



BOARD OF SCHOOL TRUSTEES

## KELLER INDEPENDENT SCHOOL DISTRICT

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**10I. Preview**

**Date: April 9, 2007**

**SUBJECT: AWARD OF BIENNIUM DEPOSITORY CONTRACT**

**BOARD GOAL: All systems in the Keller Independent School District will be effective, efficient and accountable in support of the district's mission.**

**FISCAL NOTE: Budgeted in General Fund**

**ANTICIPATED**

**DATE FOR ACTION: May 14, 2007**

### **Background Information:**

- Section 45.205 of the Texas Education Code requires that depository contract(s) for each Independent School District (ISD) be renewed every two years. The next two-year period for Keller ISD is September 1, 2007 through August 31, 2009. Section 45.205(c) states "The contract term and any extension must coincide with the school district's fiscal year."
- Depository contracts are to remain in force for a term of two years and until its successor is selected and has qualified, in accordance with Section 45.205(a).
- As stated in Section 45.205(b), "a school district and the district's depository bank may agree to extend a depository contract for one additional two-year term."
- The board of trustees of each school district shall, at least thirty (30) days before the termination of the current depository contract, mail to each bank located in the district a notice stating the time and place in which bid applications will be received for selecting a school depository or depositories. At least two banks must receive bid notices in every case. A bank is considered to be within a district wherein it conducts business at or through a branch in the district.
- The notice must include a uniform bid blank in the form prescribed by State Board of Education rule. Section 45.206(b) states, "the school district may add to the uniform bid blank other terms that do not unfairly restrict competition between banks in or near the territory of the school district."
- To ensure sufficient time for review prior to the beginning of the district's biennium, a school district's depository contract(s) ... must be received by the Division of Financial Audits no later than **June 15, 2007**. No payments will be made to any district subsequent to either July 1, 2007 or September 1, 2007, that has not submitted an acceptable contract(s).

**Administrative Considerations:**

- Currently the district is identifying the financial institutions in the district to request a bid from. All financial institutions will be contacted and given the bid documents to submit a bid.
- The award of the bid is anticipated to be the first meeting in May. This will be to give sufficient time for interested financial institutions to respond.
- The bid will contain language for a two year renewal of the bid at the end of this biennium contract as prescribed by the Texas Education Code.
- Please find attached the Depository Law Summary, Bid forms and Depository Contract as provided by the Texas Education Agency.
- The contract and legal review will be provided by the Texas Education Agency.

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Respectfully submitted,

Kent V. Morrison, III  
Chief Financial Officer