

## DEPOSITORY OF FUNDS

The Dent-Phelps R-III 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 in accordance with this policy.

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, 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.

**FILE:** DG  
Critical

**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.

\* \* \* \* \*

**Note:** *The reader is encouraged to check the index located at the beginning of this section for other pertinent policies and to review administrative procedures and/or forms for related information.*

Adopted: 2/21/19

Revised:

Legal Refs: ' ' 30.270, 110.010 - .020, 165.201 - .291, RSMo.  
12 U.S.C. ' 1823(e)

Dent-Phelps R-III School District, Salem, Missouri