

Business Operations  
Ofelia San Pedro, Deputy Superintendent

**SUBJECT: PROPOSED AMENDMENT OF SCHOOL BOARD RULE: INITIAL READING 6Gx13-3A-1.012, PROCEDURES FOR WARRANTS AND ELECTRONIC TRANSFER OF BOARD FUNDS**

**COMMITTEE: LEGISLATIVE RELATIONS, PUBLIC RELATIONS AND PERSONNEL SERVICES**

The revision to Board Rule 6Gx13- 3A-1.012 Procedures for Warrants and Electronic Transfer of Board Funds, is being requested to streamline and reduce non-value added procedures from the payment process. Reference to the requirement for manual signatures for warrants issued over \$50,000 is being deleted.

A review of other governmental and institutional bank clients of comparable size to M-DCPS in the South Florida area indicates, with one exception, that M-DCPS is the only entity to require manual signatures on checks. Current controls in the AP system already ensure that only authorized payments are processed. The 2001 Disbursement Audit performed by the Profit Recovery Group reviewed a 36 month period, tested over 400,000 transactions totaling over \$1.84 billion and concluded that over 99% of the transactions were processed correctly.

In addition, debt service and lease payments on Certificates of Participation are part of the standard treasury functions and should not be treated as other 3<sup>rd</sup> party transfers requiring approval by the Superintendent of Schools or designee.

The Office of Management and Compliance Audits has reviewed the revisions and concurred with the proposed changes.

Attached are the Notice of intended Action and the rule proposed for amendment. Changes from the current rule are indicated by underscoring words to be added and ~~striking through~~ words to be deleted.

Authorization of the Board is requested for the Superintendent to initiate rulemaking proceedings in accordance with the Administrative Procedure Act for the amendment of School Board Rule 6Gx13-3A-1.012, Procedures for Warrants and Electronic Transfer of Board Funds.

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida authorize the Superintendent to initiate rulemaking proceedings in accordance with the Administrative Procedure Act to amend School Board Rule 6Gx13-3A-1.012, Procedures for Warrants and Electronic Transfer of Board Funds.

## NOTICE OF INTENDED ACTION

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, announced on November 17, 2004, its intention to amend School Board Rule 6Gx13-3A-1.012, Procedures for Warrants and Electronic Transfer of Board Funds, at its meeting of January 19, 2005.

**PURPOSE AND EFFECT:** The rule is amended to reflect updated procedures for Procedures for Warrants and Electronic Transfer of Board Funds to streamline and reduce non-value added procedures from the payment process. Reference to the requirement for manual signatures for warrants issued over \$50,000 is being deleted. In addition, debt service and lease payments on Certificates of Participation are part of the standard treasury functions and should not be treated as other 3<sup>rd</sup> party transfers requiring approval by the Superintendent of Schools or designee.

**SUMMARY:** Board Rule 6Gx13-3A-1.012, Procedures for Warrants and Electronic Transfer of Board Funds, is amended to reflect updated procedures for Electronic Funds Transfers.

**SPECIFIC LEGAL AUTHORITY UNDER WHICH RULEMAKING IS AUTHORIZED:** 1001.41(1)(2); 1001.42(22); 1001.43(10) F.S.

**LAW IMPLEMENTED, INTERPRETED, OR MADE SPECIFIC:** 215.85; 668; 1010.11 F.S.; 6A-1.0012 F.A.C.

IF REQUESTED, A HEARING WILL BE HELD DURING THE BOARD MEETING OF January 19, 2005, which begins at 1:00 p.m., in the School Board Auditorium, 1450 N.E. Second Avenue, Miami, Florida 33132. Persons requesting such a hearing or who wish to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative as provided by Section 120.541(1), F.S., must do so in writing by December 13, 2004 to the Superintendent of Schools, Room 912, at the same address.

ANY PERSON WHO DECIDES TO APPEAL THE DECISION made by The School Board of Miami-Dade County, Florida, with respect to this action will need to ensure the preparation of a verbatim record of the proceedings, including the testimony and evidence upon which the appeal is to be based. (Section 286.0105, Florida Statutes)

A COPY OF THE PROPOSED AMENDED RULE is available to the public for inspection and copying at cost in the Citizen Information Center, Room 158, 1450 N.E. Second Avenue, Miami, Florida 33132.

