



February 15, 2013

**ACTION  
REQUIRED**

**Subject: Depository Contract for Independent School Districts**

**TO THE ADMINISTRATOR ADDRESSED:**

In accordance with the Texas Education Code (TEC), Chapter 45, Subchapter G, each school district must select a depository or depositories to receive school funds during the 2013–2015 biennium. The board of trustees has the responsibility for making the selection and executing a new contract effective the first day of the new fiscal year, either July 1, 2013, or September 1, 2013. The TEC, §45.205(c), requires that the contract term and any extension coincide with the school district's fiscal year.

### **Depository Selection**

In accordance with the TEC, §45.206(a), a school district must select a depository through competitive bidding or through requests for proposals. A school district must mail to each bank located in the district and, if desired, to other banks, a notice stating the time and place in which bid applications or proposals will be received for selecting a depository or depositories (TEC, §45.206[a-1] and [a-2]). In addition, a school district's notice, in using either a competitive bid or requests for proposals, must include a uniform bid blank or proposal blank in the form prescribed by State Board of Education (SBOE) rule. However, as stated in the TEC, §45.206(b), "the school district may add to the uniform bid or proposal blank other terms that do not unfairly restrict competition between banks in or near the territory of the district." The SBOE rule regarding uniform bid and proposal blanks is 19 Texas Administrative Code, §109.51: <http://ritter.tea.state.tx.us/rules/tac/chapter109/ch109d.html#109.51>.

### **Required Forms**

Unless your district is eligible and elects to extend its current depository contract in accordance with the TEC, §45.205(b), the district must complete and submit the following forms to the Division of Financial Compliance by June 15, 2013: three Depository Contract for Funds forms, one copy of the accepted bid or proposal form filed by the selected depository, one copy of the Depository Contract Data Sheet, and if applicable, one signed Texas School Depository Surety Bond Form. If your district changes depository banks or changes the account information to which all funds are sent, it must also complete and submit the Vendor Direct Deposit Authorization form.

If your district is eligible and elects to extend its current contract in accordance with the TEC, §45.205(b), the district should submit only the executed Board Resolution Extending Depository Contract for Funds form. The form is due June 15, 2013.

Please mail all required forms to the following address:

Division of Financial Compliance  
Texas Education Agency  
William B. Travis Building  
1701 North Congress Avenue  
Austin, Texas 78701-1494

**The Division of Financial Compliance must receive the completed contract forms or the form for the resolution to extend the current contract no later than June 15, 2013.** If the contract forms or the extension form are not received by that date, your district's payment for July or September, depending on the district's fiscal year, may be delayed.

All required forms are available on the Texas Education Agency Depository Contracts web page at <http://www.tea.state.tx.us/index4.aspx?id=2147484119>, where they can be downloaded, completed, and printed.

For additional information, refer to the *Depository Contracts Frequently Asked Questions and Summary of Laws and Procedures Pertaining to Depository Contracts for Independent School Districts* documents, available on the web page referenced above. To verify whether your district qualifies for an extension of its contract for the current biennium, see the *School District Depository Contract Extension Status for the 2013-2015 Biennium* document on the same web page.

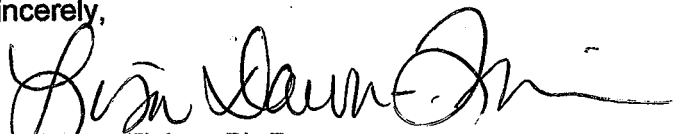
#### **Review and Return of Contract Forms for Districts Required to Submit Them**

Once the Division of Financial Compliance receives the contract forms and determines that they meet all statutory requirements, it will return two of the signed depository contract forms to your district (one for the district's records and one for the bank's records). The third depository contract form and any additional applicable forms will be retained on file at the agency.

#### **Contact Information**

Thank you for your cooperation. Please direct any questions about depository contracts to Dana Flores, Division of Financial Compliance, at (512) 475-1284.

Sincerely,



Lisa Dawn-Fisher, Ph.D.  
Associate Commissioner for School Finance/  
Chief School Finance Officer

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