

## DISTRICT BANK ACCOUNTS

### I. PURPOSE

To provide guidance regarding the establishment and maintenance of District bank accounts.

### II. SCOPE

This policy applies to all District employees. This policy shall not apply to organizations affiliated with the District (e.g., school support organizations) that open bank accounts under their own tax identification number.

### III. DEFINITION

District Bank Account - any arrangement made with a bank by or for the District, including its schools and departments/offices, bearing the name of or involving the District, and/or with any District tax identification number, whereby funds may be deposited and withdrawn and in some cases interest earned. For the purpose of this policy, District bank accounts shall include any checking, savings, Certificate of Deposit (CD), and money market accounts established with an institution having a full banking license and supervised by a banking regulatory agency.

### IV. POLICY STATEMENT

Shelby County Schools is responsible for the appropriate oversight and use of funds, including federal, state, and private, that are received by the District. All such funds received must be deposited into a District authorized bank account.

To establish adequate control procedures and minimize the risk of financial loss, District bank accounts are subject to audit and at minimum must be:

- used for authorized and legitimate District business purposes
- expressly authorized by the Superintendent or his/her designee
- established with District authorized depository institutions
- reconciled on a monthly basis

The opening, closing and/or other modification of a District bank account shall be in consultation with the offices responsible for finance, academic operations, and internal audit as deemed appropriate to ensure accurate documentation of information for District records.

#### Department and/or Office Bank Accounts

A need for a District bank account for any department and/or office shall not be considered as common practice. In the event that a department and/or office require a bank account, a written request for approval must be submitted to the office responsible for finance. The decision to approve a bank account for a department and/or office is at the sole discretion of the Superintendent or his/her designee. Such approval must be in writing.

#### Revocation of Accounts

Any bank account established without proper authorization shall be revoked and all transactions shall cease unless otherwise authorized by the Superintendent or his/her designee. Appropriation of funds in the account shall be in accordance with District guidelines.

#### Prohibited Practices

Examples of prohibited practices include, but are not limited to

- establishment of an account with a broker or a brokerage house with funds intended for and/or made payable to the District and/or school, precluding investments made pursuant to policy 2015-District Investments
- establishment of a bank account for non-district funds (e.g., donations from employees for special occasions, such as birthdays, illness or bereavement, holidays, and retirement (courtesy funds))
- use of any District tax identification number to open a bank account for unauthorized and/or spurious purposes
- use of the District/school name on an unauthorized account
- deposit of funds intended for and/or made payable to the District and/or school into (1) a non-district account (i.e., personal) and (2) an account not authorized by the District

#### Sanctions

The management of District bank accounts shall be in accordance with applicable Board policies, administrative rules and regulations, and guidelines.

Violations of such may result in legal action, disciplinary actions up to and including termination from employment, and/or restitution to the District for losses or damages.

**V. RESPONSIBILITY**

- A. District employees are responsible for adhering to this policy.
- B. Supervisors with budgetary authority are responsible for ensuring their offices/departments are in compliance with this policy.
- C. The offices of finance, academic operations, and internal audit are responsible for ensuring the accurate documentation of information for District record and for reviewing written requests for approval of new bank accounts.
- D. Internal Audit is responsible for ensuring that adequate control procedures to minimize the risk of financial loss are in place and for conducting audits of district bank accounts as deemed appropriate.
- E. The Superintendent is responsible for ensuring that this policy is followed.

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Legal References:

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Cross References:

- 1. 2015 District Investments