

**EAST GOSHEN TOWNSHIP
CHESTER COUNTY, PENNSYLVANIA**

RESOLUTION NO. 09-49

**A RESOLUTION REGARDING COLLATERALIZATION
OF TOWNSHIP DEPOSITS**

BE IT RESOLVED THAT the East Goshen Township Board of Supervisors hereby adopts the following policy:

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township uses both insurance provided by the Federal Deposit Insurance Corporation and collateralization to guard against custodial credit risk. Under the Township's current procedures, in addition to the insurance provided by the Federal Deposit Insurance Corporation, deposits held by banking institutions are fully collateralized. The Township requires all of its banking partners to pledge collateral held by one or more independent third-party institutions, not in the Township's name, in the amount of at least 102% of the deposit value.

RESOLVED AND ADOPTED, this 12th day of May, 2009.

ATTEST

Secretary



**EAST GOSHEN TOWNSHIP
BOARD OF SUPERVISORS**