Originator: Mr. Eduardo A. Alfaro  
Supervisor: Ms. Ofelia San Pedro  
Date: November 3, 2004

District Budget**PROCEDURES FOR WARRANTS AND ELECTRONIC TRANSFER OF BOARD FUNDS**

The following procedures shall be followed for the disbursement of District funds by warrants and through electronic transfer.

**I. Warrants**

- A. Warrants for ~~amounts under \$50,000~~ are to be executed by facsimile signature of the Chair and Superintendent of Schools.
- ~~B. Warrants for amounts of \$50,000 and over must be executed by facsimile signature and must have the manual signature of one of the administrators designated by the Superintendent of Schools.~~

**II. Electronic Funds Transfer (EFT's)**

- A. EFT's initiated by the School Board must be authorized under the School Board's current Banking Services Agreement. The Banking Services Agreement must be signed by the School Board Chair and the Superintendent of Schools and must specify that the Chief Financial Officer and the Treasurer jointly must sign each Wire, Automatic Clearing House (ACH), and/or Electronic Data Interchange (EDI) Agreements. Every account being debited/credited must be pre-authorized under a Repetitive Wire Transfer Agreement, or an ACH Agreement.
- B. EFT's between School Board accounts are to be executed by staff who are bonded and authorized by the Chief Financial Officer and the Treasurer. These transfers include the funding of accounts used to pay expenditures, beneficiaries, and claims. The transfers do not represent direct 3rd party payments of an expenditure, advance, or reduction of cash asset.
- C. EFT's to the Charter School's or for the benefit of the Charter School will be authorized by the originating department head, the Chief Financial Officer or their designee, and by one of the following staff: Chief Budget Officer, Controller, or Treasurer.

D. EFT's representing payments processed under the Accounts Payable or Payroll systems will be executed as follows:

1. Payments under ~~\$50,000~~ are executed under the rules of the ACH, EDI, or Direct Deposit Agreements.
2. ~~Payments of \$50,000 or over are to be executed under the rules of the ACH or EDI Agreement and must have their supporting documentation reviewed and signed by one of the administrators designated by the Superintendent of Schools to sign warrants \$50,000 and over.~~
3. Payments for Payroll Taxes and for funding of the State's Retirement System are to be executed under the Direct Deposit Agreements set-up by the Internal Revenue Service and by the State of Florida, respectively.

E. Payments to the Depository Trust Company or other paying agent or trustee for debt service or lease payment on Certificates of Participation shall be paid under the repetitive wire transfer agreement pre-authorized by the Treasurer and Chief Financial Officer.

EF. EFT's representing 3rd party payments of expenditures, advance, or reduction of cash assets, which were not processed under the Accounts Payable or Payroll systems will be authorized by the Originator, the Department Head, the Chief Financial Officer or designee, and the Superintendent of Schools or designee. These payments include but are not limited to payment of health insurance premiums ~~debt service for general obligation bonds, basic lease payments for certificates of participation~~ and payment of any other obligations of the District similar in nature.

FG. The Superintendent of Schools designates the Treasurer, Assistant Treasurer, or the Director of Treasury Systems to confirm EFT's with the financial institutions servicing the School Board by email, fax, and or mail.

- III. Payments under Custodial/Trust Agreements or 3<sup>rd</sup> Party Agreements to pay Insurance Claims will be governed by the provision of the applicable agreements.

The Superintendent shall designate by directive the individuals who are his designees as set forth in this Board Rule.

Specific Authority: ~~230.22(2); 230.23(22)~~ 1001.41(1)(2); 1001.42(22); 1001.43(10) F.S.  
Law Implemented, Interpreted, or Made Specific: ~~237.244~~ 215.85; 668; 1010.11  
F.S.; 6A-1.0012 F.A.C.

**History: THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

New: 4-4-90

Amended: 1-9-91; 4-3-91; 10-23-02