



LOS ANGELES UNIFIED SCHOOL DISTRICT POLICY BULLETIN

ROUTING

Educational Service Center Administrator
of Operations
Cafeteria Managers
Educational Service Center Directors
Early Childhood
Central Office Fiscal Staff
Fiscal Services Managers
Fiscal Specialists
Principals
School Administrative Assistants
Financial Managers
Office Administrators

TITLE: Banking Policies
NUMBER: BUL-6310.0
ISSUER: V. Luis Buendia, Controller
Accounting and Disbursements Division

DATE: July 1, 2014

PURPOSE: The purpose of this bulletin is to provide information and guidance on the establishment and maintenance of Bank of America checking accounts.

GUIDELINES: Administrators responsible for District related bank accounts should be guided as follows:

I. Policy

The District has implemented this bank policy to facilitate the maintenance of bank accounts in a manner that promotes convenience, cost effectiveness, and internal controls. It is expected that account holders will manage their accounts in a responsible manner that minimizes the cost to the District.

As custodian of the account, the account holder has the fiduciary responsibility of ensuring that expenditures charged to the account are in compliance with District policies and regulations. The stewardship and responsibility over the account cannot be delegated and remains at all times with the account holder.

Imprest and Associated Student Body (ASB) accounts are to be used only for their intended purposes and the funds must not be co-mingled with personal monies, school donations, or any other unrelated funds.

The account holder must ensure that the account balance is monitored. The balance must be verified before issuing any checks to ensure that the bank account has a sufficient balance to cover the check amount.

II. Establishing an Account

- a. New bank accounts must be opened with Bank of America.
- b. When opening a new account, please call the Treasury Section of the Revenue Accounting Branch at (213) 241-3145 for assistance in establishing the account.



LOS ANGELES UNIFIED SCHOOL DISTRICT POLICY BULLETIN

III. Not Sufficient Funds (NSF) Checks

Accounts with Bank of America have previously been set up to have all checks written on the account honored, regardless of whether there were sufficient funds in the account. This would result in an Overdrawn Account Fee which would continue as long as the account's balance was negative.

Due to certain accounts remaining negative for more than 30 days at a time, the policy is being changed to have the bank dishonor and return any NSF checks unpaid. Not only will this result in the recipient going unpaid, there is an NSF Check fee which will be assessed against your budget or account. This makes it imperative that you check the balance in your account before writing a check.

IV. Bank Charges

Generally the banking fees associated with ASB and imprest accounts setup under the District's primary account with Bank of America are covered by the District's General Fund. However, in order to encourage responsible account maintenance, the following charges will be assessed directly to account holders:

Fee	Current Charge
Overdrawn Account	\$4.59/day
NSF Check	\$35.00/check
Stop Payment	\$6 - 22/check

The actual charge to the account holder will be the amount charged by the bank and is subject to change without prior notification to individual account holders.

Costs incurred by imprest accounts for the above mentioned activities will be charged to the specific school's unrestricted General Fund supply account. These charges will appear as journal voucher adjustments done on a monthly basis.

Cost incurred by ASB accounts will be billed to the school and must be paid from the ASB funds. If the bills are not timely paid, they will be deducted via Automated Clearinghouse (ACH)/Electronic Funds Transfer (EFT), along with the bank charge for doing the transaction.

V. Reconciliation

In order to ensure that check registers are accurate, fraudulent activity is minimized, and to maintain important internal controls, bank accounts must be reconciled on a monthly basis and signed by the account holder.



LOS ANGELES UNIFIED SCHOOL DISTRICT POLICY BULLETIN

VI. Records

All records related to the account must be available at the school or office for audit. For records retention, please see Office of the Superintendent's Bulletin No. 5503.1, "Records Retention and Destruction," dated July 1, 2012.

VII. Fraudulent Activity

When account holders become aware of fraudulent activities in the bank account, the following steps should be taken immediately:

- a. Call Bank of America
- b. File a police report
- c. Notify the Treasury Section of the Revenue Accounting Branch

VIII. New or Deleted Signatories

Whenever an account holder or other signatory changes, please contact the Treasury Section at (213) 241-3145 to update the signature card and other relevant information. A sample of the signature card is attached.

Please see REF-1706.3, "Imprest Funds", for important information on transferring imprest accounts to new administrators.

RELATED RESOURCES:

- Reference Guide 1706.3, "Imprest Funds", Accounting and Disbursements Division, August 1, 2013
- Publication 464, "Student Body Policies and Accounting Procedures - Elementary Schools", Student Body Finance Section, February 2009
- Publication 465, "Student Body Policies and Accounting Procedures – Secondary Schools", Student Body Finance Section, January 2009
- Publication 469, "Student Body Finance Policies" for DACE schools, Student Body Finance Section, April 2008
- Bulletin 5503.1, "Records Retention and Destruction", Office of the Superintendent, July 2012

ASSISTANCE:

Please contact the Treasury Section at (213) 241-3145 if you have questions regarding your bank account.



