Summary of Laws and Procedures Pertaining to Depository Contracts for Funds of Open-Enrollment Charter Schools
(Prepared by the Texas Education Agency)

A. The Charter Holder/Charter School must submit to the Texas Education Agency (TEA), Division of Financial Compliance a completed and signed Depository Contract for Funds of Open-Enrollment Charter Schools by **November 1st** of each year (refer to the Texas Administrative Code, Section 100.1043(b) and Section 100.101(d)). However, if there have been no changes to the depository contract since the last filing, then the charter holder may file a signed statement to this effect in lieu of a copy of the depository contract.

As stated in section 100.1043(b) of the Texas Administrative Code (TAC), "state funds received by a charter holder must be deposited into a bank with which the charter holder has entered into a depository contract."

The submission of the Depository Contract for Open-Enrollment Charter Schools is recommended since it includes the necessary information to verify compliance with TAC, section 100.1043. The Depository Contract for Open-Enrollment Charter Schools form may be found at the TEA web site under Bank Bid.

A state board mandated depository contract form is not required.

Please verify that the following information is completed before submission of the depository contract:

The name of the county the school is located in (upper left of contract)

Article I:

- The name of the depository;
- The address, city, and zip code of the depository;
- The name of the county the depository is located in;
- The name of the charter holder and its corresponding federal employer identification number (FEIN);
- The name of the charter school and its corresponding county-district number;
- The name of the county the school is located in.

Article II:

- The type of account (check one box); the bank routing number, and the account number **(this information must agree with that on the Vendor Direct Deposit Authorization form, if applicable)**;
- The date the charter holder agreed to and accepted the depository contract;
- The signature from the president of the charter holder board;
- The date the bank agreed to and accepted the depository contract;
- The printed name of the depository;
- The signature from the authorized bank officer and the title of the authorized bank officer.

Acknowledgment:

- The name of the county;
- The printed name of the authorized bank officer;
- The date the notary witnessed the bank officer's signature (this must correspond with the date the bank officer signed the depository contract);
- The signature of the notary; and
- The notary's seal, which should include the expiration date of the notary.

B. A Vendor Direct Deposit Authorization (VDDA) form must be completed, signed and submitted to notify the Texas Education Agency of any changes to the school's current direct deposit account information. **The VDDA form along with the depository contract form must be sent to the Division of Financial Compliance.** Please allow sufficient time to review the direct deposit form since this form must be approved by the Agency's Legal Division and the Charter School Division before the Accounting Division can process it. The VDDA form and the specific VDDA instructions for charter schools can be found by clicking the Bank Bid link in the A-Z Index located on the TEA web site.

C. For additional information regarding depository contracts, the school may refer to the Texas Education Code, Section 12.107, Status and Use of Funds, and the Texas Administrative Code, Section 100.1043, Status and Use of State Funds; Depository Contract.

D. These guidelines have not taken into account any changes in the procedures that may be necessary as a result of legislative acts that may be passed during the present session.

E. If you have any questions or comments, please contact Dana Flores in the Division of Financial Compliance at 512-475-1284 or by email: Dana.Flores@tea.state.tx.us

The charter holder/charter school must complete and submit one (1) Depository Contract for Funds of Open-Enrollment Charter Schools form and one (1) VDDA form to the Texas Education Agency, Division of Financial Compliance. The required depository contract forms or signed statement may be submitted via fax at 512-463-1777, emailed (Dana.Flores@tea.state.tx.us), or mailed to the following address:

Attention: Dana Flores
Division of Financial Compliance
Texas Education Agency
William B. Travis Building
1701 North Congress Avenue
Austin, Texas 78701-1494