

### *Cash Management and Investment Policies*

The City will make all deposits of cash within the time period required by State law.

The City will aggressively pursue all revenues due, including past due bills, court tickets and fines, using whatever legal means are available.

The City will pay all obligations on or before the due date.

The City will continue the current cash management and investment policies, which are designed to emphasize safety of capital first, sufficient liquidity to meet obligations second, and the highest possible yield third. Those policies are as follows:

The City operates with one consolidated checking account and one payroll account to handle all the funds, operating and capital. This does not include any accounts for Cleveland Utilities, the Cleveland Public Library, or the Cleveland City Schools, which maintain their own accounting systems and bank relationships. The services were rebid for a three-year contract beginning July 1, 2007.

The bank bid assures the City no service fees, free wire transfers, monthly statements, full collateralization per State requirements, and a rate on all money kept overnight pegged to a percentage of the federal funds rate. Consolidation of bank accounts makes investment decisions easier, and reduces staff time needed to reconcile monthly bank statements.

The Director of Finance makes a twelve month cash flow projection, and from that develops a schedule of long-term investments. These investments could be any type authorized by State law. However, the City Council has limited it to Certificates of Deposit. In an effort to provide an equal opportunity among the city's local banks, yet receive the maximum yield, each local bank is allowed to submit a sealed bid for any monies to be invested.

Should there not be enough interest from local banks, the Director of Finance is authorized to put the remainder in the State investment pool. The State investment pool's rates are set in a similar fashion to the City's program, so there should be no loss of yield.