

# **INTEREST ALLOCATION POLICY**

Because the majority of City revenues come from ad valorem taxes, it is appropriate that the General Fund be designated a larger proportion of the monthly interest earnings.

Interest comes to the City in several ways, including investments and checking account interest. Each month, the City receives an interest payment on its checking account. Between 30% and 40% of that interest, in addition to any interest accrued by the Capital Funds, is allocated to the General Fund. The remaining revenues are split proportionately among the other funds based on the estimated average balance of the fund during the month.