

Policy DG: DEPOSITORY OF FUNDS

Status: DRAFT

Original Adopted Date: 12/16/1999 | Last Revised Date: 08/17/2000 | Last Reviewed Date: 08/17/2000

EXPLANATION

MSBA has moved language previously coded as DG-AP1 into this policy. The language previously found in DG-AP1 includes the statutory process school districts must use to select depositories. MSBA is also updating this policy to reflect the changes brought about by House Bill 1879 (2018) and Senate Bill 769 (2018) regarding district depositories and investments. Specifically, the changes remove the requirement that banks bidding to be the district's depository include a good-faith check for the amount of \$2,500 in the bid. Also, if the district selects the bank as its depository, and the bank fails to deposit the security within the time provided by law, the district is able to deposit district funds into another bank on an "expedited basis," receive new bids and select another depository.

The Platte County R-3 School District is committed to sound fiscal management and the protection of district funds. For that reason, the Board will carefully consider all options when selecting a financial institution to deposit district funds. Selection of depositories shall be made by the bid selection process established by state law and as set forth in administrative procedure, DG-AP in accordance with this policy.

Each depository selected shall, within ten (10) days after its selection, post securities in accordance with state law. Collateralized investments will comply with the requirements of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

Depositories may be selected annually, or the school district and depository may enter into a one- to five-year contract agreement for the deposit of the district's money or funds.

Proposals

In each year in which depositories are to be selected, the Board shall receive sealed proposals from banking institutions in the county or in adjoining counties that desire to be selected as depositories of the district's moneys and funds.

As required by law, the Board shall divide the funds into not less than two nor more than ten equal parts. Each bidder may bid for any number of the parts, but the bid for each part shall be separate.

At least 20 days before the date selected by the Board for acceptance of bids, the Board secretary shall publish notice that bids will be received. The notice must be published in a newspaper of general circulation in the county and will state the date, place and time of the meeting where bids are to be opened and the number of years for which a depository will be selected for each part of the fund (which may be any term between one and five years inclusive, next ensuing the date of the bid).

On or before the date selected for the acceptance of bids, bidders shall deliver a sealed bid to the Board secretary. The sealed bid shall state the rate of interest or method by which the interest will be determined for the advertised term.

On the date selected for the acceptance of bids and at the place and time advertised for the bid-opening meeting, the Board or designee shall publicly open the bids and cause each bid to be verbally read and documented, after discussion and clarification of bids with the financial institutions. The Board secretary may not directly or indirectly disclose the amount of the bid before this meeting.

Selection

After discussion and clarification of the bids at the bid-opening meeting—or, if the public bid opening is not at a Board meeting, then at the next Board meeting—the Board shall cause each bid to be entered upon the records of the Board and shall select from among the bidders those bids that will be accepted and notify each of the selected bidders. If there is no qualifying bid for a part, the Board may select a depository for that part without further advertising or bidding.

Contract

The Board will then enter into a contract or agreement with the selected depository for the deposit of each part of the district's moneys or funds for the advertised one- to five-year term. The contract may authorize the depository to invest the funds deposited in accordance with law and the district's investment policy. Such a contract or agreement may be terminated by the mutual consent of both parties at any time.

Security

In accordance with law, prior to receiving district funds, the selected depository must deposit securities with the district, another banking institution or a trustee to secure the district's funds. If the selected depository fails to deposit adequate security for the district's moneys or funds within the time provided by law, the Board shall take action to safeguard district funds (including, but not limited to, depositing such moneys or funds in another bank) and shall proceed to receive new bids and select another depository in lieu of the bank that failed to deposit the security. As the contract or agreement concerning each part of the district's funds expires or is terminated, the successive depository for that part will be chosen by bid in accordance with this policy.

Policy Reference Disclaimer: These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for the board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

State References

§ 30.270, RSMo

Description

State Statute - <https://simbli.eboardsolutions.com/SU/slashVClyWU73Tdpv4JZYxrPDw==>

§§ 110.010-.020, RSMo.

State Statute - <https://simbli.eboardsolutions.com/SU/slashVClyWU73Tdpv4JZYxrPDw==>

§§ 165.201-.291, RSMo.

State Statute - <https://simbli.eboardsolutions.com/SU/slashVClyWU73Tdpv4JZYxrPDw==>

Federal References

12 U.S.C. § 1823e

Description

Federal Statute - <https://simbli.eboardsolutions.com/SU/plusSLEkiEKYG9tr1Va3O8c8g==>

Cross References

BCC-1

Description

APPOINTED BOARD OFFICIALS - <https://simbli.eboardsolutions.com/SU/GmsQCCpOWbdJddfVDvXVJw==>