



# Automated Sweeps

## User Guide

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## 1. Introduction

Automated Sweeps are useful for automating and optimizing daily cash positioning and overnight investing and/or borrowing. Sweeps automatically transfer funds between a deposit account and an investment or a commercial line of credit.

Sweep processing runs once daily, after all other transactions have posted. Sweep transfers are driven by a preset target balance for the deposit account. If the available balance is above the target balance, a sweep transfer automatically debits the account and funds an investment or pays down a loan. Conversely, if the available balance in the deposit account is below the target balance, a sweep transfer automatically liquidates some of the investment\* or draws on the loan to credit the account and restore the target balance.

As a result, the target balance is automatically maintained in the deposit account and excess cash is put to work elsewhere. This can provide for increased earnings and/or reduced interest expense as well as overdraft avoidance\*. Because the process runs at the end of day, it is more efficient than what can be accomplished by manual cash positioning and investing / borrowing at some point in the middle of the day.

## 2. Sweep Types

There are two basic types of investment sweeps, overnight investments and open-term investments.

- Overnight investment sweeps automatically invest excess balances and return all principle and earnings the next business day. KeyBank offers one overnight investment sweep:
  - **Automated Repurchase Agreement Sweep** – Repo Sweeps invest in securities that are direct obligations of the U.S. Government, or those that are fully guaranteed as to principal and interest by the U.S. Government. Investments are collateralized at 100% of market value. Minimum investment: \$25,000. Investment increment: \$2,500. Earnings are classified as investment income.

\*Repo Sweep only serves to invest excess funds; it does not fund the deposit account to cure deficits.
- *Open-term* investment sweeps do not necessarily return invested funds to the deposit account each day. Invested funds remain invested until they are needed to restore the target balance in the deposit account. KeyBank offers two open-term investment sweeps:

- **Automatic Investment Sweep** — Automatic Investment Sweep invests in government money market mutual funds managed by Federated® Investors. Investments are made on a next-day basis. Investment increment: \$2,500. Earnings are classified as investment income.
- **Deposit Sweep (Commercial / Public )** — Deposit Sweep invests in an interest bearing KeyBank deposit accounts that is only accessible through the sweep mechanism. Earnings are classified as interest.
- **Credit Sweep** – Credit Sweep links a deposit account to a commercial line of credit. Excess cash automatically sweeps to pay down the loan balance (until it reaches \$0). Deficits in the deposit account are automatically cured by sweeps that draw on the loan (up to the credit limit).

### 3. Important Notice

Employees of KeyBank NA do not provide investment advice. **Clients are responsible for determining the appropriateness of any deposit or investment.** Mutual fund investments are not FDIC insured, not guaranteed, may lose value. Mutual fund prospectuses and other information are available at [www.FederatedInvestors.com](http://www.FederatedInvestors.com).

