



GOVERNMENT FINANCE OFFICERS ASSOCIATION **NEWS RELEASE**

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Government Finance Officers Association Teams with Grant Street Group to Bring Money Market Investment Platform to Public Sector

CHICAGO, IL — The Government Finance Officers Association (GFOA) today announced an alliance with Grant Street Group, a fixed income Internet auction house, to create *GFOA YieldAdvantage*, a real-time electronic marketplace for governments to invest their cash holdings.

Historically, governments have sought several quotes from local banks before investing their cash. This is done via fax or over the telephone, and often consumes a significant portion of a treasury manager's day. *GFOA YieldAdvantage* revolutionizes this process by creating a marketplace in which banks compete for a government's investment business. Competition optimizes the yields that governments earn on their short-term cash investments. In addition, the functionality built into the site expedites the investment process.

In a typical open bid auction, a government specifies the quantity and type of investment instruments it wants to buy, and then opens up the auction. Banks bid against each other until the auction closes, at which point the government awards the funds to the bidder that best suits its needs, usually the highest bidder. During the auction, banks can view their rank, but not the best bid. In a sealed bid auction, bidders receive no feedback and hence submit just their best bids.

In a sealed bid auction, *GFOA YieldAdvantage* allows governments to solicit bids for multiple investment instruments. It can be used to invest in collateralized or non-collateralized certificates of deposit, commercial paper, treasury and agency securities, and repurchase agreements. This flexibility allows governments to diversify their short-term investments, and the platform automatically compares returns across the various instruments, which further streamlines the cash investment process.

"Investment officers are always on the lookout for opportunities to improve yield and make the investment process more efficient, all the while ensuring that their portfolios are safe," said GFOA Executive Director Jeffrey L. Esser. "*GFOA YieldAdvantage* is one way that governments can meet these goals."

The auctions will be powered by Grant Street Group, whose base product, YieldAuction, is currently being used by a number of jurisdictions, including Monroe County, NY; Sioux County and Story County, IA; and St. Johns County Tax Collector's Office, FL.

"This service is an indispensable tool in today's challenging cash management environment," said Gerald Mecca, chief financial officer of Monroe County, NY. "I wouldn't want to go to work without it." *GFOA YieldAdvantage* features the same functionality as Yield Auction.

About Grant Street Group

Grant Street Group is the country's first and only Internet auction house dedicated exclusively to hosting auctions of fixed income instruments including new issues of bonds, notes, bills, certificates of deposit, guaranteed investment contracts, tax certificates, auction rate certificates and swaps. In addition to auction hosting, Grant Street Group designs, develops and licenses customized auction Web sites used by municipal and federal agencies and major financial institutions serving as trustees, custodians, broker-dealers, exchange agents, auction agents, and remarketing agents.

About the Government Finance Officers Association

GFOA is the leading professional association for those interested in government finance. GFOA's membership consists of more than 15,500 local, state, and provincial government finance officers and others responsible for financial policy decisions in governmental entities, public employee retirement systems, and various special districts. The association is headquartered in Chicago, Illinois, and has offices in Washington, D.C. For more information, visit GFOA's Web site at www.gfoa.org.