

CONTACT *information*

More questions about what to do with a large check? How to manage your deposits? Or what the current deposit rates are? We are here to help. Send your questions big or small to:

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Drilling down How to safely handle large deposits.

*resource
guide*



FAQ

When handling large deposits, questions are bound to surface ranging from deposit insurance to the products that work best for your needs.

As your local community bank, Cortland Banks has created this FAQ guide to drill down to the bottom of frequently asked questions, you may have about your recent or pending large deposit.

What should I do when I receive a large check?

When receiving a check for a large amount, it is always best to deposit those funds immediately in the event the check is misplaced, lost or stolen. The best place initially for those funds is in a non-interest bearing account to insure it is covered by FDIC insurance.

Next, contact your tax advisor¹ so you can be advised on how much of your funds you will need to set aside for tax purposes.

How does FDIC insurance work?

The Federal Deposit Insurance Corporation (FDIC) is an independent agency of the US Government. It provides protection against the loss of your deposits. There are dollar limits in place for single, joint, IRAs and other retirement accounts.

What are the standard FDIC limits?

A family with \$250,000 or less in deposit accounts at one Bank are fully insured.

A family with more than \$250,000 in deposit accounts at one Bank can be fully insured, pending they meet the requirements of the FDIC.

The following are the requirements² as listed by the FDIC:

Single Accounts (owned by one person with no beneficiaries): \$250,000 per owner

Joint Accounts (two or more persons with no beneficiaries): \$250,000 per co-owner

IRAs and other certain retirement accounts: \$250,000 per owner

Revocable trust accounts: Each owner is insured up to \$250,000 for each unique eligible beneficiary named or identified in the revocable trust, subject to specific limitations and requirements.

Are there any exceptions to the FDIC limits?

All funds in a "non interest-bearing transaction account" are insured in full by the Federal Deposit Insurance Corporation from December 31, 2010, through December 31, 2012. This temporary unlimited coverage is in addition to, and separate from, the coverage of at least \$250,000 available to depositors under the FDIC's general deposit insurance rules. The term "non interest-bearing transaction account" includes a traditional checking account or demand deposit account on which the insured depository institution pays no interest. It does not include other accounts, such as traditional checking or demand deposit accounts that may earn interest, NOW accounts, money-market deposit accounts, and Interest on Lawyers Trust Accounts ("IOLTAs").

For more information about temporary FDIC insurance coverage of transaction accounts, visit www.fdic.gov.

Do I need to split my deposits among banks?

No, whether you are looking for a long-term product, such as a Certificate of Deposit, or easy access to your funds, with a Money Market, Cortland Banks has the products you will need to access multi-million-dollar FDIC Insurance,³ while dealing with one bank, one rate and one statement.

What account options do I have?

Short Term vs. Long Term Products

The Bank currently offers multiple money market accounts that provides you with easy, day-to-day access to your deposits, while earning interest. ⁴ For long-term deposits, the Bank offers Certificates of Deposit. Depending on the term and product you choose, you can also earn interest in these long-term accounts that start with an 182 day term.

What if I have more than the FDIC limits?

Should your insurance needs exceed the amounts federally permitted for interest bearing accounts at one Bank, you may opt to choose a Certificate of Deposit and/or Money Market account in our CDARS and ICS programs (charts at right).

I am interested in a non-deposit investment product. Are non-deposit investment products available?

To better serve our customers, the Bank has partnered with Investment professionals Inc. (IPI) and will soon be making non-deposit investment products available through the branch offices. The products are not insured by FDIC insurance as are bank deposit products, but do provide individuals with an "investment" option to meet financial plan or wealth management objectives.

When will non-deposit investment products be offered?

The bank and IPI are currently engaged in evaluating and recruiting candidates to join Cortland Banks as experienced investment professionals and expect to place these investment professional in-house in the not to distance future.

Can I deposit land lease monies in a bank product and be contacted by an investment professional later?

Many property owners receiving funds from mineral right leases may not be prepared to decide how much and when to invest in non-bank investment products, if at all. Cortland Banks is making a special 12 month certificate of deposit available for those individuals who need time to review or develop a financial plan. During the 12 month certificate period, individuals can take their time in deciding what is best for their financial future knowing that their deposits are fully insured through FDIC insurance through their local community bank.



Access to multi-million dollar FDIC insurance

Cortland Banks is a member of the CDARS[®] (Certificate of Deposit Account Registry Service) and ICS (Insured Cash Sweep service[™]) which allows our customers to gain access to multi-million dollar FDIC insurance for deposits over \$250,000, while dealing with one rate and one statement through Cortland Banks.

The process for customers is very simple.

Certificates of Deposit > \$250,000

Visit: Stop by your Cortland Banks office. (see back of this FAQ for locations.)

Sign: CDARS Deposit Placement Agreement.

Select: Choose a rate and term.

Deposit: Your funds are deposited with Cortland Banks for the CDARS program.

Certificates: CDs are issued with member banks for <\$250,000.

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One Bank: You will receive one statement and one disbursement check from Cortland Banks.

Money Market Accounts > \$250,000

Visit: Stop by your Cortland Banks office. (see back of this FAQ for locations.)

Sign: ICS Deposit Placement Agreement.

Account: Use an existing or new account.

Deposit: Your funds are deposited with Cortland Banks for the ICS service.

Funds: In our network we distribute your funds in increments <\$250,000.

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Cortland Banks: Make unlimited deposits, withdraw funds up to six times per month and receive one monthly statement.

Certificates of Deposit: Limits apply. Funds may be submitted for placement only after a depositor enters into a CDARS[®] Deposit Placement Agreement with us. The agreement contains important information and conditions regarding the placement of funds by us. Accounts earn one interest rate per maturity as agreed with us. CDARS and Certificate of Deposit Account Registry Service are registered service marks of Promontory Interfinancial Network, LLC.

Money Market: Based on triggering events as set forth in the ICS Deposit Placement Agreement you enter into with our bank. Placement of your funds through the ICS service is subject to the terms, conditions, and disclosures set forth in the agreements, including the ICS Deposit Placement Agreement that you enter into with us. Limits and customer eligibility apply. Program withdrawals are limited to six per month. ICS is a registered service mark of Promontory Interfinancial Network LLC.

¹Cortland Banks does not offer Tax Advice. Please consult your tax advisor for such services. ²These deposit insurance coverage limits refer to the total of all deposits that account owners have at each FDIC-insured bank. This listing shows only the most common ownership categories that apply to individual and family deposits, and assumes that all FDIC requirements are met. ³The standard FDIC Insurance maximum is \$250,000 per insured capacity, per bank. Cortland Banks is a member of the CDARS and ICS Networks, which are registered service marks of the Promontory Interfinancial Network, LLC, which allows access to multi-million-dollar FDIC insurance through its member banks. Please ask a Cortland Banks representative for more information on these products. Member FDIC. ⁴Interest bearing savings accounts and rates are subject to change. Current rates are available at each office and at www.cortland-banks.com. Pre-authorized, automatic, and telephone transfers are restricted to 6 per month. Withdrawals or transfers made in person, by mail, or ATM are not restricted.