



Office of the State Treasurer
SAFE Program – User Guide

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This document is a resource for QPD and Custodian users while using the SAFE Program portal.

The portal can be found at this link: <https://www.alabamainteractive.org/treasury/safe>.

To access the site, you must first be set up as an authorized user. To become an authorized user, complete and email the Authorized Representative form found on the Treasury website, SAFE Program, or under the Documents tab on the portal, to SAFE.

If you are currently a user, visit the link above and enter your SAFE username and password.

ACCOUNT SETUP

Once you have received the confirmation email informing you that you have been authorized to access the SAFE Program portal, click the unique link provided in that email. You will be prompted to create your new password. Upon successfully creating the password, you will be directed to your Home Page of the portal.

FORGOT PASSWORD

A link is present on the login page to reset your forgotten password. You must have the email address associated with your credentials. After inputting your email address and clicking submit, an email containing a unique link will be emailed to you. Upon clicking the link, you will be directed to a page prompting you to enter your new password and to confirm that new password. Upon successfully resetting your password, you will be directed to the portal. If you do not receive the email within 30 minutes, you may try again, or phone technical support at 866-353-3468 for further assistance.



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NAVIGATION TABS

Across the top of the home page screen, you will find Tabs that navigate to the different areas of interest in the portal. Tabs displayed for QPDs may be different than those available to Custodians. Tabs may include Home, Tracker, History, Monthly Reports, Users, SAFE Contacts, Securities, Documents, and Custodian. Each tab is described in more detail below.

HOME

This is the home page for the SAFE Program portal. Information will be customized to the role of QPD or Custodian.

For QPD: The home page contains the QPD's current SAFE status, including current Pledge Level, Required Collateral, Collateral Market Value, Over/Under Pledged Value, and Important Messages. A Transaction Tracker box includes Pending Requests and Pending Transfers.

For Custodian: The home page contains a listing of the QPDs to which it serves as custodian and Announcements. A Transaction Tracker box includes Pending Receipts and Pending Transfers.

TRACKER

The Tracker Tab displays pledge, withdrawal, or custodian transfer transactions for each QPD and associated Custodian. The Tracker table will show the transaction status, transaction type (withdrawal, pledge), original par value, action date, CUSIP, Custodian or QPD, and the responsible party for the next action needed. The Tracker table can be organized by any column data point by clicking the down arrow in the selected column. Completed transactions will remain on this tab for one business day before being moved to the History Tab.

Through the Tracker, QPD users will submit pledge and withdrawal transactions and Custodian users will attach pledge receipts. SAFE users will approve the transactions. All parties can view the workflow of each transaction and can click on a CUSIP to view transaction details. Each transaction will display an Event Log of action taken with the date and name of the user who took the action.

The Tracker Tab includes two sub tabs – Tracker and Transfers. The Tracker will be for all regular transactions, and the Transfers will be for transactions generated if securities are transferred from one custodian to another custodian.



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HISTORY

The History Tab displays completed, canceled, and denied transactions in perpetuity. The table will show the transaction status, transaction type, original par value, action date, CUSIP, and Custodian or QPD. Click the CUSIP to view transaction details and event log.

MONTHLY REPORTS

This tab, available to QPDs, provides access to the monthly reports submitted to SAFE, and the ability to enter the monthly report. Any authorized QPD user may enter and submit the monthly report.

SECURITIES

The Securities Tab, available to QPDs, displays a current listing of the securities the QPD has pledged to SAFE. Information includes the CUSIP, Custodian, Security Description, Security Type, SAFE Market Value, and Maturity Date.

USERS

This tab displays all users with access to the SAFE Program portal. If you need to add/change/replace users, complete and email the Authorized Representative form found under the Documents Tab or on the State Treasurer's website, to SAFE.

SAFE CONTACTS

This tab displays the contacts for the SAFE program at the State Treasurer's office. Please refer to this list for any policy or procedure questions you may have about the SAFE Program or portal.

CUSTODIAN

This tab, available to QPDs, lists the custodian(s) associated with the QPD, as well as the custodian users who have access to the portal.

DOCUMENTS

This tab provides access to documents, agreements, and forms pertaining to the SAFE Program. Also included under this tab are executed agreements and documents with SAFE.



