

RULE 6.2 – INVESTMENT EARNINGS ALLOCATION

Adopted Date: 01/24/2007

Revised Date: 01/29/2021

PURPOSE

The City and County of Denver (city) consolidates cash for investment purposes to generate investment returns in accordance with the city's investment policy. Investment earnings are allocated to city funds based on fund type, legal requirements, or other criteria. Not all funds receive earnings from the investment of consolidated city cash.

The purpose of this fiscal accountability rule is to establish when a specific fund should receive the earnings generated by that fund's cash position.

DEFINITIONS

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

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

Investment Earnings – Interest, amortization/accretion, and realized gains or losses.

RULES

1. All earnings from the investment of consolidated city cash shall be allocated to the general fund, except in the instances of funds which require their own investment allocation, based on applicable legal requirement(s). Such legal requirement(s) include, but are not limited to, bond documents, grant terms, contractual obligations, or the ordinance establishing the fund.
2. 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 earnings of such funds shall be allocated.
3. 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 **Manager of Finance** or their delegate shall have the sole discretion as to which, and in what manner, the earnings of such fund shall be allocated.

AUTHORITY AND ACCOUNTABILITY

The **Controller's Office** is responsible for this fiscal accountability rule and any procedures, guides, job aids, forms, and one-page summaries associated with this rule.

Unless otherwise specified at the beginning of the document, printed copies are UNCONTROLLED.
Always refer to the online Fiscal Accountability Rules on City and County of Denver website prior to use to ensure you are using the most current copy.