



To: Board of Trustees
From: Diana Sircar
Date: April 24, 2023
cc: Brad Hunt, Erica Devould

RE: Depository Contract Renewal

Background: School districts are required to obtain depository services from a qualified bank as defined in the Texas Education Code Section 45, Subchapter G, for a contract period not to exceed two years. Pursuant to provisions of the Texas Education Code, Section 45.205 (b), amended as of September 1, 2017 by Senate Bill 754, the District may elect to extend its current biennial Depository contract for *three* biennial periods if both the school district and the district's depository bank mutually agree to the terms.

The district bid and awarded the depository contract to J.P. Morgan Chase Bank, N.A. in 2017. The district received very competitive pricing under this proposal and feels this pricing is still competitive. The district is also pleased with the current services provided.

Changing the district's depository requires significant administrative time and expense in the form of changing bank accounts, updating the financial system and all associated vendors, purchasing supplies, and implementing new processes for bank transactions and reconciliations. It is recommended that these potential costs be delayed until the district is required to bid out the services in 2025.

Recommendation: The Board of Trustees approve extending the District's current biennial depository contract with J.P. Morgan Chase Bank, N.A. pursuant to the provisions of the Texas Education Code, Section 45.205 & 45.205(b), Subchapter G, for the period of September 1, 2023 through August 31, 2025.