

REFERENCE TITLE: school districts; accounts; direct deposit

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

HB 2183

Introduced by
Representative Tobin

AN ACT

AMENDING SECTION 15-1221, ARIZONA REVISED STATUTES; RELATING TO SCHOOL DISTRICT ACCOUNTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-1221, Arizona Revised Statutes, is amended to
3 read:

4 15-1221. Bank account; federal savings bonds; withholdings;
5 vendor electronic payments; payroll direct deposit

6 A. The governing board may establish a bank account for the purpose of
7 depositing the monies it withholds for each employee for payments under
8 federal savings bond plans until the employee accumulates sufficient monies
9 for the purchase of bonds under the plan. The governing board may make
10 disbursements from the bank account only by check payable to the financial
11 institution in which the monies are deposited for the purchase of bonds by
12 the employee from the financial institution. The bank account may be
13 interest-bearing, and the governing board shall transfer any interest at the
14 end of the fiscal year to the county treasurer for credit to the maintenance
15 and operation fund of the school district.

16 B. The governing board may establish a bank account for the purpose of
17 making electronic payments to vendors. The account may be a revolving
18 account, funded by the school district by a warrant requested from the county
19 school superintendent and drawn on the county treasurer for an amount equal
20 to the vendor's payment amount. The account may be an interest bearing
21 account. The account shall be a clearing account maintaining a zero balance
22 and shall not accumulate funds except for any account interest balances. The
23 district governing board shall transfer any interest at the end of the fiscal
24 year to the county treasurer for credit to the maintenance and operation fund
25 of the school district.

26 C. The governing board of a school service program established
27 pursuant to section 15-365 may establish a bank account for the purpose of
28 making electronic payments to vendors. The account may be a revolving
29 account, funded by the school service program by a warrant requested from the
30 county school superintendent and drawn on the county treasurer for an amount
31 equal to the vendor's payment amount. The account may be an interest bearing
32 account. The account shall be a clearing account maintaining a zero balance
33 and shall not accumulate funds except for any account interest balances.

34 D. THE GOVERNING BOARD MAY ESTABLISH A BANK ACCOUNT FOR THE PURPOSE OF
35 MAKING PAYROLL DEPOSIT PAYMENTS TO SCHOOL DISTRICT EMPLOYEES. THE ACCOUNT
36 MAY BE A REVOLVING ACCOUNT THAT IS FUNDED BY THE SCHOOL DISTRICT FOR WARRANTS
37 REQUESTED FROM THE COUNTY SCHOOL SUPERINTENDENT AND DRAWN BY THE COUNTY
38 TREASURER FOR AN AMOUNT EQUAL TO THE PAYROLL DIRECT DEPOSIT PAYMENT. THE
39 ACCOUNT SHALL BE A CLEARING ACCOUNT THAT MAINTAINS A ZERO BALANCE AND THAT
40 DOES NOT ACCUMULATE MONIES EXCEPT FOR INTEREST EARNED ON THE ACCOUNT. THE
41 SCHOOL DISTRICT GOVERNING BOARD SHALL TRANSFER ANY INTEREST EARNED ON THE
42 ACCOUNT AT THE END OF THE FISCAL YEAR TO THE COUNTY TREASURER WHO SHALL
43 CREDIT A CORRESPONDING AMOUNT TO THE MAINTENANCE AND OPERATION FUND OF THE
44 SCHOOL DISTRICT.

45 ~~D.~~ E. The auditor general in conjunction with the department of
46 education shall prescribe the procedures for accounting for the monies
47 withheld pursuant to this section in the uniform system of financial records.