

Section XIII

LOCAL GOVERNMENT INVESTMENT POOL (LGIP)

Oregon's Local Government Investment Pool (LGIP) was created by Oregon Laws in 1973, Chapter 748. It is a diversified portfolio offered to eligible participants of the State of Oregon. The Local Government Investment Pool (LGIP or the "Pool") is an alternate investment vehicle offered to participants that includes, but is not limited to, any municipality, political subdivision or public corporation of this state that by law is made the custodian of, or has control of, any public funds. The LGIP is commingled with the State's short-term funds. Since its inception, over 900 local governments in Oregon have participated in the pool.

The LGIP is open every day that the Federal Reserve and Oregon State Government are open.

State agencies have three options for making payments to local governments – warrant/check, automated clearing house (ACH) directly to a commercial bank account, or by a balanced transfer through the Statewide Financial Management System (SFMS). State agencies need to work directly with the receiving local government to determine the appropriate option for making payment; however, agencies are strongly encouraged to make payment via ACH or balanced transfer through SFMS.

If the local government prefers to have the payment made to a Pool account, there are two things that need to occur. The first being the establishment of a Pool account by the local government, assuming the local government does not already have one. To establish an account, the local government should contact Oregon State Treasury at 1-800-452-0345 or (503) 373-1194 for assistance with the process or visit Treasury's web site at <http://www.ost.state.or.us/About/Finance/Default.asp> under the Local Government Services section. The second action is one that needs to be taken by the state agency wanting to transfer funds to a local government's Pool account. The state agency should review the list of "SFMS Distribution Document Numbers" at

[http://www.ost.state.or.us/Services/LocalGov/SFMS Distribution Document Numbers.pdf](http://www.ost.state.or.us/Services/LocalGov/SFMS%20Distribution%20Document%20Numbers.pdf) to determine whether there is an appropriate distribution document number description for the funds being transferred. If there is not an appropriate identifier, the state agency needs to contact Oregon State Treasury at 1-800-452-0345 or (503) 373-1194 to request a new distribution document number. This distribution document number is essential, because it helps the receiving local government identify what the funds are for and from which agency the funds are received.

In addition to establishing the Pool account and distribution document number, the agency should check the “Vendor Mail Code Profile” (SO51) in SFMS, mail code 001. In the middle of the screen on the right hand side is the “License” field. If the vendor is part of the Pool, there will be a nine digit entry, beginning with LGIP. The “001” mail code is required on the LGIP balanced transfers.

Once all of these things are done, an agency may transfer funds through SFMS to the local government’s Pool account using the balanced transfer T-Codes 291 through 294. T-Codes for expenditure transactions are 291 and 293, and T-Codes for revenue transactions are 292 and 294.

If an agency has questions about transfers to the Local Government Investment Pool, please call 1-800-452-0345 or (503) 373-1194.