

FISCAL ACCOUNTABILITY RULES

RULE 6.2 – INTEREST ALLOCATION

Purpose

The City and County of Denver consolidates cash for investment purposes to generate interest earnings in accordance with the City's Investment Policy. Pools of Funds are created by combining equity in Treasurer's cash based on Fund type, legal requirements, or other criteria. Not all Funds within a pool may receive earnings from the investment of the equity in Treasurer's cash of the pool. The purpose of this Rule is to establish when a specific Fund should receive the earnings generated by that Fund's equity in Treasurer's cash.

Definitions

Capital Project – Capital Projects, as used in this rule, shall be consistent with those in the City's Fund plan.

Enterprise – Enterprise, as used in this rule, shall be consistent with those in the City's Fund plan.

Investment Pool – Combination of Fund equities in Treasurer's cash that have a common purpose, Fund type, or benefit. For example, the City combines Fund equities for the purpose of complying with legal requirements, bond covenants, grantor requirements, or for the purpose of maximizing investment return.

Treasurer's Equity in Cash – City's cash available for investment.

Rule

1. Interest earnings shall be allocated in accordance with applicable legal requirement(s) of the underlying fund. Such legal requirements include, but are not limited to, bond documents, grant terms, contractual obligations, or the ordinance establishing the Fund.
2. All earnings from the investment of Treasurer's Equity in Cash will be allocated to the General Fund unless specified otherwise by law or further directed by this rule.
3. The funds of an Enterprise that are due earnings shall be allocated in accordance with any applicable legal requirements of that Enterprise. Absent such legal requirements, the **Expenditure Authority** of the Enterprise shall receive sole discretion as to which, and in what manner, the interest earnings of such fund shall be allocated.
4. The funds of a Capital Project that are due earnings shall be allocated in accordance with any applicable legal requirements of that fund. Absent such legal requirements, the **Expenditure Authority** of the Capital Project fund shall have the sole discretion as to which, and in what manner, the interest earnings of such fund shall be allocated.

Procedures and Forms

The **Manager of Finance** is responsible for any procedures and forms associated with this rule.