUBMISSION FORM**

<b>AGENCY MISSION</b>	<p><b>“To serve the citizens of South Carolina by providing transparent, accountable and efficient banking, investment and financial management services for South Carolina State Government. Our commitment is to safeguard our State’s financial resources and to maximize return on our State’s investments.”</b></p>
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<b>AGENCY VISION</b>	<p><b>“To be the most transparent, accountable and reliable steward of public money in the country.”</b></p>
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Please state yes or no if the agency has any major or minor (internal or external) recommendations that would allow the agency to operate more effectively and efficiently.

<b>RESTRUCTURING RECOMMENDATIONS:</b>	No
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Please identify your agency’s preferred contacts for this year’s accountability report.

	<i><b>Name</b></i>	<i><b>Phone</b></i>	<i><b>Email</b></i>
<b>PRIMARY CONTACT:</b>	Paul J. Ham	803-734-9811	Paul.Ham@sto.sc.gov
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I have reviewed and approved the enclosed FY 2015-16 Accountability Report, which is complete and accurate to the extent of my knowledge.

**AGENCY DIRECTOR  
(SIGN AND DATE):**

*Curtis M. Loftis, Jr.*

**(TYPE/PRINT NAME):**

The Honorable Curtis M. Loftis, Jr.

**BOARD/CMSN CHAIR  
(SIGN AND DATE):**

**(TYPE/PRINT NAME):**

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## AGENCY'S DISCUSSION AND ANALYSIS

State Treasurer Curtis M. Loftis, Jr. is now in the beginning of his second term in the South Carolina Office of the State Treasurer (STO). The Treasurer has worked tirelessly to reform the STO, enhance services and create an environment of openness, transparency and accountability in government. The Treasurer has also focused on bringing the STO into the 21st century as it conducts business on behalf of the State. This document serves as a review of the STO's accomplishments for fiscal year 2015- 2016.

The Office of the State Treasurer is responsible for the investment, cash management and safekeeping of the State's General and restricted funds and serves as the custodian of approximately \$28 billion in retirement funds of the South Carolina Retirement System. The STO serves as the State's bank, receiving, disbursing and managing funds from all sources. The STO coordinates all banking services, structures and administers the State's debt, invests all state funds, manages the Local Government Investment Pool and administers the Unclaimed Property and College Savings Programs. The STO also works and communicates regularly with the three major bond rating firms to maintain high credit ratings that keep the State's borrowing costs low.

The STO has five major program areas: Treasury Management and Banking; Investment Management; Debt Management; Unclaimed Property; and College Savings Plans.

**Treasury Management and Banking.** The Treasury Management and Banking Division is responsible for managing the Statewide Banking and Accounting programs, which involves the daily accounting for cash operations of the State, payroll processing and other disbursements on behalf of the State, administration of Aid to Subdivisions, collection and remittance of court fines, and account deposits. For fiscal year 2015-2016, the Division made approximately 4.4 million disbursements consisting of approximately 1.2 million paper checks and approximately 3.2 million electronic payments and made 279,016 deposits on behalf of the State.

The Treasury Management and Banking Division successfully converted 19 statewide depository bank accounts to SCEIS. The STO is also working with the Department of Social Services and the Department of Health and Human Services to convert major financial distributions to SCEIS and expects this to be completed in 2018.

**Investment Management.** The Investment Management Division manages, according to SC Code 11-9-660, approximately \$15 billion in assets for both the State of South Carolina and local governments, with the priority of preserving capital, maintaining liquidity and obtaining the best return within the appropriate risk parameters. The current custodial agent acts as a safe-keeper, holder and record keeper of these funds.

In addition to active daily monitoring and management by the Investment Management Division, the STO utilizes the services of an external investment advisor. The investment advisor's role is to advise the Division on investment strategy in order to optimize potential earnings on all of the investments that the State of South Carolina holds. The STO also utilizes the services of an investment consultant for portfolio monitoring services.

For fiscal year 2015-2016, the composite portfolio investment return for the General Portfolios was 1.61%. The General Fund and State Investment Pool portfolio had a 0.97% and a 1.22% return on investments respectively as compared to benchmarks of the 90-day Treasury Bills and Barclay's 1-3 Year Gov't/Credit rates of 0.19% and 1.59% respectively. The Local Government Investment Pool (LGIP) continued to produce above-market returns for its participants, earning an average rate of .65% compared to the average 90-day T-Bill benchmark rate of 0.19%. The STO provided investment services at a low cost of 0.02%, and the cost of services decreased over the previous fiscal year.

Earnings on General Fund investments were approximately \$164 million. The General Fund and other such funds are excess funds that need to maintain liquidity and preserve capital; therefore, cash flows are being invested for short periods of time and should not be compared to long-term investments. These earnings were achieved in spite

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of continued historically low interest rates, as well as increased demand for securities on the short end of the yield curve.

**Debt Management.** The Debt Management Division manages the debt for the State, its agencies, institutions and authorities, optimizing the debt structure and ensuring timely repayment of debt when it is due. During the fiscal year, the STO assisted 9 agencies in the sale of 17 issues for the purposes of academic and housing construction, economic development and refinancing. In total, the State issued \$707.1 million in general obligation and revenue debt, of which the State will achieve \$52.7 million in refinancing savings from the refunded issues. Further, the State maintained its excellent credit ratings with Moody's, S&P, and Fitch as AAA, AA+ and Aaa, respectively.

Significant progress was made in implementing SCEIS processing, enhancing the legacy systems to become SCEIS compliant and omitting dependence on STARS interfaces. Conversion of debt from legacy to SCEIS is expected during Fiscal Year 2016-2017.