### 4. Reporting

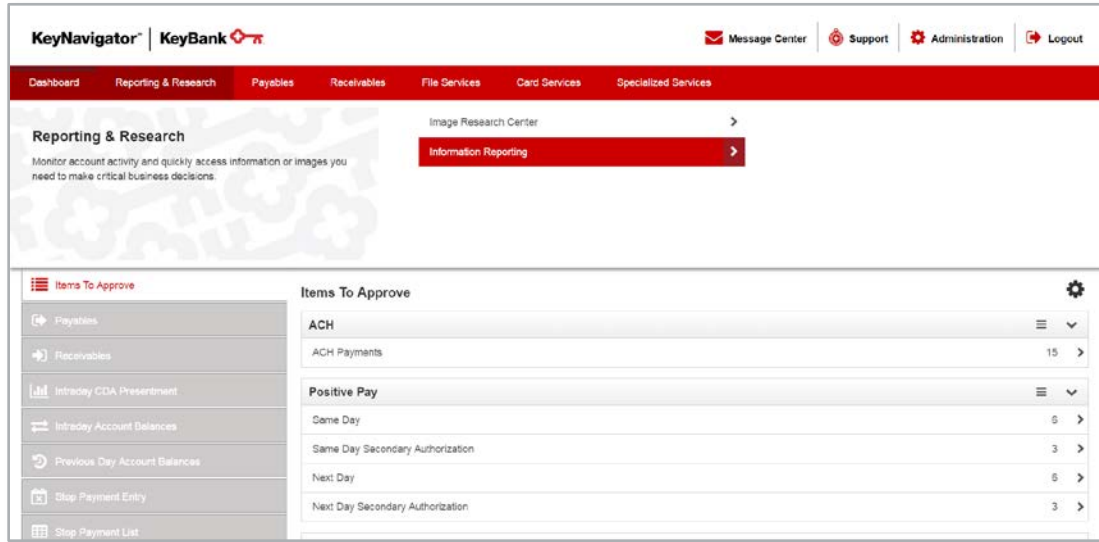
- Automated Repurchase Agreement Sweep provides a Daily Sweep Confirmation that displays the deposit account ledger and available balances, net transaction activity, the sweep target available balance, the sweep investment amount, the underlying investment security and daily, monthly and yearly income earned.
- Automatic Investment Sweep provides a Daily Investment Sweep Report that displays the money market mutual fund name, investment account opening balance, amount invested (purchased) or amount sold (redeemed), investment account closing balance, dividend rate and daily earnings amount. A monthly statement for the investment account is provided.
- Credit Sweep provides a Daily Credit Sweep Report that displays the previous day loan balance before sweeping, the amount of any sweep payoff / advance transfer, and the previous day closing loan balance. For some loans (on Loan IQ system), the following are also displayed: loan commitment amount, interest rate, net loan activity and available credit.
- Deposit Sweep provides a monthly statement for the investment account.

For all sweep types, sweep debits and credits to the deposit account are displayed on the optional Previous Day Report of all transaction activity.

## 5. Sweep Reporting via KeyNavigator<sup>SM</sup>

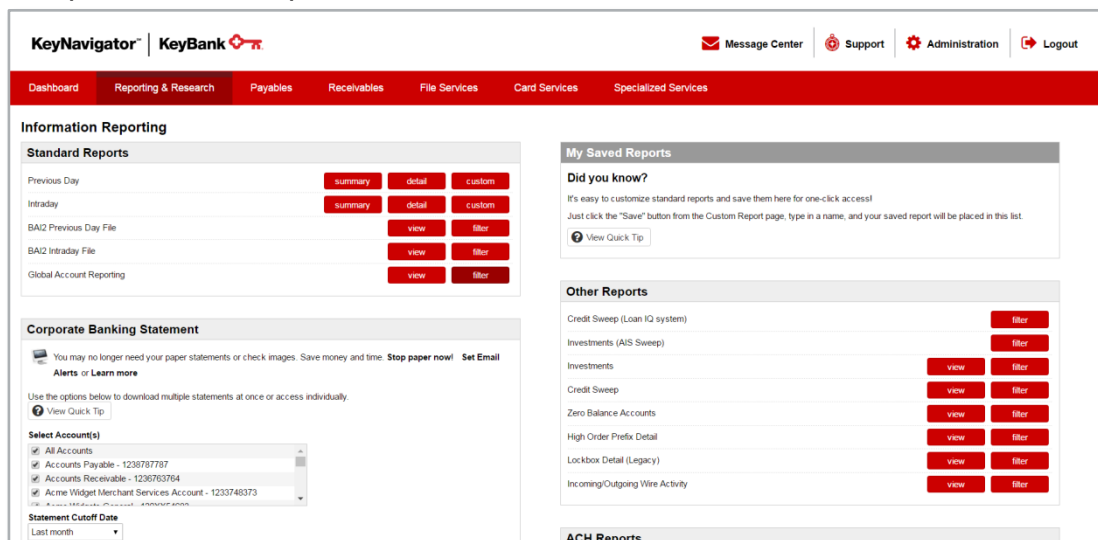
### 5.1 Investment Sweep Reporting

1. To view daily investment reports or confirmations, go to the **Reporting & Research** area and select **Information Reporting**.

