

April 2023



Given the instability in our financial markets, the Kataly Foundation is offering the following information to help grantees think through how to protect their organization's cash position.

Please note: The following is not financial advice, nor should it be interpreted as such. We are providing tools and information for you to research further under the guidance of a finance professional.

1. If you hold more than \$250,000 at one financial institution, consider opening additional accounts elsewhere. [Both federally regulated financial institutions and credit unions cover deposits up to \\$250,000 per depositor](#), not per bank account. So if you have two accounts at one bank that total more than \$250,000, transfer the difference to a new institution.
2. Having multiple bank accounts can require additional administration. Therefore, ask your bank or credit union if they offer an [Insured Cash Sweep](#) ("ICS") account. An ICS account will protect all cash above \$250,000, including principal and interest, even if it's at one institution, but only if it is in this account. ICS accounts usually offer a lower return than a money market account, but if preserving your cash is your goal, this is a good option.
3. If you haven't already, consider moving to a community bank or credit union in your local community. Credit unions are owned by members and profits go back to members, which very much aligns with the goals of many of you. [Credit unions are cooperatively owned institutions](#). They are not subject to investor or shareholder pressure.
4. Deposits at a credit union are also protected if they are members of the National Credit Union Administration. A list of credit unions can be found [here](#).
5. Be on the lookout for fraud. If you receive a request for a funding transfer or payment, scrutinize the request. Be mindful of phishing emails and scams. Do not give away your bank account information and if someone claiming to represent your bank or any of your funders reaches out, it's ok to ask to call them back. Double check any requests to change banking information for key suppliers.

If you would like to connect with other nonprofit finance leaders consider joining [CompassPoint's Finance Professionals Peer Network](#). For Kataly grantees, applying the code **Kataly_2023** at check-out will get you a 90% discount off your membership.