**Unclaimed Property.** The Unclaimed Property Program Division continued its commitment to returning unclaimed property to its rightful owners by returning 29,384 properties totaling more than \$23.2 million. The total dollars paid increased by 28% over the previous fiscal year. Also, the Program received over \$64.4 million in unclaimed property from business entities, an increase of 11% over last fiscal year, and the Program returned 580,034 shares of stock at no cost to the claimants.

The Unclaimed Property Holder Outreach and Compliance staff assisted holder companies with compliance matters, reporting requirements and remittance processes. The Unclaimed Property Program received 12,102 properties totaling over \$1.1 million as a result of the unit's efforts. That property is now available to be returned to the citizens and businesses to which it belongs.

Each year, the State Treasurer's Office calculates the refund liability of the Unclaimed Property Program to determine what amount (if any) is available for transfer to the General Fund. In addition to the \$15 million annual allocation, the Program also transferred \$49.5 million this year to assist with non-recurring costs including expenses related to flood recovery.

**Future Scholar College Savings Program.** At the end of the fiscal year, the Future Scholar College Savings Program accounts totaled 129,000 with approximately \$2.6 billion in assets under management. Future Scholar is now in the fourth year since launching new Direct and Advisor products with lower fees, and investment minimums as well as new and expanded investment products. Future Scholar experienced a 13% increase in new sales during calendar year 2015 over calendar year 2014.

In conjunction with National 529 Day, Future Scholar launched the fourth annual Future Scholar 529 Day PalmettoBaby Grant Program. All babies born in South Carolina on May 29th were awarded the opportunity to receive a \$529 grant into a Future Scholar account. The Program was privately funded by Columbia Threadneedle.

Once again, Future Scholar received top accolades from Morningstar and was recognized by third party research firm SavingforCollege.com as a national leader, with program rankings for various plans in the top 1%, 5% and 10% in the nation in investment performance, and was ranked number 3 for lowest plan cost in the country.

**Tuition Prepayment Program.** The STO continues to monitor the South Carolina Tuition Prepayment Program, which the General Assembly closed to new entrants in 2008. An annual report is sent to the Legislative Budget Subcommittees with updated information to keep the General Assembly apprised of the ongoing legislative financial obligation to the Program. The Tuition Prepayment Program continues to have an unfunded liability of approximately \$43.2 million and is scheduled to deplete all assets in 2022 unless additional funds are appropriated by the General Assembly.

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## Risk Assessment and Mitigation Strategies

The State Treasurer’s Office has identified potential negative impacts on the State and public that would result if the Agency’s goals and objectives were not met. These items are identified below by division.

**Treasury Management and Banking.** Without enhanced banking security measures there is the potential increase of fraud. Inaccuracy in the State’s banking data could lead to inaccurate decision-making for State agencies.

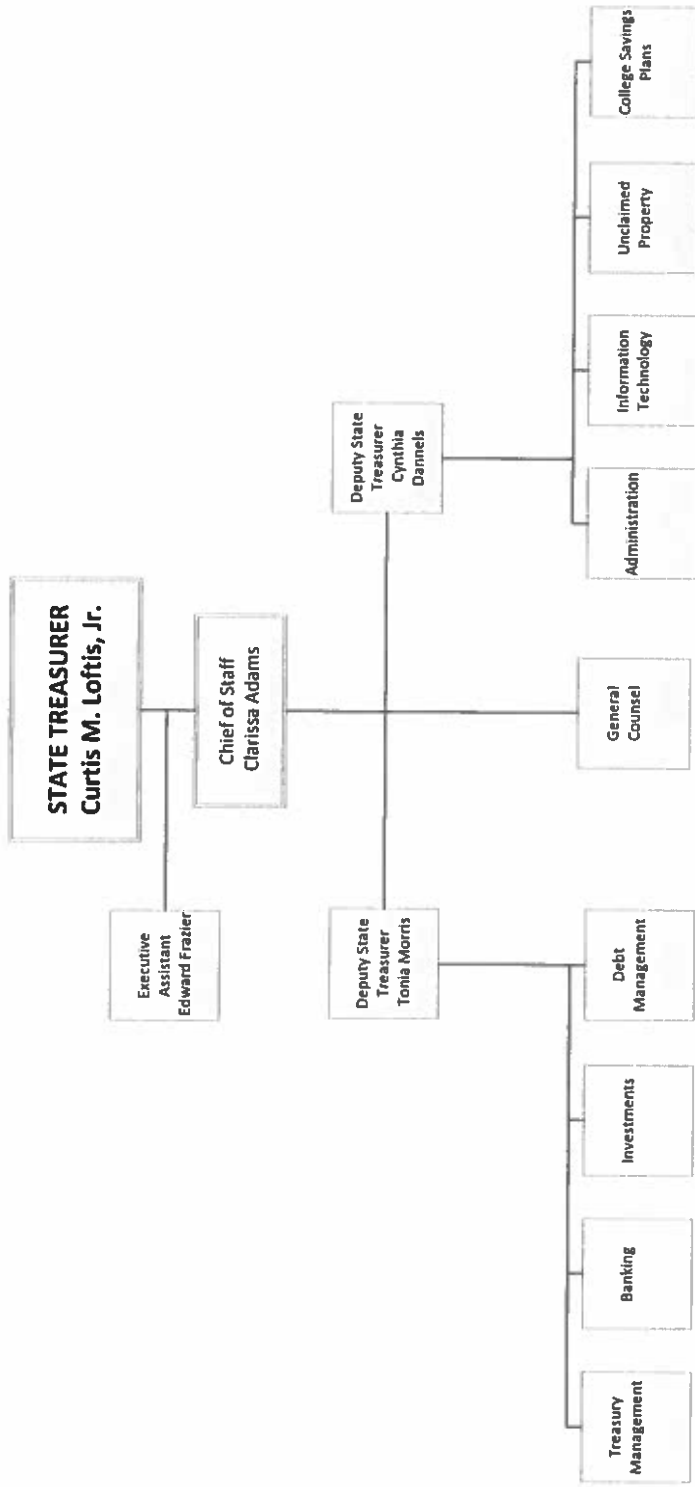
**Investment Management.** If the Investment Management Division was not able to obtain the best returns possible within the prescribed parameters, the State would ultimately receive less investment income, which would negatively impact the General Fund.