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SECURITY TYPES – Eligible Collateral

By law, the following securities are eligible to be pledged to SAFE:

- 1) US Treasury Security (US Treas): obligations of the US Government
- 2) US Agency Security (US Agency): obligations that are fully guaranteed as to payment of principal and interest by the US and obligations issued or guaranteed by any agency or instrumentality of the US.
- 3) Alabama General Obligation Municipal Bond (AL GO): direct obligations of the State of Alabama or direct obligations of any agency, political subdivision, or instrumentality of the State of Alabama which carries the full faith and credit of the issuing entity.
- 4) Out of State General Obligation Municipal Bond (Out of State GO): direct obligations of any other state of the US regardless of credit rating; or general obligations of any county, municipality, agency, political subdivision, or instrumentality of any of the other states of the US with a rating of A2 or better by Moody or a rating of A or better by S&P or Fitch.
- 5) Alabama Revenue Municipal Bond (AL Rev): any revenue obligation issued by the State of Alabama or any agency, political subdivision, instrumentality, county, municipality, or district thereof, or by any authority, board, or public corporation of the State of Alabama, or any such agency, political subdivision, instrumentality, county, municipality, or district, payable from designated taxes or from revenues of other limited or special sources of funds derived from any public facility or project with a rating of A2 or better by Moody or A or better by S&P or Fitch.
- 6) Federal Home Loan Bank Letter of Credit (FHLB LOC): irrevocable, unconditional letters of credit issued by any Federal Home Loan Bank on behalf of a qualified public depository and naming the State Treasurer as beneficiary, subject to approval and compliance with all related requirements, conditions, and procedures established by the SAFE Board.
- 7) Mortgage-Backed Agency Issued Securities (MBS): mortgage-backed securities issued by an agency or instrumentality of the US or any federally chartered or sponsored quasi-public entity or organization.
- 8) Collateralized Mortgage Obligation Agency Issued Securities (CMO): collateralized mortgage obligation securities issued by an agency or instrumentality of the US or any federally chartered or sponsored quasi-public entity or organization.



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- 9) Asset-Backed Agency Issued Securities (ABS): asset-backed securities issued by an agency or instrumentality of the US or any federally chartered or sponsored quasi-public entity or organization.
- 10) Private Label ABS, CMO, MBS Securities (Private Label): ABS, CMO, and MBS securities issued by any public entity, quasi-public entity or private entity or associated organization with a current rating of Aaa by Moody or AAA by S&P or Fitch.

NOTE: MBSs, CMOs, and ABS constituting inverse floaters, interest-only strips, principal-only strips or similar leveraged derivative instruments are not eligible to be pledged as collateral to SAFE.

TRACKER TRANSACTIONS

All transactions will be considered same day as of 5 PM each business day. Any transaction initiated after 5 PM will be dated the next business day.

PLEDGE

1) QPD ACTIONS

A QPD user will initiate every security pledge transaction by clicking on either the Tracker Tab or the Transaction Tracker, Pending Requests button on the home page. The Pending Requests button provides the number of outstanding requests. Click New Pledge.

a) Security exists in the SAFE database.

Enter the CUSIP, select Custodian, and submit. Note that as you enter the CUSIP, a listing of all active securities in the SAFE database will be displayed, not just the securities owned by the QPD. You may select the security you want to pledge from the listing or enter the full CUSIP.

The security description will be populated. Enter the Original Par and Current Par amounts of the security to be pledged. Market value will be automatically calculated based on the most recent SAFE pricing of securities.

Once submitted, the transaction status becomes Pending Receipt and workflows to the QPD's custodian to attach the pledge receipt. Once the receipt is attached, the transaction status changes to Pending Approval, and workflows to SAFE for approval.

A security will not be considered pledged until approved by SAFE after the custodian has attached the receipt. The transaction status can be monitored on the Tracker.



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Substitution transactions are not allowed. A pledge transaction must be completed followed by a withdrawal transaction request.

- b) Security does not exist in the SAFE database.
Enter the CUSIP, select Custodian, and Submit.

If the CUSIP is not included in the SAFE database, a message will instruct the QPD user to add the security to the database to pledge the security.

The QPD user will enter the security information such as security type, full security description, security coupon rate, security rating, maturity date, original par, current par, and market value of the security to be pledged. All items must be completed. If you do not know the security type, such as US Treasury, AL GO, etc., ask your colleague who purchased the security. Descriptions of the security types eligible to be pledged as collateral are included on page 5.

Once the information is entered and submitted, the transaction status becomes Pending Receipt and workflows to the QPD's custodian to attach the pledge receipt. The custodian has two (2) business days to attach the pledge receipt or the transaction will be automatically cancelled. Once the receipt is attached, the transaction status changes to Pending Approval, and workflows to SAFE for approval.

A security will not be considered pledged until approved by SAFE after the custodian has attached the receipt. The transaction status can be monitored on the Tracker.

Substitution transactions are not allowed. A pledge transaction must be completed followed by a withdrawal transaction request.

