

AGREEMENT BETWEEN
BROWNING PUBLIC SCHOOLS
AND
THE GLACIER COUNTY TREASURER

THIS AGREEMENT (“Agreement”), dated this ____ day of September, 2019, is entered into by and between the Browning Public School District, hereinafter referred to as “the District,” and the Glacier County Treasurer, Cut Bank, Montana, hereinafter referred to as “County Treasurer.”

WHEREAS, pursuant to § 20-9-212, MCA, the County Treasurer is largely responsible for the receipt and disbursement of school district funds;

WHEREAS, § 20-9-235, MCA, provides for the authorized increased control by the local school boards over their own investments and procedures to be followed in accordance therewith;

WHEREAS, in accordance with § 20-9-235(1), MCA, the trustees of a school district may establish investment accounts and may temporarily transfer into the accounts all or a portion of any of its budgeted or non-budgeted funds;

WHEREAS, in accordance with § 20-9-235, MCA, the trustees must establish a separate account for each fund from which transfers are made;

WHEREAS, § 20-9-235, MCA, further requires school districts to enter into a written agreement with the County Treasurer that complies with and addresses the provisions of § 20-9-235, MCA, subsection (3) if a school district is desirous of establishing school district investment accounts;

WHEREAS, the District desires to establish school district investment accounts and transfer into the said accounts all or a portion of its budgeted or non-budgeted funds;

WHEREAS, the District desires to establish a subsidiary checking account(s) for expenditures from the investment account(s) pursuant to § 20-9-235(3)(b).

NOW, THEREFORE, the parties hereto, for and in consideration of the covenants and conditions above and hereinafter contained, agree as follows:

1. **SCHOOL DISTRICT INVESTMENT ACCOUNTS:** The District will establish a school district investment account(s), separate and apart from any account maintained by the County Treasurer.
2. **INVESTMENT AND SUBSIDIARY CHECKING ACCOUNTS:** The District will establish investment account(s) and subsidiary checking account(s) as provided in § 20-9-235(3)(b), MCA. The District will transfer money from the investment account(s) to the District’s subsidiary checking account(s) to pay

checks written against District funds held in investment account(s). In order to write checks on or provide electronic payments from a subsidiary checking account(s), the District shall adhere to the following requirements:

- a. The District will ensure at all times that any and all payments made from the subsidiary checking accounts representing budgeted funds are in strict compliance with the budget adopted by the District's Board of Trustees and provisions of state and federal law;
- b. Investment and subsidiary checking accounts will be subject to audit the same as other district finances in accordance with §§ 2-7-503 and 20-9-503; and
- c. The District will comply with all accounting system requirements and audit procedures required by the State Superintendent of Public Instruction.

3. REPORTING DUTIES/ACCOUNTING:

- a. County Treasurer: Except for debt service money and any other revenue that the County Treasurer is required by law to collect, all other revenue will be sent directly to the District's investment account(s). The County Treasurer will make all payments due on school district bonds and special improvement districts (SIDs) from received debt service money. The County Treasurer will report to the District as required by law.
- b. District: The District shall be responsible for the following:
 1. Reporting to the County Treasurer of any and all transactions relating to the District's investment accounts (including but not limited to keeping an accurate and up-to-date accounting of all deposits into and transfers between the District's investment accounts and the budgeted and non-budgeted funds of the District with a stated purpose for each transfer) and subsidiary checking accounts by warrant (including but not limited to a full accounting of any and all debits and credits to the subsidiary checking accounts). Such accounting and reporting shall be provided to the County Treasurer on a monthly basis on the same schedule as it is provided to the Board of Trustees. Such accounting and reporting will include warrant by fund reports (also known as Reprint Check Listing and Voucher Detail Listing), illustrated as Exhibits A and B attached, as such reports are provided to the Board of Trustee each month for approval and are regarded as public records. It is understood between the parties that such reports as referenced above do not reflect the actual monthly expenditure and balances in any district fund as they are not prepared nor provided to the

Board of Trustees as expenditures and fund balances from the 1st of the month to the end of each month.

2. Providing the County Treasurer and to the District's auditors a full and complete annual report of all transactions relating to the District's investment accounts and subsidiary checking accounts at least thirty (30) days prior to the commencement date of an audit;
 3. All payments from the Office of Public Instruction shall be made to the District's investment account. The District shall provide the Office of Public Instruction with all information required in order to effectuate such electronic transfers; and
 4. The District shall implement an accounting system for the investment account(s) pursuant to the rules adopted by the superintendent of public instruction. The rules for the accounting system must include, but are not limited to:
 - (a) Providing for internal control of deposits into and transfers between the District's investment accounts and budgeted and non-budgeted funds of the District;
 - (b) Providing specific controls to track payments made by a specific budgeted or non-budgeted fund for a specific budgeted or non-budgeted fund purpose. This would include stating the purpose for which the amount transferred will be used and how the transfer is within or directly related to the purposes for which the funds raised;
 - (c) Requiring that the principal and interest earned on the principal is allocated to the budgeted or non-budgeted fund from which the deposit was originally made; and
 - (d) Ensuring that other proper accounting principles are followed.
4. **EXISTING INVESTMENTS:** With respect to any District funds currently invested by and through the County Treasurer, such funds shall remain in said existing investment pool to the extent necessary to prevent a loss from liquidation of such investments.
5. **SPECIFIC BUDGETED/NON-BUDGETED FUNDS:** The District will transfer any and all of its budgeted and non-budgeted funds, with the exception of the Debt Service Fund which shall remain with the County Treasurer to ensure that any and all debt payments are paid from this Fund in a timely manner.

6. **INTEREST ON GENERAL FUND DEPOSITS:** All interest earned on the District's general fund deposits must be allocated for district property tax reduction as required by § 20-9-141, MCA.
7. **DEPOSITS IN EXCESS OF INSURED AMOUNTS:** In making deposits to its investment accounts under this section, the District shall comply with the requirements of Title 17, chapter 6, part 1, MCA, with respect to deposits in excess of the amount insured by the federal deposit insurance corporation or the national credit union administration, as applicable.
8. **AUTOMATED CLEARINGHOUSE SYSTEM CHARGES:** The District shall pay the automated clearinghouse system charges for all automated clearinghouse transfers made by the office of public instruction to the District's accounts.
9. **TERM:** The term of this Agreement shall commence on September __, 2019, and continue until June 30, 2024.
10. **JURISDICTION:** This Agreement shall be construed in accordance with and governed by the laws of the State of Montana. Jurisdiction and venue for any dispute regarding this Agreement shall be in the Montana 9th Judicial District Court, Glacier County.
11. **RENEWAL:** The parties may renew this Agreement, provided the terms and conditions of any renewal comply with the provisions of § 20-9-235, MCA.
12. **MODIFICATION:** The terms of this Agreement may be modified, amended, or terminated only by a written document executed by the District and the County Treasurer.
13. **SAVINGS CLAUSE:** Should any provision in this Agreement be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect.
14. **ATTORNEY FEES:** Each party agrees that it is individually responsible for any and all of its attorney fees incurred over any dispute regarding this Agreement, whether addressed or litigated in, but not limited to, any pretrial proceeding, any administrative proceeding, any trial court, any appellate court, or any dispute resolution process.
15. **INTERPRETATION/CONSTRUCTION:** Both parties participated in drafting this Agreement. The language of this Agreement shall not be interpreted or construed against the drafter. In cases of uncertainty, the language of this Agreement shall not be interpreted most strongly against the party who caused the uncertainty to exist.

DATED this ____ day of September, 2019.

By _____
Board Chair
Browning Public Schools

By _____
Glacier County Treasurer