

# CASH MANAGEMENT & CASH SWEEPS

## Key Messages

Your clients with cash balances in eligible accounts will automatically be transferred into interest-bearing federally insured deposit accounts at one or more of the banks and other depository institutions on the LPL Priority Bank List. For the different lists of priority banks, visit the [Insured Cash Account](#), [Deposit Cash Account](#), and [Money Market Sweep options](#) pages.

Below details on the various types of cash accounts and sweeps program information.

### Insured Cash Account (ICA)

- The LPL Insured Cash Account (ICA) is an interest bearing, automated cash sweep program.
- Every business day, uninvested cash is automatically transferred to the LPL ICA, so that cash earns interest without incurring transaction charges. When the cash is needed to cover a debit, it's automatically transferred back to the account to fund the transaction.
- Cash swept to the LPL ICA that is directed to bank accounts is insured by the Federal Deposit Insurance Corporation (FDIC) in the case of bank insolvency up to the stated limits (up to \$2,500,000 per client for an individual and \$5,000,000 for joint accounts). Any ICA overflow balances are insured by Securities Investor Protection Corporation (SIPC) in the case of LPL insolvency up to the applicable stated limits. (SIPC protects against the loss of cash and securities, such as stocks and bonds, up to \$500,000 per client, which includes a \$250,000 limit for cash; ICA Money Market overflow is considered a security for SIPC protection, while the Client Cash Account overflow is considered cash).

#### Resource Center page

- [Insured Cash Account \(ICA\)](#)

### Deposit Cash Account (DCA)

- The LPL Deposit Cash Account (DCA) is an FDIC-insured, interest bearing, automated cash sweep program for advisory IRAs.
- Every business day, uninvested cash is automatically transferred to the LPL DCA, so that your cash earns interest without incurring transaction charges. When the cash is needed to cover a debit, it's automatically transferred back to the account to fund the transaction.
- Cash swept through LPL DCA is insured by the FDIC.
- Cash in ICA and DCA is insurable up to the FDIC insurance limit of \$250,000 per bank, and covers losses if the bank of deposit were to fail. LPL's ICA and DCA program provides \$2.5 million of FDIC insurance in the aggregate, when there are enough banks in the program with capacity to accept deposits. The deposit amount in each bank must be under the FDIC insurance limit. (For joint accounts, it's \$500,000 per bank and \$5 million in the aggregate.) FDIC insurance is in addition to the SIPC insurance available for investments in the account. Member FINRA/SIPC Money markets are considered investments, and SIPC insurance will cover up to \$500,000 in value over the entire account (including other securities and investments). SIPC coverage applies if the brokerage firm fails and customer assets are lost or misappropriated by the firm. SIPC does not cover losses due to a decline in value of securities. Cash in the ICA/DCA

is insurable up to \$250,000 per bank and \$2.5 million in the aggregate. FDIC insurance is in addition to the SIPC insurance available for investments in the account.

**Resource Center page**

- [Deposit Cash Account \(DCA\)](#)

Account Classes	Brokerage Non-Retirement Brokerage Retirement Advisory Non-Retirement	Advisory Retirement	Foreign / NRA Clients ERISA covered Retirement Accts
Primary Sweep (Deposits)	ICA	DCA	MMKT
Overflow	Client Cash Account	MMKT	N/A

**Cash Sweep Options Current Cash Sweep Rates**

- The LPL Cash Sweep Platform is an automated cash sweep program. When cash is needed to cover a debit, it's automatically transferred back to the account to fund the transaction. When cash is credited to the account, it's automatically transferred back to the cash sweep.
- Cash swept through money market funds is NOT insured by the FDIC.

**Resource Center page**

- [Money Market Sweep Options and Comparative Market Rates](#)
- [LPL Money Market Availability List](#)

**FDIC insured cash sweeps**

For most accounts, you earn daily interest on your uninvested cash through one of our FDIC-insured cash sweep programs. Each day, we sweep your uninvested cash to a participating bank to earn interest. Because cash is going to a bank, your cash is covered by FDIC insurance. Our network of various banks allows you to ensure that we do not allocate cash to a bank where you already have an account. If you need cash for an investment or any other reason, the cash is immediately swept back into your account. Depending on your account type, you may be eligible for either the Insured Cash Account (ICA) or the Deposit Cash Account (DCA)—both of which offer the same benefits.

Key benefits			
Earn daily interest	FDIC insurance	Immediate availability	ICA or DCA accounts