

Series 3000: Operations, Finance, and Property

3200 Finance and Borrowing

3203 Deposits

The Board, or a District official designated by Board action, will select the financial institutions for the deposit of District funds. The Board will keep a set of coded accounts to be approved by the State Superintendent (Bulletin 1022) and will have its books audited at least annually by a certified public accountant. The Board may authorize the Treasurer to combine money from more than 1 fund for the purpose of making an investment authorized by subsection (2)(g) of Revised School Code Section 622. Otherwise, general operating funds, building and site funds, cooperative education funds, special education funds, vocational-technical education funds, and debt retirement funds will be maintained separately and will not be commingled. District funds will not be deposited or invested in a financial institution that is not eligible to be a depository of surplus funds belonging to the state under MCL 21.146.

The deposit of District funds may be secured by a pledge of any of the following assets:

- A. assets considered acceptable to the State Treasurer under MCL 21.143 to secure deposits of State surplus funds.
- B. securities issued by any of the following federal agencies:
 - the Federal Home Loan Mortgage Corporation;
 - the Federal National Mortgage Association; or
 - the Government National Mortgage Association.
- C. securities considered acceptable to the Board and the financial institution in which the funds are deposited.

Security in the form of collateral, surety bond, or another form may be taken for the deposits or investments of the District in a financial institution. A repurchase agreement under subsection (2)(e) of Revised School Code Section 622 or in an investment pool that includes such repurchase agreements will be secured by the transfer of title and custody of the obligations to which the repurchase agreements relate, and an undivided interest in those obligations must be pledged to the District for the repurchase agreements.

"Deposit" includes purchases of or investment in shares of a credit union.

"Financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the U.S. government and which maintains a principal office or branch office located in Michigan under the laws of the United States.

Legal authority: MCL 21.146; MCL 211.43b; MCL 380.622

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Date revised: