



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

5A. Preview

Date: May 23, 2005

SUBJECT: TWO-YEAR DEPOSITORY CONTRACT EXTENSION

BOARD GOAL: Budget and Finance

FISCAL NOTE: Depository for School Funds to be Received During the 2005-2007 Biennium

Background Information:

- In May of 2003 bids were received from local banks for the purpose of becoming Keller ISD depository for school funds for the 2003-2005 biennium that began September 1, 2003. Five banks responded. After an analysis of the bid results, Bank of America was awarded the contract.
- The current Depository Contract with Bank of America expires August 31, 2005.
- Section 45.201 of the Texas Education Code, allows districts to extend the contract for one additional two-year term.

Administrative Considerations:

- Bank of America has provided excellent service as the District Depository.
- Changing the district depository is a significant undertaking in both cost and time. Some of the costs of change include new check stock, deposit forms, and bank endorsement stamps. The investment in time to learn new office procedures is significant for both the office personnel and campus.
- The Texas Education Agency Division of Financial Audits must receive the completed resolution to extend the current contract no later than June 15, 2005 or the September payment may be delayed.

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Respectfully submitted,

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Assistant Superintendent of Finance