

Administrative Fund Investing

Friday, August 11, 2023 9:10 AM



Memo

To:	Kevin Bewsey
	Executive Director
From:	Dustin Purinton
	Accounting Manager
Date:	February 24, 2023
Re:	Administrative Fund Investing

Background: The Unrestricted Administrative Fund (Admin Fund) of the Sacramento Transportation Authority (STA) is solely held at US Bank (Checking Account #153402401597). US Bank allows for simplified payments to vendors of STA and increased account transparency. The US Bank account is only monitored by STA staff. The Admin Fund is directly funded by an allocation from US Bank, the Bond Trustee. Currently, the banking market has experienced increased interest rates that the US Bank account does not benefit from. The balance in the Admin Fund has been increasing and will likely be utilized in the 2024 year.

Purpose: To increase the investment earnings and internal control in the Admin Fund.

Process / Conclusion: STA staff have determined that moving a portion of the Admin Fund into a County of Sacramento account will provide investment earnings and will align with the current Authority investment policy. Additionally, Measure A Sales Tax funds will flow from the State Controller to US Bank, the Bond Trustee, to the County of Sacramento. The County of Sacramento will fund the US Bank Administrative Account based on replenishment requests discussed below.

Based on current operating activity and cash flow needs, STA will maintain 3 months of Administrative Allocation from the Measure A Sales Tax (0.75% of the total allocation) in the Admin Fund held at US Bank. As of the date of this letter, the 3-year running average sales tax allocation for 3 months is \$300,000. The County of Sacramento will replenish the account based on a monthly request made by STA, which will consist of documents listed below. If STA has expenditures that exceed the balance of

the account in a period, STA will submit an additional request with the County of Sacramento or have expenses directly paid from the County.

This new structure will be acceptable to the County of Sacramento.

Documents Required:

- 1) Cover Sheet with the amount we are requesting. IE the amount actually paid out of the bank per the bank reconciliation.
- 2) Bank Reconciliation with approval.
- 3) Bank Statement
- 4) Invoices with support and approvals that tie to the bank reconciliation.

Flow of documentation

- 1) Inaba. Amie InabaA@sacounty.gov
- 2) After approval, STA will route the package to Payment Services for Wire Transfer.

From <<https://sactrans.sharepoint.com/Shared%20Documents/Finance/County%20of%20Sacramento/Administrative%20Fund%20Account.docx>>