**Debt Management.** The State could incur higher interest rates that could result in increased borrowing costs.

**Unclaimed Property Program.** If the Program did not increase the holder companies’ compliance with reporting unclaimed property and did not increase the awareness of the Program among the general public, fewer funds could be collected and returned to the rightful owners and the availability of funds eligible to be transferred to the General Fund would be reduced.

**Future Scholar 529 Program.** Fewer college savings accounts could reduce the amount of savings for education and increase debt required to attend college.

Any requests that the State Treasurer’s Office had of the General Assembly to help resolve these potential risks were communicated in recent Legislative Oversight Committee hearings. At this time there are no additional requests for assistance to the General Assembly from the Treasurer’s Office.



9/9/2016

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Type	Goal	Item # Strat	Object	Associated Enterprise Objective	Description
G	1		Government and Citizens		Investment Division: Effectively manage all investment programs while preserving capital, maintaining liquidity and obtaining optimal returns within the appropriate risk parameters
S		1.1			Review investment strategy and portfolio performance to identify opportunities for improvement by benchmarking the financial returns of the general funds investment portfolio and the Local Government Investment Pool (LGIP).
O		1.1.1			Obtain the best return possible within the prescribed parameters on a portfolio basis, while maintaining liquidity and meeting or exceeding the applicable benchmarks, all while preserving capital.
G	2		Government and Citizens		Debt Division: Actively Manage the Debt for the State, its agencies, institutions and authorities, optimizing the debt structure and ensuring timely repayment of debt when it is due.
S		2.1			Optimize the debt size/structure and market exposure of State debts in an effort to achieve the best pricing available.
O		2.1.1			Provide guidance to the State and its agencies, institutions, and authorities for the management and structure of debt issuances and programs, as well as to secure greater market exposure in an effort to ensure that the lowest borrowing cost is achieved for each debt issuance.
S		2.2			Ensure the timely repayment of State debts when due.
O		2.2.1			Provide guidance to the State and its agencies, institutions, and authorities for the management, structure, and maintenance of debt issuances and programs to ensure the timely repayment of debt by stipulated due dates.
G	3		Government and Citizens		Treasury Management & Banking Divisions: Effectively manage Treasury management operations to include the management of statewide banking and accounting functions.
S		3.1			Benchmark Treasury Management performance and identify opportunities for improvement.
O		3.1.1			Enhance Banking security measures based on available technology with our banking partners.
O		3.1.2			Increase timeliness and accuracy of banking reconciliation accounting activities in the SCEIS environment
G	4		Government and Citizens		Unclaimed Property Division: Increase awareness of the Unclaimed Property program and maximize funds returned to rightful owners.
S		4.1			Increase citizens' awareness of the Unclaimed Property Program.
O		4.1.1			Work with media outlets and community organizations to encourage citizens to search for accounts in their names.
S		4.2			Build holder outreach efforts to increase compliance, reporting and the remittance of unclaimed property.
O		4.2.1			Provide holder reporting training, outreach and technical assistance.
G	5		Education, Training, and Human Development		Future Scholar: Effectively manage the College Savings Programs division and promote the importance of saving for college to South Carolina Residents.
S		5.1			Create strategic marketing initiatives to increase program awareness, new accounts opened and increases in existing account contributions.
O		5.1.1			Increase overall new accounts in the Future Scholar 529 Plan by 6% over the previous fiscal year while maintaining low cost investment options.

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Item	Performance Measure	Target Value	Actual Value	Future Target Value	Time Applicable	Data Source and Availability	Performance Measurement Template	
							Calculation Method	Associated Objective(s)
1	Returns/Performance	1.59	1.61	At or above target value	July 1 - June 30	BNY Mellon Composite Performance Summary	Target Value is the Benchmark as defined by Barclays U.S. Government/Credit 1-3 Year Index. Actual Value is the Fiscal YTD return/performance	1.1.1
2	Cost of debt issuance	At or below market rates for equivalently rated debt	0.67%	At or below market rates for equivalently rated debt	July 1 - June 30	Municipal Market Data /as issued	Municipal Market Data/interest rate on debt payments	2.1.1
3	Debt refinancing savings	Maximize savings generated by timing the market	\$52.7 million	Maximize savings generated by timing the market	July 1 - June 30	Municipal Market Data /as issued and refinanced	Municipal Market Data	2.1.1
4	Total annual debt service requirement	As required by the constitution	\$159,595,886	As required by the constitution	July 1 - June 30	Internally maintained as debt is issued and retired	Required annual debt payments to bondholders/STO Debt Management V04 appropriation	2.2.1
5	ACH and Check Fraud Protection Services Added	N/A	114	Add 100	July 1 - June 30	Account Analysis Statement	ACH and Check Fraud Protection Services in Place Per Account Analysis	3.1.1
6	Number of Transaction Requiring Research	N/A	360	342	July 1 - June 30	SCEIS and Banking Activities	Actual Occurrence	3.1.2
7	UPP Number of accounts paid	Increase by 5%	29,384	Increase by 5%	July 1 - June 30	Wagers/Daily	Total number of accounts paid to claimants	4.1.1
8	UPP Amount of accounts paid	Increase by 5%	\$23,236,974	Increase by 5%	July 1 - June 30	Wagers/Daily	Total funds returned to claimants	4.1.1
9	Unclaimed property receipts	Increase by 5%	\$64,446,330	Increase by 5%	July 1 - June 30	TD Bank & Wells Fargo/Monthly	Total funds received from holder companies	4.2.1
10	UPP Number of accounts reported	N/A	517,098	N/A	July 1 - June 30	Wagers/Daily	Total number of accounts received from holder companies	4.2.1
11	Future Scholar 529 Plan Assets	N/A	2.56 billion	N/A	July 1 - June 30	Columbia Management/Weekly	Total assets in the Future Scholar Plan	5.1.1
12	Future Scholar 529 Accounts	6% over previous year.	129,000	6% over previous year.	July 1 - June 30	Columbia Management/Weekly	Total number of Future Scholar accounts	5.1.1
13	Future Scholar 529 Sales	N/A	\$200,355,318	N/A	July 1 - June 30	Columbia Management/Weekly	Total funds deposited into Future Scholar accounts	5.1.1



