

Adopted: July 12, 2016

Revised: \_\_\_\_\_

## **LAFAYETTE CHARTER SCHOOL POLICY No. 7.9 COLLATERAL REQUIREMENTS FOR DEPOSITORIES**

### **I. PURPOSE**

The purpose of this policy is to set forth the requirements applicable to depositories when funds on deposit exceed the available federal deposit insurance.

### **II. POLICY STATEMENT**

It is the policy of Lafayette Charter School to fully comply with state law regarding collateral at depositories.

### **III. DESIGNATION AND DELEGATION OF AUTHORITY**

- A. When the funds of Lafayette Charter School on deposit exceed the available federal deposit insurance of the depository at the close of the depository's business day, the Business Manager shall require the depository to furnish collateral security or a corporate surety bond executed by a company authorized to do business in the state.
- B. The Business Manager may also allow the other forms of collateral authorized by Minn. Stat. §118A.03 subd. 2.
- C. The Business Manager shall also ensure that the total amount of the collateral and the assignment documents required in Minn. Stat. §118A.03 subs. 3 and 4 are adhered to.
- D. The Business Manager shall also ensure that the collateral is kept in a place of safekeeping in compliance with the requirements of Minn. Stat. §118A.03 subd. 7 and shall approve of the place of safekeeping.

**Legal References:** Minn. Stat. §124D.10 (Charter School Law)  
Minn. Stat. §118A.03 (Collateral Required)

*This policy does not constitute legal advice; any questions regarding this policy should be directed to your attorney.*