

of public funds includes possession, as well as the authority to establish accounts for such funds in insured depository institutions and to make deposits, withdrawals, and disbursements of such funds.

(2) *Official custodian of the funds of more than one public unit.* For the purposes of paragraph (a) of this section, if the same person is an official custodian of the funds of more than one public unit, he or she shall be separately insured with respect to the funds held by him or her for each such public unit, but shall not be separately insured by virtue of holding different offices in such public unit or, except as provided in paragraph (c) of this section, holding such funds for different purposes.

(3) *Split of authority or control over public unit funds.* If the exercise of authority or control over the funds of a public unit requires action by, or the consent of, two or more officers, employees, or agents of such public unit, then they will be treated as one *official custodian* for the purposes of this section.

(c) *Public bond issues.* Where an officer, agent or employee of a public unit has custody of certain funds which by law or under a bond indenture are required to be set aside to discharge a debt owed to the holders of notes or bonds issued by the public unit, any deposit of such funds in an insured depository institution shall be deemed to be a deposit by a trustee of trust funds of which the noteholders or bondholders are pro rata beneficiaries, and the beneficial interest of each noteholder or bondholder in the deposit shall be separately insured up to \$100,000.

(d) *Definition of political subdivision.* The term *political subdivision* includes drainage, irrigation, navigation, improvement, levee, sanitary, school or power districts, and bridge or port authorities and other special districts created by state statute or compacts between the states. It also includes any subdivision of a public unit mentioned in paragraphs (a)(2), (a)(3) and (a)(4) of this section or any principal department of such public unit:

(1) The creation of which subdivision or department has been expressly authorized by the law of such public unit;

(2) To which some functions of government have been delegated by such law; and

(3) Which is empowered to exercise exclusive control over funds for its exclusive use.

#### § 330.15 Notice to depositors.

(a) Each insured depository institution shall send, no later than October 10, 1993 (except as provided in paragraph (b) of this section), a notice to each of its depositors or, at the option of the institution, to all depositors having deposit accounts which could potentially be affected by the rules in this part which are effective December 19, 1993, a notice containing the following language:

In December 1993, some of the FDIC's deposit insurance rules will change. The rule changes will primarily affect the total amount of coverage which is provided for IRA, self-directed Keogh plan accounts, self-directed defined contribution plan accounts, "457 Plan" accounts and accounts where an insured institution is acting in a fiduciary capacity. If you do not have these types of accounts, those rule changes will not affect you. For further information contact [insert "your branch office" or some other contact point for the institution].

(b) The language of this notice may not be materially altered in any way. The required notice may be included on account statements, included as a separate enclosure with account statements or it may be sent to all depositors/accontholders in a separate mailing. With respect to any depositor/accontholder who maintains a time deposit and would not otherwise receive a regular monthly or quarterly account statement prior to October 10, 1993, the required notice may be sent to said depositor/accontholder at any time prior to the later of:

- (1) 60 days prior to the first maturity date of that time deposit; or
- (2) October 10, 1993.

[58 FR 29965, May 25, 1993]

#### § 330.16 Effective dates.

(a) *Delayed effective dates.* Sections 330.1(j), 330.10(a), 330.12(c), 330.12(d)(3) and 330.13 shall become effective on December 19, 1993.

(b) *Time deposits.* Except with respect to the provisions in § 330.12 (a) and (b),