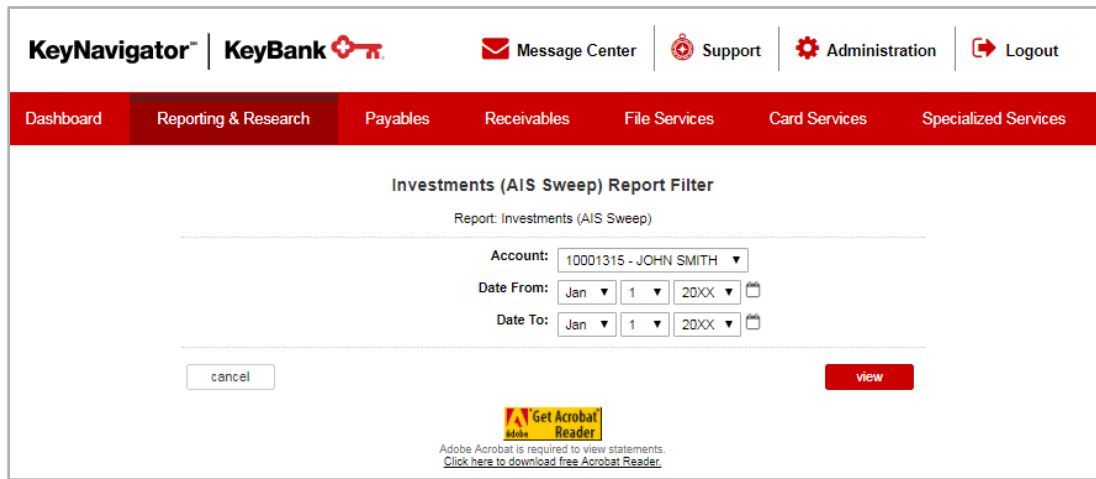







2. For the Automatic Investment Sweep, click **Filter** next to **Investments (AIS Sweep)** to choose a specific account(s) or date(s) before viewing a daily Investment Sweep Report.

For the Automated Repurchase Agreement Sweep, click **View** next to **Investments** to display the latest Repurchase Sweep Confirmation, or click **Filter** to choose a specific account(s) or date(s) before viewing a daily Repurchase Sweep Confirmation.



- Investments (AIS Sweep) Report Filter** - Select an account and date(s), then click **View**.




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**Investments (AIS Sweep) Report Filter**

Report: Investments (AIS Sweep)

