

CHAPTER 3           DISTRICT FINANCIAL MATTERS

SECTION 3           DISTRICT BANKING AND OTHER FINANCIAL MATTERS

3.01           DESIGNATION OF DEPOSITORY

The Board of Directors shall designate a depository or depositories to have custody of District funds, which depositories shall give the District sufficient collateralization to secure the District against possible loss, as required by law. Only such person or persons authorized by the Board may sign checks to withdraw funds from any of such depositories.

The General Manager, Secretary, Treasurer, -Chief Financial Officer, and all other employees or assistants of the District who may be required to do so by the Board of Directors, shall give such fidelity or performance bonds to the District as the Board may from time to time require. The premium for such bonds shall be paid by the District.

3.02           DEPOSIT OF CASH

All funds received by the District from any source whatsoever shall be promptly deposited in one of the time or demand bank accounts established by resolution of the Board of Directors. It shall be the responsibility of the Chief Financial Officer of the District and of his/her deputies, who have been or may be appointed, to assure such prompt deposit of funds.

3.03           TYPES OF ACCOUNTS AND INVESTMENT ACCOUNTS

A. The following types of bank accounts and investment accounts shall be established and maintained for District funds as directed or approved by the Board of Directors:

1. Demand Deposit Account. All funds, when first received, shall be deposited in one of the demand deposit accounts established under Section 3.02. However, the- Chief Financial Officer, or his/her designee, shall cause those funds for which an early demand is not foreseen, to be transferred

to a time deposit account or to an investment account to produce an interest return as soon as practicable.

2. Time Deposit Account. Funds for which an early demand is not foreseen shall be transferred from a demand deposit account to a time deposit account or invested in an investment authorized under 3 of this Section 3.03.
3. Investments. As an alternative to placing funds in a time deposit account, funds may be invested in the form of securities authorized by Section 53601 of the California Government Code and District Policy No. 27.

#### 3.04 CLASSES OF BANK ACCOUNTS

A. The following classes of accounts shall be established and maintained for the District:

1. General Accounts. All District funds shall be placed in one or more of the types of accounts or investments listed under Section 3.03. Such funds shall be designated "Otay Water District, General Account" except for funds which are to be placed in special accounts as may be directed by the Board of Directors or as otherwise authorized in this Section 3.04. Such special accounts may be any one of the types listed in Section 3.03.
2. Payroll Account. One special demand deposit account, designated "Otay Water District, Payroll Account," shall be maintained for the sole purpose of paying wages, salaries and taxes for District employees. No funds shall be deposited in this account except funds withdrawn by check or transfer from a General Account.

#### 3.05 TRANSFER OF FUNDS FROM ONE ACCOUNT TO ANOTHER

A. The Chief Financial Officer of the District or his/her designee is authorized and is delegated the responsibility of directing banking institutions to transfer funds from one type of account to another type in

a financial institution which has been approved by the Board of Directors. For the purpose of such transfers the types of accounts designated "Demand Deposits," "Time Deposits," and "Investment Accounts" shall be interchangeable at the direction of the Chief Financial Officer or his/her designee with after-the-fact approval of the Board.

3.06 WITHDRAWAL OF FUNDS

A. Funds may be withdrawn from any class of demand deposit by issuance of a check or by means of a wire transfer which must be approved by two authorized signers.

B. All checks drawn against the General Accounts shall be listed in numerical order on a list of demands that shall be included in a report to the Board of Directors on a regular basis.

C. All checks drawn against the General Accounts or payroll account must be executed using a facsimile signature or require the signatures of two signers. Checks will not be released until approved by the General Manager and the Chief Financial Officer; or individuals designated by the General Manager or Chief Financial Officer, respectively.

3.07 DIRECTIONS PERTAINING TO DEMAND DEPOSITS

Each demand deposit account shall be established only by resolution which shall contain directions therein as to the persons who may sign checks on the account.

3.08 FISCAL YEAR

The fiscal year of the District shall be the period beginning July 1 of each calendar year through June 30 of the next calendar year.

3.09 CLOSING OF BOOKS OF ACCOUNT

Within 30 days after the last day of each fiscal year, the Chief Financial Officer shall cause all final entries for such fiscal year to be made in the District books of

account, prepare them for examination by the external Auditor, and notify the Auditor that the books of account are ready for audit.

3.10            APPOINTMENT OF AN AUDITOR FOR ANNUAL AUDIT OF  
BOOKS OF ACCOUNT

The Auditor for the District shall be appointed by the Board of Directors and shall serve thereafter until such time as the Auditor may resign, the appointment may be revoked by the Board, or a successor has been appointed by the Board.

Within 60 days after the books of account have been prepared for the Auditor's use, as provided in Section 3.09, the Auditor shall perform and submit the annual audit of said books of account to the District.