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# eNOTICE

An INVESTMENT SERVICE for FLORIDA PUBLIC FUNDS

April 9, 2012

## SBA FEE TO INCREASE EFFECTIVE JULY 1, 2012

Currently, the State Board of Administration (SBA) charges an “Administrative & Oversight Fee” of 0.6 basis points to all Florida PRIME participants to cover administrative and oversight activities. This “Administrative & Oversight Fee” has been set at 0.6 basis points since December 2007. Prior to that time, the fee ranged from 1.5 to 2.0 basis points. Since the current fee was set, the SBA has utilized its administrative budget fund, as a reserve fund, to cover a portion of Florida PRIME costs that have not been covered by the current administrative and oversight fee.

Although the size of Florida PRIME has grown significantly over the last two years, the current SBA fee is not sufficient to cover all of the costs of maintaining and operating the pool. During the 2012 fiscal year, the SBA conducted a review of all management fees across a variety of client mandates, including Florida PRIME. As a result of this review, the SBA proposed changing its fee to cover the actual costs of operating Florida PRIME. The fee model for Florida PRIME is designed to be revenue neutral, providing services at cost, in an amount equal to the actual charges needed to operate the fund.

As reviewed and approved by the Participant Local Government Advisory Council (PLGAC) on March 8<sup>th</sup>, the current charges related to the SBA’s Administrative & Oversight Fee will be raised to 1.0 basis point, an increase of 0.4 basis points. This fee change is being made to adequately cover costs related to operating Florida PRIME. No other Florida PRIME fees are affected by this change, and Florida PRIME’s cost structure remains the lowest of any cash management vehicle available in the State of Florida.

For a summary of all line-item fees, please view the January 2012 fee detail available [here](#).

**LEARN MORE ABOUT FLORIDA PRIME AT**

<https://www.sbafla.com/PRIME>

**PLEASE CONTACT US IF YOU HAVE ANY QUESTIONS**

**(850) 488-7311**

**BETWEEN 7:30 a.m. and 4:30 p.m. ET, Monday through Friday.**



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