Account: 10001315 - JOHN SMITH ▼

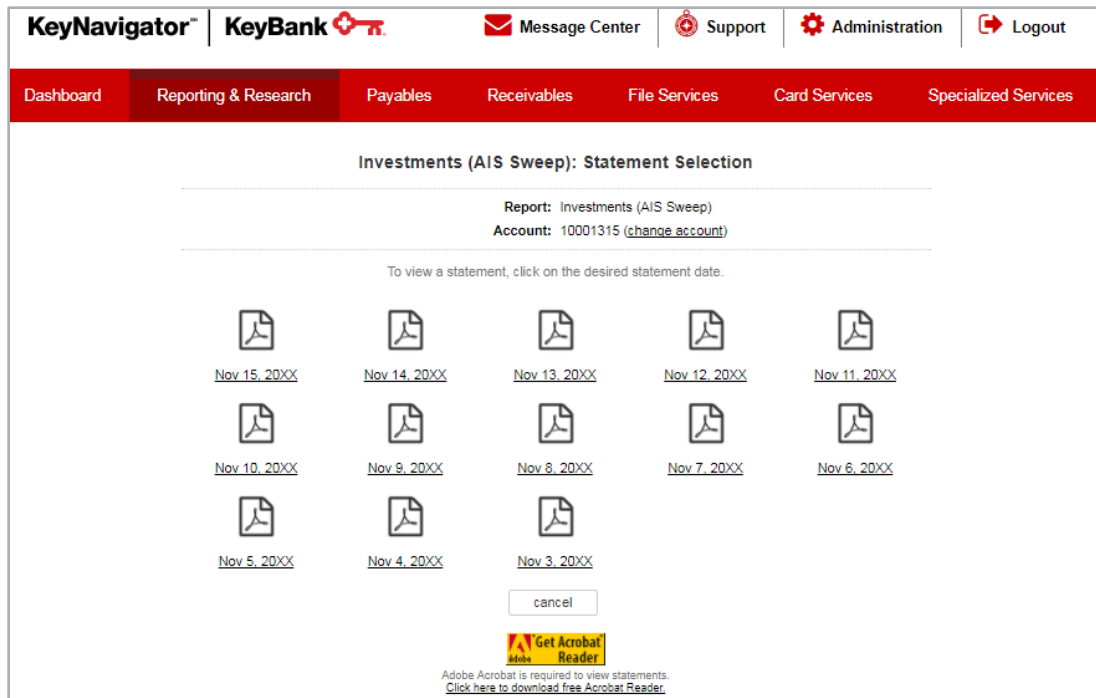
Date From: Jan ▼ 1 ▼ 20XX ▼ 






Date To: Jan ▼ 1 ▼ 20XX ▼ 

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- Investments (AIS Sweep) Report List** - Automatic Investment Sweep Reports are displayed in descending date order. Select one to view it in PDF format.



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**Investments (AIS Sweep) Statement Selection**




Report: Investments (AIS Sweep)


Account: 10001315 ([change account](#))

To view a statement, click on the desired statement date.

 [Nov 15, 20XX](#)  [Nov 14, 20XX](#)  [Nov 13, 20XX](#)  [Nov 12, 20XX](#)  [Nov 11, 20XX](#)

 [Nov 10, 20XX](#)  [Nov 9, 20XX](#)  [Nov 8, 20XX](#)  [Nov 7, 20XX](#)  [Nov 6, 20XX](#)

 [Nov 5, 20XX](#)  [Nov 4, 20XX](#)  [Nov 3, 20XX](#)

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- Investments (AIS Sweep) Daily Report** - Automatic Investment Sweep Daily Reports display the money market mutual fund name, investment account opening balance, amount invested (purchased) or amount sold (redeemed), investment account closing balance, dividend rate and daily earnings.

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ABC Company  
123 Main Blvd  
Centerville, OH 12345

Automatic Investment Sweep Daily Report

Date: 11/16/12  
Account Number: 123456789  
Fund Name: FEDERATED PRIME OBLIGATIONS

Previous Day Funds Summary  
As Of Date 11/15/12

Description	Amount
<b>Sweep Activity Summary</b>	
Opening Fund Balance	\$ 36,765,315.19
Fund Purchase*	\$ 1,480,000.00
Fund Redemption*	\$ 0.00
Fund Balance	\$ 38,165,315.19
<b>Mutual Fund Summary</b>	
Dividend Eligible Balances	\$ 36,765,315.19
Daily Rate	0.15%
Dividends Earned for 1 day**	\$ 130.9450
Dividends Earned CTD**	\$ 2,026.7306

\* Please note Fund Purchases and Redemptions are lagged one business day.  
\*\* Potential Balance adjustments may occur causing dividend earned amounts to change

- Repurchased Sweep Confirmation** - Daily Repurchased Sweep Confirmations display ledger and available balances, net transaction activity, the sweep target available balance, the sweep investment amount, the underlying security and daily, monthly and yearly income earned.

Click **Filter** if you would like to retrieve a Repurchased Sweep Confirmation(s) for another account(s) and/or date(s), or click **Unfilter** to display the latest Repurchased Sweep Confirmation(s).

Click **Download** to export the Confirmation(s) displayed as a text file.

