

**Town of Ridgefield Connecticut  
Supplement to the Investment Policy  
Credit Quality Standards for Depository Institutions**

The Town of Ridgefield Investment Policy (Policy), Section 5, "Selection of Financial Institutions," adopted March 10, 2017, and amended January 3, 2019, provides that the Town Treasurer may establish credit quality standards that will be applied in selecting financial institutions (institutions) as depositories for Town funds. These standards, as stated below, are effective March 10, 2017 and shall remain in effect until superseded in writing.

1. Town funds may only be deposited in financial institutions permitted under the General Statutes of Connecticut, Chapter 112, "Municipal Finance," Section 7-402, "Deposit of Public Money and Trust Funds."
2. For institutions that are "Qualified Public Depositories", the total amount of funds on deposit (inclusive of accrued or unpaid interest) in any one institution shall be restricted based on the credit rating of the institution as follows:
  - a) Funds may be deposited in any amount if the institution maintains a credit quality rating of any of the following levels:
    - Moody's Short Term Bank Deposits (Domestic) Rating: P-1 (see attachment)
    - Bauer Financial: Excellent or Superior
    - Veribanc, Inc.: Green/3 Stars
    - IDC Financial Publishing, Inc.: Superior (>200) or Excellent (>165)
  - b) If the institution does not meet the credit rating standards outlined in 2.a), funds may be deposited and shall be limited to no more than the insurance limit available to municipalities from the Federal Deposit Insurance Corporation (FDIC), provided the institution is FDIC-insured and maintains a credit quality rating of any of the following levels:
    - Moody's Short Term Bank Deposits (Domestic) Rating: P-2
    - Bauer Financial: Good
    - Veribanc, Inc.: Green/2 Stars
    - IDC Financial Publishing, Inc: Average (>125)
  - c) No funds may be deposited in an institution which has a credit rating below the credit rating standards outlined in 2.a) and 2.b) or is not a Qualified Public Depository
3. For an institution that is not a Qualified Public Depository and does not have a branch in Connecticut, funds may be deposited only if the institution is FDIC-insured and meets the credit rating standards outlined in 2.a) or 2.b). The total amount of funds on deposit (inclusive of accrued or unpaid interest) shall be limited to no more than the insurance limit available to municipalities from the FDIC for out-of-state institutions.
4. Funds already on deposit in a financial institution whose rating falls below these standards shall be monitored and expeditiously reduced or removed if the institution's rating does not improve within a reasonable timeframe, as determined by the Treasurer.