- c) To pledge a FHLB LOC:
Email the FHLB LOC document to SAFE. SAFE will enter the transaction in the Tracker. Once entered by SAFE, the FHLB LOC will be pledged. The transaction is viewable in the Tracker.

To amend the amount or maturity date of a FHLB LOC, email SAFE the applicable form.



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2) QPD MESSAGES

If a pledge is initiated for a security CUSIP that currently has an outstanding pledge transaction in the SAFE database, a message will be displayed stating “This security has a pending pledge transaction. All transactions must be completed before submitting another pledge transaction for this CUSIP.” Cancel the pledge request and monitor the status of the transaction on the Tracker until it is completed. At that time, the pledge transaction can be initiated.

If a pledge is initiated for a security CUSIP that currently has a completed pledge transaction in the SAFE database, a message will be displayed stating “A security with this CUSIP is currently pledged. Do you want to continue?” The purpose of this message is to confirm (1) that the QPD does have an additional security available to be pledged and (2) this is not a duplicate pledge made in error.

3) CUSTODIAN ACTIONS

A custodian user will attach a pledge receipt to the security by either clicking on the Tracker Tab or the Transaction Tracker, Pending Receipt button on the home page. The Pending Receipt button provides the number of outstanding pending receipt transactions.

Click on the CUSIP of a security with Pending Receipt status. The custodian user will attach the correct pledge receipt to the security. The custodian user can view the receipt attached, and if incorrect, close the transaction. Click on the CUSIP and attach the correct receipt. Submit.

A security is not considered pledged until the receipt has been attached and approved by SAFE.

At the end of the day, custodians will receive an email listing any outstanding pledge transactions that require the custodian to attach a pledge receipt. If a custodian fails to attach a receipt within two (2) business days, the transaction will automatically be canceled with a notification email sent to the QPD and custodian.



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WITHDRAWAL

1) QPD ACTIONS

A QPD user will initiate security withdrawal transactions by either clicking on the Tracker Tab or the Transaction Tracker, Pending Requests Button on the home page. Click New Withdrawal. Enter the CUSIP, Custodian, and submit. The system will validate that this security is pledged and held with this custodian.

The next screen will show a description of the security. Enter the dollar amount of the original par to be withdrawn. Other input options include Close, Back, or Edit. A message is displayed stating “By submitting this request, I certify that the market value of the remaining pledged collateral is equal to or greater than the market value of our bank’s required collateral.” Submit.

Once submitted, the transaction status becomes Pending Approval and workflows to SAFE for approval. After approved by SAFE, a security is considered withdrawn and can then be released by the custodian. The transaction can be monitored on the Tracker.

Partial withdrawal requests may be initiated if allowed by the custodian. Following the submission by the QPD, the transaction will be routed to SAFE for review and approval of the withdrawn amount. The custodian will then attach a receipt for the original par value of the security that is remaining to be pledged, and the transaction will be routed to SAFE for approval.

2) QPD MESSAGES

If a withdrawal is initiated for a security CUSIP that currently has an outstanding withdrawal transaction in the SAFE database, a message will be displayed stating “This security has a pending withdrawal transaction. All transactions must be completed before submitting another withdrawal transaction for this security.” Cancel the new withdrawal request and monitor the status of the pending withdrawal transaction on the Transaction Tracker until the transaction is completed. At that time, the new withdrawal transaction can be initiated.

If the QPD user enters an original par value to be withdrawn that is more than the original par value pledged in the SAFE database, a message will be displayed stating such. The QPD user can cancel the transaction or edit the original par value withdrawn field.



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3) CUSTODIAN ACTIONS

The custodian should monitor withdrawal transactions on the Tracker. Once a withdrawal transaction status becomes Completed, the custodian can update its internal system. The custodian must ONLY release pledge transactions on its internal system after the transaction status is Completed on the Tracker.

If allowed by the custodian, a partial withdrawal can be initiated by an associated QPD. Following the submission by the QPD, the transaction will be routed to SAFE for review and approval of the withdrawn amount. The custodian will then attach a receipt for the original par value of the security that is remaining to be pledged, and the transaction will be routed to SAFE for approval.

CANCEL TRANSACTIONS

Transactions can be canceled by a QPD or Custodian user, and denied by a SAFE user when transactions are in a certain status. To cancel a transaction, go to the Tracker and click on the CUSIP of the security transaction.

When a transaction is canceled or denied after being submitted, a reason must be typed in the text box by the person canceling the transaction. All canceled and denied transactions will be viewable for one business day in the Tracker and in perpetuity in the History tab.