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filter
unfilter
download

KeyBank National Association  
SPARKY CONSOLIDATED INDUSTRIES  
101 SPARKY WAY  
CLEVELAND OH 45506-3525

Automatic Sweep Repurchase Agreement Confirmation  
Account Number 46512487615432 Date 11/23/20XX

Investable Funds Summary			
Today's available balance	97,516.21	Repurchase income MTD	97,516.21
- Target available balance	50,000.00	Repurchase income YTD	97,516.21
= Total investable funds	47,516.21	Investment today at	10.000%

Account Activity Summary			
	Book Balance	Available Balance	Float
Previous day balance as of 11/13/00	92,764.59	92,764.59	0.00
+ Movement of float		0.00	0.00
+ Repurchase from yesterday	0.00	0.00	
+ Income earned on purchase invested @ 10.000% for 1 days	4,751.62	4,751.62	
+ Net activity	0.00	0.00	0.00
= Today's balances	97,516.21	97,516.21	0.00
- Total invested	47,516.21	47,516.21	
= Today's final balances	50,000.00	50,000.00	0.00

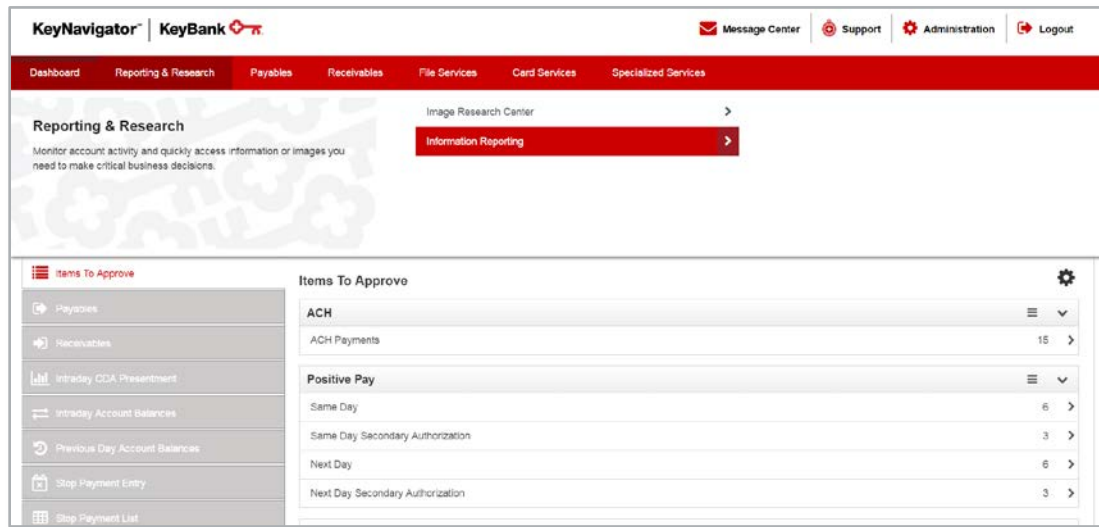
Principal Mkt/Pr	Mkt Value	PAR Amount	Description
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This transaction is not a deposit of the bank and is not insured by the FDIC.  
0101-1,776

