MEMO

DATE: November 18, 2010

FROM: Brett Blechschmidt, Fiscal Officer

TO: School Board

RE: District-wide change fund

As you may be aware, First Independent is closing its La Center branch on 11/24/2010. This closure has caused the district to re-examine many of our banking practices, as trips to a physical branch will now be more time consuming for our staff and would cause an increase in employee mileage reimbursements.

With First Independent's help, we have found what we think is a very efficient solution for our need to make frequent deposits (food service, fines/fees, community ed, etc). For $132/month we will have a bank courier visit the district three times/week to collect our deposit and take them directly to a secure "counting room" in First Independent's main downtown branch.

In collaboration with a representative of the State Auditor's Office, we have worked out internal controls and procedures that will properly account for deposits collected internally until the courier assumes possession of them.

Although this solution for daily deposits was our biggest obstacle in dealing with the bank's closure, we also had an issue with how to make sure we had adequate change funds for various cash-heavy activities throughout the district.

As you may recall, you approve annually change funds for the K-8 Cafeteria ($20) and HS Cafeteria ($80). Also, the high school and middle school annually use part of their approved imprest account maximums to create change funds for "gates" at the activities in which admission is charged. When the bank was close and convenient, secretaries would frequently go to the bank and change accumulated large bills for small bills in preparation of the next event.

With our courier arrangement, we will have the capacity to request delivery of these smaller bills, which we can in essence trade for the accumulated larger bills. However, given the courier will only come three days/week and we will have to provide adequate notice when we need smaller bills delivered, we are recommending we create a larger district-wide change fund in the amount of $400.

This fund would serve as the bank for the various smaller change funds already established throughout the district. This fund would be stored in a safe at the district office, with the district office receptionist acting as the custodian. The fund custodian would monitor the capacity of this fund to meet the future needs of the smaller change funds, and facilitate the swap of smaller bills for larger bills via the courier when necessary.