



TO: Members of the School Board
FROM: Brady Hoffman, Executive Director of Business Services
DATE: October 22, 2026
SUBJECT: **US Bank - Transition**

Background:

Currently, we use three different institutions for banking services.

- Minnesota School District Liquid Asset Fund (MSDLAF) – High yield saving accounts and depository for state and county payments
- Unity Bank – Local deposits and check payments
- Northwoods Bank – Payroll ACH and payroll related liabilities

Under our current process, majority of our funds are held with MSDLAF. We monitor and transfer funds from MSDLAF to the other financial institutions to cover the payroll and accounts payable disbursements. This is a manual process and creates additional steps and risk of overdrawing our accounts in the event funds are not transferred in time. Also, while we front load the accounts, we are earning lower interest on those funds that we do through MSDLAF (currently at 3.54%)

Also, Northwoods Bank is looking to update our ACH agreement which will result in additional fees for ACH submissions.

Proposal – Authorize US Bank as Official Depository for the District:

US Bank is the official custodian for MSDLAF. With USBank, we can establish a sweep account with our MSDLAF funds. In this arrangement, will process all payments through US Bank and our funds will remain in our MSDLAF accounts earning interest until transactions clear the US Bank account. At the end of each day, US Bank will transfer funds in or out of MSDLAF to cover the transactions for the day. US Bank also offers a positive pay feature that will provide additional layers of protection for the district against check and wire fraud.

Benefits of transitioning:

- Maximize investment earnings
- Increase operational efficiency
- Additional services such as positive pay
- Projected interest earnings of funds remaining in MSDLAF will exceed banking fees

Recommended Action

Approve US Bank as an official depository and authorize the district to move forward with executing the Master Services Agreement.