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Program Template

Program/Title	Purpose	FY 2015-16 Expenditures (Actual)			FY 2016-17 Expenditures (Projected)			Associated Objective(s)
		General	Other	Federal	TOTAL	General	Other	
II. Programs and Services	Treasury Management provides statewide services to all agencies and institutions by receipt and disbursement of funds from all sources.	\$940,043	\$91,990	\$1,032,032	\$916,000	\$110,000		\$1,026,000
II. Programs and Services	Investments provides statewide investment services to state agencies and institutions through investment of all state funds, management of cash liquidity, cash flow and collateral.		\$3,085,956	\$3,085,956		\$3,500,000		\$3,500,000
II. Programs and Services	Debt Management provides statewide debt management services for the State, it's agencies and institutions by management of debt issues including debt structure and payments.		\$1,267,488	\$1,267,488		\$1,282,782		\$1,282,782
II. Programs and Services	The Unclaimed Property Program provides a statewide service to increase awareness of the program and return funds to rightful owners.		\$1,237,244	\$1,237,244		\$1,700,000		\$1,700,000
II. Programs and Services	The SC Tuition Prepayment Program (SCTPP)/SC College Investment Program (Future Scholar) are college savings plans that allow families the option of saving now at great advantage for their children's college education.		\$523,428	\$523,428		\$600,000		\$600,000
II. Programs and Services	The SC ABLE Savings Program allows individuals with disabilities and their families to save private funds to support the individuals with disabilities.		\$0	\$0	\$200,000			\$200,000
All Other Items	Support Systems of the office include Administration, Information Technology, Legislative and Constituent Services.	\$902,553		\$902,553	\$900,114			\$900,114
				\$8,048,702				\$9,208,896

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Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Associated Program(s)
1	S.C. Const. Art. VI, § 7	State	Statute	Establishes State Treasurer as one of statewide elected constitutional officers	Administrative
2	S.C. Const. Art. X, § 11	State	Statute	Authorizes STO to invest endowment funds donated specifically to state-supported institutions of higher learning	Investments
3	11-1-110	State	Statute	Identifies State Treasurer as one of officers constituting executive department	Administrative
4	1-1-1020	State	Statute	Authorizes STO to provide financing arrangements under master lease program on behalf of entities of state government	Debt
5	6-6-10	State	Statute	Authorizes STO to establish and maintain SC Pooled Investment Fund	Investments
6	6-27-20	State	Statute	Establishes STO's administrative responsibility for Local Government Fund	Investments
7	9-16-315	State	Statute	Establishes State Treasurer as ex officio member of RSIC	Administrative
8	11-3-130; 11-3-140	State	Statute	Requires all STO payments to be made on warrants drawn by Comptroller General	Treasury
9	11-5-50 to 11-5-80	State	Statute	Authorizes STO to take certain actions against defaulting county treasurers	Treasury
10	11-5-90	State	Statute	Directs STO to remit all funds from United States property in Clarks Hill project area to appropriate county treasurers	Treasury
11	11-5-100	State	Statute	Requires STO to account for appropriations made by General Assembly	Treasury
12	11-5-120	State	Statute	Requires STO to publish quarterly statements	Treasury
13	11-5-140	State	Statute	Authorizes STO to pay amounts appropriated annually to meet ordinary expenses of the State out of usual income of the State	Treasury
14	11-5-170	State	Statute	Requires STO to report all monies paid out at close of business each day to Comptroller General	Treasury
15	11-5-175	State	Statute	Requires STO to report quarterly to departments and agencies receiving monies pursuant to Sections 14-1-205 to -208	Treasury
16	11-5-180	State	Statute	Requires STO to report cash transactions monthly to Comptroller General	Treasury
17	11-5-185	State	Statute	Requires STO to submit annual report to General Assembly	Administrative
18	11-5-190	State	Statute	Authorizes STO to set up funds for insurance and postage on securities in trust	Investments
19	11-5-200	State	Statute	Authorizes STO to make period payroll payments by Electronic Funds Transfer Systems	Treasury
20	11-5-210	State	Statute	Income from licensing and other fees for certain professional boards are remitted to STO at least once a week and credited to State general fund	Treasury
21	11-5-220	State	Statute	Requires STO to report to JBRC, House Ways and Means, and Senate Finance immediately after selling any general obligation or anticipation notes	Treasury
22	11-5-230	State	Statute	Establishes continuing account in STO to be used to match federal disaster assistance funds	Treasury
23	11-5-240	State	Statute	Requires STO to report data to credit rating services in order to maintain high credit rating	Debt
24	11-5-245	State	Statute	Requires STO to report quarterly to boards of higher ed institutions status of funds invested pursuant to 11-9-665	Investments
25	11-5-250	State	Statute	Establishes STO as limited trust company in connection with banking activities with Federal Reserve Board	Treasury
26	11-5-260	State	Statute	Check issued by STO for payment which is not presented for payment within 2 years must be credited back to State Treasury	Treasury
27	11-5-270	State	Statute	Authorizes STO to invest endowment funds of institutions of higher ed, and to invest such funds in equity funds	Investments
28	11-5-280	State	Statute	Authorizes STO to enter into contracts allowing state entities to accept credit cards	Treasury
29	11-5-400 to -460	State	Statute	Establishes ABLE Savings Program and grants Treasurer various powers as administrator of program	ABLE
30	11-9-75	State	Statute	Authorizes STO to withhold State funds from agency or political subdivision that is delinquent in payments due State or its agencies	Treasury