main page

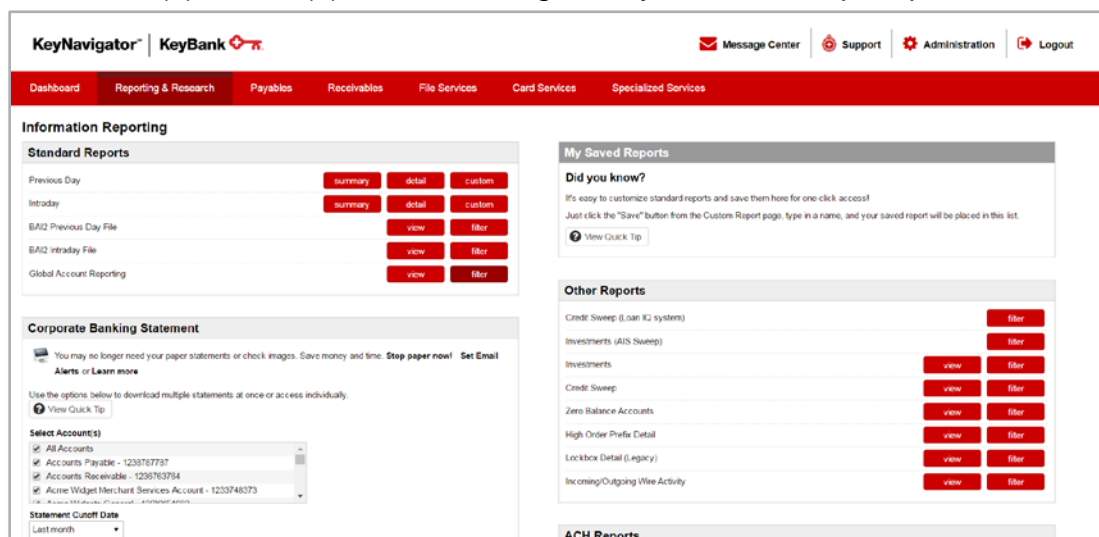
## 5.2 Credit Sweep Reporting

1. To view daily Credit Sweep reports, go to the **Reporting & Research** area and select **Information Reporting**.



2. **Credit Sweep** - click **View** to display the latest Credit Sweep Report, or click **Filter** to choose a specific account(s) or date(s) before viewing a daily Credit Sweep Report.

**Credit Sweep on the Loan IQ system** - click **Filter** to choose a specific account(s) or date(s) before viewing a daily Credit Sweep Report.



- Daily Credit Sweep Reports** display the previous day loan balance before sweeping, the amount of sweep paydown or sweep advance transfers, and the previous day closing loan balance.

Click **Filter** if you would like to retrieve a Credit Sweep Report(s) for another account(s) and/or date(s) or click **Unfilter** to display the latest Credit Sweep Report(s).

Click **Download** to export the Credit Sweep Report(s) displayed as a text file.

The screenshot shows the KeyNavigator interface with the 'Reporting & Research' tab selected. The main content area displays a 'Credit Sweep Report' for 'Sparky Consolidated Industries' dated 01/02/15. The report includes the following data:

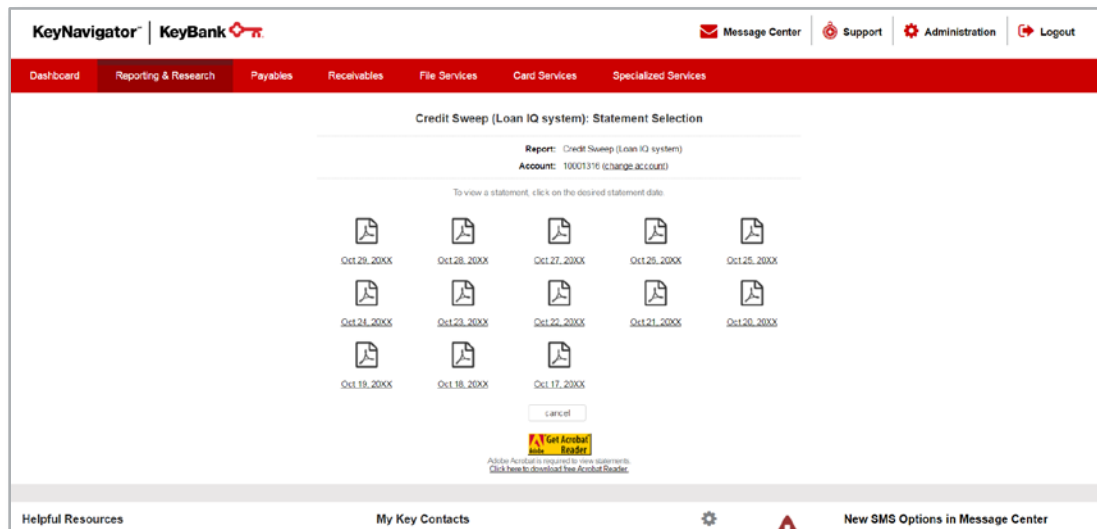
Item	Amount
PREVIOUS DAY LOAN BALANCE: (8951111111/0011111111)	1241.00
CREDIT SWEEP PAYDOWN: (000000711111111)	1241.00
CREDIT SWEEP ADVANCE: (000000711111111)	1241.00
CURRENT DAY BEGINNING LOAN BALANCE:	1241.00

