

FAQ about the IDOB Administrative Fee Assessment

How often do state banks pay the assessment? Who is subject to the assessment?

The Iowa Division of Banking (IDOB) assessment is 4 times per year after the end of each quarter. All state banks that were active for more than five calendar days are subject to a full quarter assessment. The assessment is based on an institution's total asset reported on previous quarter and other information IDOB tracks internally. Trust assessments are based on the most recent year-end call report. If a bank merged or been acquired by another bank, the surviving bank will be responsible for the last quarter assessment.

When does the IDOB notify institutions that their assessment fees are due?

Assessments for each quarter are due approximately two weeks after the quarter end, except the quarter of 4/1 to 6/30, which is due in late August. After updating the quarterly online fee calculator, the IDOB will notify institutions a minimum of seven days before the ach draft date. The institution is responsible for ensuring that the account is funded properly on the due date. In situations of merger or acquisition, please notify IDOB about potential account changes by the end of quarter. If the fee draft fails due to insufficient funds or account changed without noticing IDOB, or account closed due to merge and acquisition, an invoice with the corresponding admin fee and possibly an additional processing fee will be sent to the bank's or surviving bank's office.

Does the IDOB offer prorations or refunds to banks that exit the state banking system?

No. Institutions must leave the state banking system by the close of business on the fifth day of each quarter to avoid paying the full quarterly assessment.

Does the IDOB offer prorations to new state banks?

Yes. Pro rata calculation is based on the actual days of operation within that quarter. Institutions who join the state chapter within the last five days of the quarter will not have assessment.

Does the IDOB provide an invoice?

No. There are two online fee calculators at our website, one for total annual fee estimate and one for quarterly fee estimate. The annual one will be updated around July of each year based on the March call reports of the same year, our appropriation, etc. It provides an estimate of a bank's total annual administrative fee for all four quarters. The quarterly calculator results are updated quarterly based on IDOB actual expenses for that quarter.

Why doesn't the annual fee estimate equal to the sum of four quarterly assessments?

The annual fee calculator can only give you an estimate at the beginning of each fiscal year. The quarterly assessments are based on actual operation expenses. Many of the components in the quarterly fee calculators are expected to change, such as actual operation expenses, total number of active state banks, total asset of state banks, most recent bank exam ratings, etc., which will impact the actual quarterly fee for individual bank. Total fees IDOB collects in four quarters from each bank should be close to the annual estimated fee normally.

Why are the fourth quarter fees usually higher than previous quarters each year?

All delayed invoices or claims from the previous three quarters, as well as all actual expenses of the fourth quarter, are required to be paid by the end of the fiscal year. The State of Iowa fiscal year ends on 6/30 but the processing of all invoices continues till 9/1 for IDOB. The consolidation of IDOB annual financial statements is the main reason that the fourth quarter admin fee is expected to be higher than that of previous quarters.