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Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Associated Program(s)
31	11-9-90	State	Statute	Authorizes Governor and STO, whenever empowered to issue general obligation bonds of State, to receive bids on more than 1 issue at same time and treat as single issuance	Debt
32	11-9-280	State	Statute	Authorizes STO to use money borrowed by State Fiscal Accountability Authority under this section to pay any borrowings for or claims against current and ordinary business of State for fiscal year next preceding to prevent deficit in general funds of State	Debt
33	11-9-290	State	Statute	Requires STO to maintain sufficient cash reserve in general deposit account from which State Fiscal Accountability Authority may borrow from time to time	Treasury
34	11-9-660	State	Statute	Grants STO full power to invest all funds of State and authorizes STO to contract to lend securities	Investments
35	11-9-850	State	Statute	Requires information relating to STO to be verified by STO prior to announcement	Administrative
36	11-11-170(C)	State	Statute	Authorizes STO to invest revenues payable to State pursuant to Tobacco Master Settlement Agreement	Investments
37	11-13-10	State	Statute	Authorizes STO to have a safe in a vault for placing and keeping State monies	Treasury
38	11-13-20	State	Statute	Requires STO to deposit other State funds in banks or trust companies approved by State Fiscal Accountability Authority	Treasury
39	11-13-30	State	Statute	Grants STO exclusive authority in State government to invest and deposit public funds	Treasury
40	11-13-40	State	Statute	Requires STO, with advice and approval of State Fiscal Accountability Authority, to keep in a general deposit account all state funds which, in opinion of State Fiscal Accountability Authority, may be properly consolidated	Treasury
41	11-13-60	State	Statute	Establishes forms of security qualified public depositories must provide that hold State funds deposited by STO and methods of securing, and establishes STO's responsibilities with respect to recordkeeping and accepting collateral and other forms of security	Treasury
42	11-13-90	State	Statute	Directs STO to withdraw all State deposits from depository that fails to report and close account	Treasury
43	11-13-110	State	Statute	Grants STO authority to determine whether State entities may deposit with bank or other financial institution a revolving fund and also determines amount of such revolving funds	Treasury
44	11-13-215	State	Statute	Designates State Treasury as depository for all funds received by state departments and institutions	Treasury
45	11-13-130	State	Statute	Requires STO to designate form of deposit slip	Treasury
46	11-15-100	State	Statute	Directs STO to make available to political subdivisions blank forms upon which they can report information required to be filed with STO before incurring general obligation or revenue obligation debt; directs STO to annually survey general obligation and revenue obligation debt of political subdivisions and maintain current record of such; directs STO to publish statement of obligations of all subdivisions on or before March 31 each year	Debt
47	11-27-100	State	Statute	Upon ratification of "New Article X" of State Constitution, authorizes STO to promulgate regulations implementing certain provisions	Administrative
48	11-29-10	State	Statute	Directs STO to set aside tax revenues necessary to pay principal and interest on certain state capital improvement bonds or state school bonds due in such year, and to use such funds to pay principal and interest as they become due	Treasury
49	11-29-20	State	Statute	Directs STO to set aside revenues necessary to pay interest and principal on certain state highway bonds due in such year, and to use such funds to pay principal and interest as they become due; if revenues insufficient, STO authorized to set aside general tax revenues	Debt