LOS ANGELES UNIFIED SCHOOL DISTRICT POLICY BULLETIN

ATTACHMENT A

Bank of America Merrill Lynch		Deposit Account Documentation Signature Card	
CLIENT INFORMATION			
Select One: <input type="checkbox"/> New Account		<input type="checkbox"/> Update (Add/Delete) Signers	
<input type="checkbox"/> Supersede Existing Signature Card			
ACCOUNT # (If new account, Bank will complete):			
ORGANIZATION LEGAL NAME (Must match legal name indicated in company formation documents)			
DBA NAME or OWNER BUSINESS NAME OF DISREGARDED ENTITY or THIRD PARTY / FUNDS OWNER NAME, if applicable			
DESCRIPTIVE ACCOUNT TITLE (if applicable, e.g. Operating Account, Rent Account, etc. Cannot be another legal entity name.)			
Address For Statement:			
City:	State:	Postal Code:	
STATE OF FORMATION (You may be required to provide copies of your company charter or formation documents.)			
TYPE OF BUSINESS (Select One):			
<input type="checkbox"/> Corporation		<input type="checkbox"/> Sole Proprietorship	
Limited Liability Company:		<input type="checkbox"/> Unincorporated Organization or Association	
<input type="checkbox"/> Manager Managed <input type="checkbox"/> Member Managed <input type="checkbox"/> Sole Member		<input type="checkbox"/> Joint Venture	
<input type="checkbox"/> General Partnership		<input type="checkbox"/> Government Authority/ Agency (Type _____)	
<input type="checkbox"/> Limited Liability Partnership		<input type="checkbox"/> Other (Type _____)	
<input type="checkbox"/> Limited Partnership			
Note: Property management accounts must be accompanied by separate owner and agent indemnities and property management account supplement.			
TAX CLASSIFICATION			
Employer Identification Number: _____			<input type="checkbox"/> Exempt Payee
Legal name of the owner of the E.I.N listed above:			
Federal Tax Classification: <input type="checkbox"/> Indiv SP <input type="checkbox"/> C Corp <input type="checkbox"/> S Corp <input type="checkbox"/> Partnership <input type="checkbox"/> Trust <input type="checkbox"/> State <input type="checkbox"/> Other:			
LLG Tax Classification (ONLY for Limited Liability Company): <input type="checkbox"/> C Corp <input type="checkbox"/> S Corp <input type="checkbox"/> Partnership			
AGREEMENT, TAX INFORMATION CERTIFICATION and AUTHORIZATION			
<p>You begin or continue a deposit account relationship with us by giving us information about your business and by signing this Agreement. The deposit agreement we give you is part of your agreement with us regarding use of your account and sets forth the current terms governing your account. We may change the deposit agreement at any time and will inform you of changes that affect your rights and interests. By signing below you acknowledge receipt of the deposit agreement. The deposit agreement includes a provision for alternative dispute resolution.</p> <p>By signing below, you authorize each person who has signed in the designated account signer section below to operate any account opened under this signature card now or in the future. The authority to operate an account includes, but is not limited to, to sign checks and other items and to give us other instructions, including by electronic signature, electronic record or other electronic form, to withdraw funds, endorse and deposit checks and other items payable to or be coming to you to the account and, to transmit other administrative business, including by electronic signature, electronic record or other electronic form, relating to the account, including closing the account. If you wish to restrict a designated signer's authority to check signing you must indicate that by checking the box to the left of their name. We may rely on this authorization for any account opened under this signature card until we receive written notice revoking the authorization at the office where we maintain the account, and we have a reasonable time to edit the signature card.</p> <p>By signing below, you certify under penalty of perjury that: 1) the employer identification number listed above for this organization is correct; 2) that the organization listed above is a United States person (defined below); and 3) the organization listed above is not subject to backup withholding because: (a) the organization is exempt from backup withholding, or (b) it has not been notified by the Internal Revenue Service (the IRS) that it is subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified the organization that it is no longer subject to backup withholding. [Cross out item 2 above if the organization listed above is not a United States person and follow the instructions in the paragraph immediately below.] [Cross out item 3 above if you have been notified by the IRS that you are currently subject to backup withholding for failure to report interest or dividends.]</p> <p>* If the organization listed above is a foreign entity, the applicable Form W-8 (for additional information, please see IRS Pub 515 Withholding of Tax on Non-Resident Aliens or Foreign Entities). The term "United States person" means: a citizen or resident of the United States, a partnership created or organized in the United States or under the law of the United States or of any State, a corporation created or organized in the United States or under the law of the United States or of any State, or any estate or trust other than a foreign estate or foreign trust.</p>			
By signing below, this organization hereby agrees to be bound to the above Agreement, Tax Information Certification and Authorization.			
For CA Public Funds only: Any person signing this Agreement for the Organization certifies that they are duly authorized to do so as evidenced by attached banking resolution/contract for deposit of moneys or existing banking resolutions/contract for deposit of moneys on file with us.			
The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.			
Authorized Signer Signature:			
[Must match Banking Resolution & Certificate of Incumbency]:			
Print Name:	Print Title:	Date:	
Authorized Signer Signature:			
[Must match Banking Resolution & Certificate of Incumbency]:			
Print Name:	Print Title:	Date:	
DESIGNATED ACCOUNT SIGNERS (use Supplemental Signature page form # 00-35-4504NSBW as needed for additional signers)			
Select if signer can ONLY sign checks	Add/Delete Signer (A/D)	Name	Title
<input type="checkbox"/>			Signature
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			