Buttons for 'filter', 'unfilter', and 'download' are located at the top of the report area. A 'main page' button is at the bottom of the report content.

- Credit Sweep (Loan IQ) Filter** - Select an account and date(s), then click **View**.

The screenshot shows the 'Credit Sweep Report Filter' interface. It includes a dropdown for 'Report' set to 'Credit Sweep'. The 'Account(s)' dropdown is open, showing a list of accounts including '511010200040 - NASA', '551000070605 - MIT', and '552000090001 - FOLDGERS'. The 'Date From' and 'Date To' fields are set to 'Jan 1 20XX' and 'Jan 2 20XX' respectively. Buttons for 'cancel', 'download', and 'view' are at the bottom of the filter section.

- Credit Sweep (Loan IQ) Report List** - Credit Sweep Reports are displayed in descending date order. Select one to view it in PDF format.



- Credit Sweep (Loan IQ) Reports** display loan commitment amount, interest rate, previous day opening loan balance, net loan activity, the amount of sweep paydown or sweep advance transfers, the previous day closing loan balance and available credit.

CREDIT SWEEP COMMERCIAL LOAN REPORT	
ABC Company 123 Main Blvd Centerville, OH 12345	
Date	10/29/2012
Demand Deposit Account Number	100000
Obligor Number	100000
Loan Commitment	70,000,000.00
Interest Rate	6.250000%
Activity Details	
Description	Transaction/Amount
Previous Day Loan Balance	6,842,167.65
Net Loan Activity	148,204.21
Credit Sweep Paydown	0.00
Credit Sweep Advance	419,211.43
Current Day Opening Loan Balance	7,093,174.87
Loan Commitment Available	10,876,825.13

## 6. Optional Features

The target balance that controls whether a sweep transfer occurs is adjustable. The default target balance is \$25,000 in available funds. Clients may opt for a higher target balance. Typically this is done in order to generate more earnings credits with which to offset bank fees. Contact your KeyBank Payment Advisor if you would like to change the target balance for your sweep.

Investments are:

NOT FDIC INSURED	•	NOT BANK GUARANTEED	•	MAY LOSE VALUE	•	NOT A DEPOSIT	•	NOT INSURED BY ANY FEDERAL OR STATE GOVERNMENT AGENCY
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An investment in money market funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Without limiting the foregoing, shares of a Federated Money Market Fund are not insured by the FDIC, are not deposits or other obligations of, or guaranteed by KeyBank or any affiliates or subsidiaries of KeyBank, and are subject to investment risk, including possible loss of the principal amount invested. Shares of the Federated Money Market Funds are not insured or guaranteed by the U.S. Government, any state government or any U.S. or state government or government-sponsored agency. Although the money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in money market funds.

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These fees for services shall be in addition to, and will not reduce, Key's compensation for other services to your account. Such fees for services will not be paid directly by your account, but will be paid to Key by the Non-Proprietary Mutual Funds company (i.e., Federated Investors, Inc. or its affiliates) or the Non-Proprietary Mutual Fund (i.e., the Federated Money Market Fund) itself. The compensation to be paid by Federated (or its affiliates) as such fees for services can be up to 0.10% (10 basis points) annually. The compensation paid by the Federated Money Market Fund out of fund assets can vary, is disclosed in the prospectus for the Federated Money Market Fund, and can be up to 0.25% (25 basis points) annually of the total amount of the account assets invested in the Federated Money Market Fund.

Federated Securities Corp. is the distributor of the Federated money market funds.