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Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Associated Program(s)
50	11-29-30	State	Statute	Directs STO to set aside revenues derived from tuition fees necessary to pay interest and principal on state institution bonds due in such year, and to use such funds to pay principal and interest as they become due; if revenues insufficient, STO authorized to set aside general tax revenues	Debt
51	11-31-40	State	Statute	STO responsible for establishing registry for fully registered bonds and to pay interest due	Debt
52	11-37-100 to 11-37-110	State	Statute	STO responsible for issuing bonds of S.C. Resources Authority	Debt
53	11-37-230	State	Statute	Authorizes STO to invest funds of S.C. Resources Authority	Investments
54	11-37-260	State	Statute	Authorizes STO to withhold State funds from local governments that fail to pay principal or interest on its obligations	Treasury
55	11-38-20	State	Statute	Authorizes STO to develop and implement program for sale of capital improvement bonds in denominations of less than \$1,000, and to determine rates of interest such bonds shall bear	Debt
56	Title 11, Chapter 41	State	Statute	Grants STO various powers and responsibilities with respect to issuance of bonds pursuant to State General Obligation Economic Development Act and the application of the proceeds of such bonds	Debt
57	Title 11, Chapter 43	State	Statute	Grants STO various powers and responsibilities with respect to S.C. Transportation Infrastructure Bank, including responsibility of holding bank accounts in trust, withholding State funds from government entities that fail to remit funds due the bank, power to invest funds of bank, power to issue bonds of bank, responsibility of securing the bank's bonds, and authority to use tax revenues to pay principal and interest on bank's bonds	Treasury
58	11-51-140	State	Statute	General obligation debt issued pursuant to S.C. Research University Infrastructure Act must be signed by State Treasurer	Debt
59	11-51-160	State	Statute	General obligation debt issued pursuant to S.C. Research University Infrastructure Act must be sold by Governor and State Treasurer upon sealed proposals and after advertisement; STO responsible for determining terms and manner of awarding debt; STO authorized to do all things ordinarily and customarily done in connection with sale of state or municipal bonds toward purpose of bringing about successful bond sales	Debt
60	11-51-170	State	Statute	STO responsible for receiving proceeds of general obligation debt and applying to purpose for which issued	Debt
61	11-55-10	State	Statute	Establishes State Treasurer as member of State Fiscal Accountability Authority	Administrative
62	Title 14, Chapter 1	State	Statute	Certain amounts of court fines, fees, surcharges, costs, forfeitures, and other revenues are remitted to STO; STO responsible for then depositing revenues in accordance with various sections; STO authorized to adjust state aid to subdivisions that State Auditor finds jurisdiction has under remitted amounts due State or victims services; STO authorized to request that State Auditor examine financial records of any jurisdiction STO believes is not timely remitting funds	Treasury
63	Title 27, Chapter 18	State	Statute	Establishes STO as administrator of Unclaimed Property Act responsible for locating, receiving and holding millions of unclaimed dollars for the benefit of rightful owners; STO is then responsible for paying funds to rightful owners who file a claim with the Office establishing their interest in unclaimed funds	Unclaimed Property
64	57-5-1410	State	Statute	Requires that all turnpike bonds be signed by Governor and State Treasurer	Debt
65	57-5-1460	State	Statute	Empowers Governor and State Treasurer to effect delivery of turnpike bonds upon receipt of resolution	Debt
66	57-11-20(A)	State	Statute	State Highway Fund and State Non-Federal Aid Highway Fund must be held and managed by STO separate from general fund	Treasury

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Legal Standards Template			Associated Program(s)	
Item #	Law Number	Jurisdiction	Statutory Requirement and/or Authority Granted	
67	57-11-290	State	Authorizes Governor and State Treasurer to issue state highway bonds in accordance with provisions of resolution from State Fiscal Accountability Authority	Debt
68	57-11-360	State	Authorizes Governor and State Treasurer to sell state highway bonds	Debt
69	57-11-380	State	Provides that proceeds of sale of state highway bonds must be received by STO and applied by STO to purpose for which issued	Debt
70	S.C. Code Title 59, Chapter 2; 26 U.S.C.A. § 529	State & Federal	Establishes STO's responsibility for administering SC College Investment Program in accordance with this chapter and Section 529 of Internal Revenue Code	College Savings
71	Title 59, Chapter 4	State	Establishes STO's responsibility for administering SC Tuition Prepayment Program;	College Savings
72	59-53-162	State	Proceeds of bonds issued by State Board of Technical and Comprehensive Education must be delivered to STO and retained by STO in special fund or funds applied to purpose for which bonds issued; authorizes STO to make temporary investments of funds derived from proceeds of bonds	Debt
73	59-53-165	State	Authorizes STO to accept custody of revenues derived from any special student fee, to deposit them in applicable debt service fund and bond reserve fund for payment of principal and interest	Debt
74	59-53-1830	State	Appoints State Treasurer custodian of federal funds received by State pursuant to federal act entitled: "To Provide for the Promotion of Vocational Education; to Provide for Cooperation with the States in the Promotion of Such Education in Agriculture and the Trades and Industries; to Provide for Cooperation with the States in the Preparation of Teachers of Vocational Subjects; and to Appropriate Money and Regulate Its Expenditure"	Treasury
75	59-107-30	State	Provides that all tuition fees received by any state institution be remitted to State Treasurer under such regulations as he shall prescribe	College Savings
76	Title 59, Chapter 107	State	Empowers Governor and State Treasurer to provide for issuance of state institution bonds in accordance with provisions in this chapter	Debt
77	59-119-10	State	Authorizes STO hold real and personal property of bequest to State from Thomas G. Clemson	Debt
78	59-119-100	State	Authorizes STO to invest funds derived from Clemson bequest in manner directed by Governor, Comptroller General and State Treasurer, or any 2 of them	Investments
79	59-119-1020	State	Proceeds of all Clemson University athletic facilities revenue bonds must be delivered to STO or corporate trust designee; STO is authorized to make temporary investments of such funds	Debt
80	59-119-1030(1)(b)	State	Directs STO to deposit any admission fees and special student fees received from Clemson University into debt service fund	Debt
81	59-121-420	State	Proceeds of all Citadel athletic facilities bonds must be delivered to STO or corporate trust designee; STO is authorized to make temporary investments of funds derived from proceeds of bonds	Debt
82	59-121-430	State	Directs STO to deposit any admissions fees and special student fees received from Citadel into debt service fund	Debt
83	59-123-20	State	Provides STO may receive and securely hold property conveyed to State by Medical University of South Carolina	Debt
84	59-123-95	State	If MUSC borrows money to acquire diagnostic and therapeutic equipment by issuing notes payable from charges for service or use rendered by such equipment, charges must be remitted to STO and deposited in special fund to be applied to payment of principal and interest on notes	Debt
85	59-125-620	State	Proceeds of all Winthrop University Athletic Bonds must be delivered to STO or its corporate trust designee; STO authorized to make temporary investments of proceeds of bonds	Debt

