

CAPISTRANO BAY DISTRICT
AGENDA REPORT
January 27, 2015

Financial Reports

ITEM G.3

Changing Status of Wells Fargo Checking Account

**The District has invited Shawn Sessions from WFB to assist the Board in explaining the various investment products available.*

This account was originally established to invest in CD's. With the downturn in the economy in the years after setting up the account, it was decided by the Board to close the account and open a non-interest bearing checking account. At that time the Feds were offering 'Unlimited FDIC Deposit Coverage on non-interest bearing accounts' and the Board felt this was the safest place for District funds. Interest-earning accounts, on the other hand, have always been limited in FDIC coverage up to \$250,000.

As of January 2013 the Feds reduced this *unlimited deposit coverage* offer and now will only guarantee FDIC coverage on non-interest bearing accounts to the limit of \$250,000. Due to this change it no longer makes sense to keep our funds deposited in the Wells Fargo checking account.

It is recommended that funds on deposit in Wells Fargo Bank account # xxxxxx2812 be closed and the funds be transferred into an account that draws interest.

The current balance in this account is \$199,960.00