

Where Should Idle Cash Sit?

Treasury Memo

\$250,000 reserve | Run 3b + top 10

Recommendation

Hold the \$250,000 in 3-month T-bills, laddered in three tranches that mature one month apart, and keep about one month of expected spending in a high-yield savings account. The owner may need this cash for new investments within 12 months. T-bills pay more after tax than all ten top high-yield savings accounts and the CD, lose the least to inflation, and free part of the cash every month without a penalty.

Top 10 High-Yield Savings Accounts

#	Institution	APY	After tax	\$ / year	T-bill +\$
1	Happen Bank	4.20%	3.15%	\$7,880	\$484
2	Vio Bank	4.09%	3.07%	\$7,674	\$690
3	Live Oak Bank	4.00%	3.00%	\$7,505	\$859
4	EverBank	3.90%	2.93%	\$7,317	\$1,047
5	Western Alliance	3.80%	2.85%	\$7,130	\$1,234
6	E*TRADE	3.75%	2.81%	\$7,036	\$1,328
7	Wealthfront*	3.55%	2.66%	\$6,661	\$1,703
8	Marcus (Goldman Sachs)	3.50%	2.63%	\$6,567	\$1,797
9	SoFi	3.30%	2.48%	\$6,192	\$2,173
10	American Express	3.20%	2.40%	\$6,004	\$2,360

Ongoing APY, Nov 2026. After tax at 24.95%. \$ / year = after-tax interest on \$250,000. T-bill +\$ = T-bill after-tax interest (\$8,364) minus the account's. *Brokerage cash account, paid placement.

Commentary

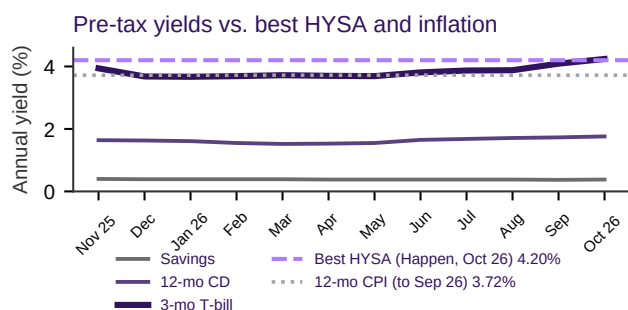
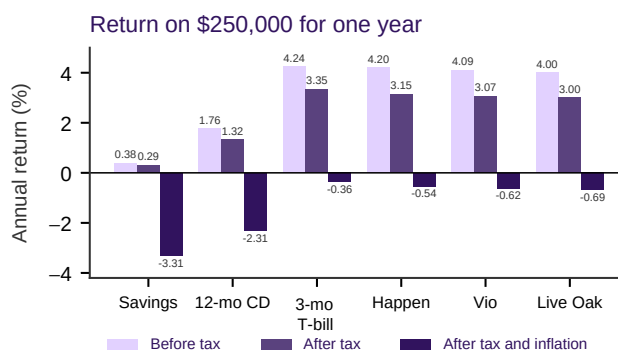
Beats every HYSA. T-bills earn 3.35% after tax, \$8,364 a year. The best HYSA, Happen Bank (4.20%), nets 3.15%, \$484 less, because bank interest is also taxed by the state.

Smallest loss to inflation. With CPI up 3.72%, every option loses purchasing power. T-bills lose 0.36% in real terms; Happen Bank 0.54%.

Cash stays available. If needed at month 6, T-bills have earned \$4,182 after tax vs. \$3,940 at Happen Bank and \$826 in the CD after its penalty.

Check first. Happen Bank needs \$250 of deposits a month and limits withdrawals to \$4,000 a day. Most listed accounts are personal; confirm a business version. \$250,000 plus interest exceeds FDIC cover at one bank.

Asset	One year, \$250,000					At month 6
	Before tax	Tax rate	After tax	After-tax \$	Real after tax	After-tax \$
Savings (national avg)	0.38%	24.95%	0.29%	\$713	(3.31%)	\$356
12-month CD	1.76%	24.95%	1.32%	\$3,302	(2.31%)	\$826
3-month T-bill	4.24%	21.00%	3.35%	\$8,364	(0.36%)	\$4,182
Best HYSA: Happen Bank	4.20%	24.95%	3.15%	\$7,880	(0.54%)	\$3,940



Rates are for October 2026, the month of the HYSA rates. Savings and CD: national averages (SNDR, NDR12MCD). T-bill: average of 18 daily 3-month quotes, 1 to 27 Oct (DGS3MO). HYSA: ongoing (non-promotional) APYs from CNBC Select, "Best high-yield savings accounts of November 2026" (updated 27 Oct 2026), ranked in the "HYSA Rates - November 2026 (ranked)" sheet; CIT and Varo omitted (no ongoing rate stated). Inflation: CPI-U Sep 2026 / Sep 2025 - 1 (October CPI not yet in the file). Bank and HYSA interest taxed at 21% federal plus 5% state, state deductible (24.95%); T-bills 21% federal only. Real return = $(1 + \text{after-tax}) / (1 + \text{inflation}) - 1$. Month-6 case: 3-month-of-interest CD penalty; matured bills only. 21% is the C-corporation rate. Model: Google Sheet "Treasury Cash Recommendation - Run 3b (Oct 2026 rates, HYSA rate sheet)".