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Item #	Law Number	Jurisdiction	Type of Law	Legal Standards Template		Associated Program(s)
				Statutory Requirement and/or Authority Granted		
86	59-125-630	State	Statute	Directs STO to deposit any admissions fees and special student fees received from Winthrop into debt service fund		Debt
87	59-127-410	State	Statute	Proceeds of all S.C. State University special obligation bonds must be delivered to STO and retained in special fund; authorizes STO to make temporary investments of proceeds of bonds		Debt
88	59-127-450	State	Statute	Directs STO to deposit revenues derived from S.C. State University special obligation bonds in the Debt Service Fund and to utilize proceeds for payment of principal and interest on bonds; authorizes STO to invest monies in fund		Debt
89	59-131-25	State	Statute	Proceeds of bonds issued College of Charleston pursuant to this Chapter shall be deposited with STO and used to defray cost of acquiring and constructing parking facilities as well as to defray cost of issuing bonds		Debt
90	59-133-320	State	Statute	Proceeds of all Francis Marion University athletic facilities revenue bonds must be delivered to STO or its corporate trust designee; STO authorized to make temporary investments of such funds		Debt
91	59-143-10	State	Statute	Revenue received pursuant to Section 48-46-40(E)(3) must be deposited by STO in separate fund entitled "Children's Education Endowment"; STO responsible for allocating such funds in accordance with section		Treasury
92	59-146-110	State	Statute	Provides that all state school facilities bonds must be signed by Governor and State Treasurer		Debt
93	59-146-130	State	Statute	Governor and State Treasurer responsible for sale of state school facilities bonds		Debt
94	59-146-140	State	Statute	Proceeds of sale of state school facilities bonds must be received by STO and applied to purposes for which issued		Treasury
95	2016-17 Appropriations Act, Part 1B section 98.1	State	Proviso	Local governments receiving distributions of National Forest Fund revenues required to report annually to STO indicating compliance with authorized purposes		Treasury
96	2016-17 Appropriations Act, Part 1B section 98.2	State	Proviso	Decisions relating to STARs and SCEIS which involve STO Banking Operations and other functions of STO require approval of State Treasurer		Treasury
97	2016-17 Appropriations Act, Part 1B section 98.3	State	Proviso	STO may pool funds from accounts for investment purposes and invest all monies in same types of investments set forth in Section 11-9-660		Investments
98	2016-17 Appropriations Act, Part 1B section 98.4	State	Proviso	Authorizes STO to charge fee for operating and management costs associated with Local Government Investment Pool, Deferred Compensation Program, Tuition Prepayment Program, and College Investment Program, and is authorized to retain and expend the fees to provide these services		Investments
99	2016-17 Appropriations Act, Part 1B section 98.5	State	Proviso	Authorizes STO to charge fee for operating and management costs associated with Investment management and support operations of various state funds and programs		Investments
100	2016-17 Appropriations Act, Part 1B section 98.6	State	Proviso	Authorizes STO to charge actual costs associated with administration and management of indebtedness of State and its agencies and institutions		Debt
101	2016-17 Appropriations Act, Part 1B section 98.7	State	Proviso	Allocation of withheld accommodations tax revenues		Treasury
102	2016-17 Appropriations Act, Part 1B section 98.8	State	Proviso	S.C. Tuition Prepayment Program shall not accept any new enrollment		College Savings
103	2016-17 Appropriations Act, Part 1B section 98.9	State	Proviso	Penalties against counties and municipalities for non-reporting		Treasury
104	2016-17 Appropriations Act, Part 1B section 98.10	State	Proviso	Authorizes State Treasurer to designate certain employees to sign payments to meet ordinary expenses of State		Treasury

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Legal Standards Template				Associated Program(s)	
Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	
105	2016-17 Appropriations Act, Part 1B section 98.11	State	Proviso	STO may not expend funds to retain a third party, private sector auditor or auditor firms to fulfill duties under Uniform Unclaimed Property Act on a contingent basis or any basis other than hourly basis, except STO may join other states in multi-state contingent fee auditors' examinations, not to include companies whose parent company is headquartered in South Carolina; STO shall retain \$200,000 from Unclaimed Property Program for purpose of employing internal auditors	Unclaimed Property
106	2016-17 Appropriations Act, Part 1B section 98.13	State	Proviso	Withholding of accommodations tax revenue distributions from municipality due to expenditure Tourism Expenditure Review Committee determined to be in noncompliance	Treasury

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Divisions or Major Programs	Description	Service/Product Provided to Customers	Customer Segments	Specify only for the following Segments: (1) Industry Name; (2) Professional Organization Name; (3) Public Demographics
Treasury Management Division	Manage the Statewide Banking and Accounting programs in accordance with applicable state laws.	Through effective treasury management, limits the costs associated with banking fees and accurately account for deposits and disbursement in accordance to applicable state laws.	Executive Branch/State Agencies	
Investments Management Division	Manage all investment programs in accordance with State law as applicable, in an effective manner while preserving capital, maintaining liquidity and obtaining the best return within the appropriate risk parameters.	Through effective investment management, provide safekeeping and investing of assets, while preserving capital, maintaining liquidity and obtaining the best return within the appropriate risk parameters.	Executive Branch/State Agencies	
Debt Management Division	Manage the debt for the State, its agencies, institutions and authorities, optimizing the debt structure and ensuring timely repayment of debt when it is due.	Through effective debt management, the State Treasurer's Office limits the risks, impacts, and costs associated with higher effective interest rates and other borrowing costs. Such an increase in borrowing costs would either result in a greater financial need from the public or in a reduction in the capital items sought by issuers; thus, potentially jeopardizing the mission of the issuers.	Executive Branch/State Agencies	
Unclaimed Property Program Division	Manage the Unclaimed Property Program to increase the awareness of the program and return funds to the rightful owners.	The SC Unclaimed Property Program returns unclaimed property to rightful owners. Unclaimed property includes, but is not limited to, bank accounts, wages or commissions, money orders, insurance proceeds, underlying shares, dividends, customer deposits, credit balances, layaways, and credit memos which have remained unclaimed by the rightful owner for a specified period of time.	General Public	Owners and holders of unclaimed property.
Future Scholar College Savings Program	Manage the Future Scholar 529 Program to promote the importance of saving for college utilizing the Future Scholar 529 Plan to South Carolina residents.	State Treasurer's Office holds the funds in trust and it's the office's obligation to provide public access to an easy, tax-advantaged way to save for the cost of future college expenses.	General Public	Persons wishing to utilize the tax advantages of the Future Scholar College Savings Program for college/tuition costs.



