M___. _____ introduced the following resolution and moved its passage:

RESOLUTION DECLARING PUBLIC DEPOSITORY OF THE DISTRICT TO BE OPERATING IN AN UNSAFE AND UNSOUND MANNER AND DIRECTING THE WITHDRAWAL OF ACTIVE DEPOSITS OF DISTRICT MONEYS WITH THE PUBLIC DEPOSITORY

WHEREAS, pursuant to ORC Section 135.04(G) the Ridgedale Local School District Board of Education (the "Board") was required, when designating public depositories earlier this year, to award the active deposits of public moneys of the Ridgedale Local School District (the "District") in excess of twenty-five thousand dollars ($25,000) to each eligible applicant, including Fahey Bank, a designated public depository of the District; and

WHEREAS, Fahey Bank does not offer "Positive Pay", a fraud mitigation service designed to prevent unapproved withdrawals caused by fraudulent checks, or an equivalent fraud prevention system offered by other banks to prevent unapproved withdrawals; and

WHEREAS, in the time since Fahey Bank was awarded active deposits of District moneys earlier this year, there have been three separate occurrences where, without approval of the District, money was withdrawn from the active deposits of District moneys on deposit with Fahey Bank, including a fraudulent check for One Hundred Twenty Thousand Dollars ($120,000.00); and

WHEREAS, the Board is deeply concerned about the possibility of further fraudulent withdrawals from the active deposits of District moneys with Fahey Bank in light of the lack of Positive Pay offered by Fahey Bank and the three separate unapproved withdrawals; and

WHEREAS, ORC Section 135.12(C) permits a board of education, during a designation period, to determine that a public depository is operating in an unsafe and unsound manner and designate a different public depository of the public moneys of the political subdivision for the remainder of the designation period.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board determines that Fahey Bank is operating in an unsafe and unsound manner due to the three unapproved withdrawals from the active deposits of District moneys on deposit with Fahey Bank in connection with Fahey Bank failing to offer Positive Pay or an equivalent fraud prevention system offered by other banks.

2. The Treasurer is directed to withdraw the active deposits of the District's moneys previously awarded to Fahey Bank and to place those funds with the other public depositories of the District who were awarded active deposits, allocating to no public depository an amount exceeding that depository's application for active deposits.

M__. _____ seconded the motion that the above resolution be adopted.

Upon roll call on the adoption of the resolution, the vote was as follows:

Yeas: _____

Nays: _____

Passed: _____

BOARD OF EDUCATION OF THE
RIDGEDALE LOCAL SCHOOL
DISTRICT

_____
Board President

Attest: _____
Treasurer