1) QPD ACTIONS

A QPD user can cancel any pledge or withdrawal transaction prior to submitting the request. After submitting the request, a QPD can cancel (1) a pledge transaction when in “pending receipt” status; (2) a partial withdrawal transaction, if allowed by its custodian, when in “pending partial withdrawal review” status or “pending receipt” status; and (3) a withdrawal transaction when in “pending approval” status. If the transaction request has been submitted and a mistake was made entering the request, such as inputting the incorrect par, cancel the transaction and resubmit.

2) CUSTODIAN ACTIONS

A custodian user can cancel a transaction when in “pending receipt” status. If a custodian fails to attach a receipt within two (2) business days, the transaction will automatically be canceled. A notification email will be sent to the QPD and Custodian.

3) SAFE ACTIONS

A SAFE user can deny (1) a pledge transaction when in “pending approval” status; (2) a partial withdrawal transaction when in “pending partial withdrawal review” or “pending approval” status; and (3) a withdrawal transaction when in “pending approval” status.



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CHANGE or ADD CUSTODIAN

A QPD may choose to add a new custodian or to transfer some or all pledged securities to another custodian. A Collateral Agreement must be signed by the QPD, Custodian, and SAFE and submitted to SAFE before any transactions can be initiated.

If a QPD chooses to transfer pledged securities from one custodian to another custodian, additional actions and communication are required. The following apply to the transfer of securities from one custodian to another custodian.

- 1) The transfer from the original custodian and receipt of collateral by the new custodian must be accomplished same day for the public deposits to be securely collateralized.
- 2) By direction from the QPD, SAFE will initiate the transfer of securities in the portal.
- 3) Once the transfer is initiated, the QPD may temporarily be in an under pledged status until the securities transfer is completed and approved.
- 4) The receiving custodian must attach pledge receipts to each transferred security for the QPD to maintain its SAFE collateral pledging level and remain in good standing.
- 5) SAFE may limit the number of securities that can be transferred per day to ensure all transactions can be completed on the same day.
- 6) Once the transfer has been initiated by SAFE, the transactions are viewable by the QPD, the new custodian, and SAFE by clicking the Pending Transfer button under the Transaction Tracker on the home page.
- 7) The original custodian will receive an email notification listing the securities to be transferred, and a second email notification once the transfer has been completed.
- 8) Contact SAFE to discuss and initiate this process to transfer securities to another custodian.



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MONTHLY REPORT

MONTHLY REPORT INFORMATION

You may start and save a report and then return later to finalize and submit the report. Monthly reports are due the 1st day of the month and are late if submitted after the 15th of each month. When submitting a monthly report, you must enter **ALL** the following information:

- 1) Actual Public Deposits
 - a) Total Actual Month-End Public Deposits
 - b) All Out-of-State and U.S. Government Deposits
 - c) All In-State Housing Authority Deposits
 - d) Total Number of Public Entities
- 2) Public Deposit Average Balance
 - a) Average Daily Ledger Balance of SAFE Deposits
 - b) Applicable FDIC Deposit Insurance
 - c) If your Net Average Increased by 25% or more over your previous month's report. You must choose one of the following actions taken by your bank.
 - i) Additional Collateral Pledged
 - ii) Adequate Collateral Already Pledged
 - iii) No Additional Collateral Pledged
- 3) Tier1 Capital
 - a) Tier 1 Capital for Current Report Period
 - b) Pledged Collateral Current Month Ending
 - c) Original Par Value for Pledged Securities

SAVING MONTHLY REPORT

While entering a monthly report, you may click the “Save” button found at the bottom of the page to store the information that has been entered. When you return to the Monthly Report, you will resume with the information saved. The last person to edit the report will be listed in the signature field. Logs will be kept and available for review.

If any active error messages are present on the monthly report, you cannot save the report. You must first resolve all error messages before you can successfully save the report. The original par value entered must agree with the SAFE original par value before the report can be submitted.

SUBMITTING MONTHLY REPORT

Monthly reports **must** be submitted on or before the 15th of each month. Any QPD user may submit the report. The user that submits the report will be the primary contact should the SAFE Staff have questions/concerns. A late notice will be sent the morning of the 16th. Late reporting is subject to a warning and eventually a fine.



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MONTHLY REPORT EDITS

The monthly report may be minimally edited by the QPD after being submitted until the end of the calendar month. When editing a submitted report, the QPD user may only change the following Report fields:

- 1) Tier 1 Capital
- 2) # of Public Entities

If any information on a submitted report, other than those listed above, is inaccurate and needs to be corrected, you will need to contact SAFE to make those corrections.