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Partner Template

Name of Partner Entity	Type of Partner Entity	Description of Partnership	Associated Objective(s)
Silvercrest	Private Business Organization	Investment Advisor	Objective 1.1.1
Pension Consulting Alliance (PCA)	Private Business Organization	Investment Consultant	Objective 1.1.1
Bloomberg	Private Business Organization	Investment Information Source	Objective 1.1.1
Bank of New York Mellon	Private Business Organization	Custodian Bank	Objective 1.1.1
Bond Counsel (various)	Private Business Organization	Coordinates and interacts with partners to achieve objective.	Objective 2.1.1
Financial Advisor (various)	Private Business Organization	Coordinates and interacts with partners to achieve objective.	Objective 2.1.1
Credit Rating Agencies (various)	Private Business Organization	Coordinates and interacts with partners to achieve objective.	Objective 2.1.1
Underwriter (various)	Private Business Organization	Coordinates and interacts with partners to achieve objective.	Objective 2.1.1
Disclosure Counsel (various)	Private Business Organization	Coordinates and interacts with partners to achieve objective.	Objective 2.1.1
Issuer's Counsel (various)	Private Business Organization	Coordinates and interacts with partners to achieve objective.	Objective 2.1.1
Transaction Counsel (various)	Private Business Organization	Coordinates and interacts with partners to achieve objective.	Objective 2.1.1
Tax Counsel (various)	Private Business Organization	Coordinates and interacts with partners to achieve objective.	Objective 2.1.1
Cash Flow Verification Agent (various)	Private Business Organization	Coordinates and interacts with partners to achieve objective.	Objective 2.1.1
BLX Group	Private Business Organization	Arbitrage Consultant	Objective 2.2.1
Paying Agent/Registrar (various)	Private Business Organization	Coordinates and interacts with partners to achieve objective.	Objective 2.2.1
State Agencies, Colleges & Universities	State Government	Coordinates and interacts with partners to achieve objective.	Objective 2.1.1, 2.2.1, 3.1.1, 3.1.2
Various Financial Institutions	Private Business Organization	Coordinates and interacts with partners to achieve objective.	Objective 3.1.1, 3.1.2
Division of State Technology	State Government	DTO provides network support for the program and also hosts our application and web site.	Objective 4.1.1, 4.2.1
Xerox	Private Business Organization	Software Provider	Objective 4.1.1, 4.2.1
Eagle Technology Management (ETM)	Private Business Organization	ETM is a private company endorsed by the National Association of Unclaimed Property Administrators (NAUPA) to provide free reporting software to holder companies.	Objective 4.1.1, 4.2.1
Other potential vendors	Private Business Organization	Coordinates and interacts with partners to achieve objective.	Objective 4.1.1, 4.2.1
ColumbiaThreadneedle	Private Business Organization	Program Manager	Objective 5.1.1

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Item	Report Name	Name of Entity Requesting the Report	Type of Entity	Reporting Frequency	Submission Date (MM/DD/YYYY)	Summary of Information Requested in the Report	Report Template Method to Access the Report
1	Restructuring Report	House Legislative Oversight Committee	State	Annually	January 12, 2016	Agency report of operations to State Legislature	Legislative website
2	Restructuring Report	Senate Legislative Oversight Committee	State	Annually	January 13, 2015	Agency report of operations to State Legislature	Legislative website
3	Accountability Report	Executive Budget Office	State	Annually	September 15, 2016	Agency report of operations to State Legislature	Executive Budget Office website
4	SC Tuition Prepayment Program Actuarial Report	Legislature	State	Annually	September 15, 2016	Independent report to review financial soundness of the State's Tuition Prepayment Program	STO website
5	General Fund Debt Service Request for Upcoming Fiscal Year	House Ways & Means, Senate Finance	State	Annually	October 16, 2015	N/A	N/A
6	Cash Management Improvement Act (CMIA) Treasury State Agreement	U.S. Congress	Federal	Annually	June 30, 2016	Annual Treasury - State Agreements which include: covered programs, funding techniques, clearance pattern methodologies, interest calculation reimbursements for direct costs	<a href="http://www.fiscal.treasury.gov">www.fiscal.treasury.gov</a>
7	Cash Management Improvement Act (CMIA) Annual Report	U.S. Congress	Federal	Annually	December 31, 2015	Annual report on: federal interest liabilities, state interest liabilities, state direct cost claims.	<a href="http://www.fiscal.treasury.gov">www.fiscal.treasury.gov</a>

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Oversight Review Template

Item	Name of Entity Conducted Oversight Review	Type of Entity	Oversight Review Timeline (MM/DD/YYYY to MM/DD/YYYY)	Method to Access the Oversight Review Report
1	Elliott Davis Decosimo	Outside Organization	7/1/2015 - 6/30/2016	State Auditors Office
2	Hewlett-Packard	Outside Organization	7/1/2015 - 6/30/2016	State Auditors Office
3	Grant Thornton, LLP	Outside Organization	7/1/2015 - 6/30/2016	State Auditors Office
4	The Hobbs Group, PA	Outside Organization	7/1/2015 - 6/30/2016	State Auditors Office
5	McGladrey, LLP	Outside Organization	7/1/2015 - 6/30/2016	State Auditors Office