

State of Rhode Island
Department of Administration

OFFICE OF ACCOUNTS AND CONTROL

SECTION	POLICY/PROCEDURE NUMBER	
	A-44	
SUBSECTION	EFFECTIVE DATE /	PAGE NUMBER
	June 15, 1994	Page 1 of 4
POLICY / PROCEDURE	AMENDMENT	/ REVISION
Bank Depository Accounts		October 28, 2016

The following sections of State law establish the General Treasurer and the State Controller as the State officials with authority over all cash receipts and disbursements of the State: 42-10-1; 42-10-9; 42-10-10; 42-10-13; 35-6-7; 35-6-8; 35-6-34; 35-6-36.

Per section 11-28-1 of the General Laws, every person receiving or having in his/her possession money belonging to the State that should be paid into the State treasury is required to transmit it to the General Treasurer within seven (7) business days after receipt. Practically speaking, this means that all monies received on behalf of the State of Rhode Island are to be deposited into a bank account within the custody and control of the General Treasurer within seven (7) business days of receipt.

Based on the above statutes, it is the policy of the State to limit the number of bank accounts used for State funds to only those authorized and approved by the General Treasurer and the State Controller.

However, recognizing that it might not always be economical or efficient to require all State departments and agencies to deposit State cash receipts into a bank account controlled by the General Treasurer, this procedure A-44 has been devised to allow State departments and agencies to request permission to establish a bank account under their own jurisdiction for the temporary deposit of State monies. Such a departmental/agency bank account can only be used as a "clearing" account to hold the monies until such time as they are periodically transferred to the General Treasurer in accordance with section 11-28-1.

Prior to the establishment of any new cash clearing account, an agency shall submit to the State Controller and the General Treasurer a justification (Form A-44B) of the need for such an account. If they agree that the agency's need for the new account is valid and that the agency has adequate accounting controls in place, they will indicate their approval at the bottom of form A-44B and send a copy of this form back to the agency, whereupon the agency shall be deemed authorized to establish the account.

State of Rhode Island
Department of Administration

OFFICE OF ACCOUNTS AND CONTROL

SECTION	POLICY/PROCEDURE NUMBER	
	A-44	
SUBSECTION	EFFECTIVE DATE /	PAGE NUMBER
	June 15, 1994	Page 2 of 4
POLICY / PROCEDURE	AMENDMENT	/ REVISION
Bank Depository Accounts		October 28, 2016

The General Treasurer shall also complete a Bank Depository Account Authorization letter, sign it, and return it to the requesting State department or agency. (A sample letter is provided at the end of these procedures). The State agency shall then forward the letter to the financial institution selected by the General Treasurer for the depository account.

Such an authorized clearing account cannot be used as an imprest (petty) cash fund to disburse nominal operating expenses. Refer to Policy/Procedure A-15 for how to request the establishment of an imprest fund.

A State department or agency is limited to no more than one bank depository clearing account.

Once a depository clearing account is established, no personal or other checks are to be cashed from it, nor may it be used to make pay advances to employees.

The account must be kept intact and not be comingled with any other funds or accounts such as a petty cash fund.

If a change in the custody or location of the account should occur, both the former and successor custodians must sign a statement showing the exact financial status of the account at the date of change. A copy of this statement must be sent to both the General Treasurer and the State Controller.

Any agency authorized to operate a bank depository account shall report certain information as requested by the General Treasurer on a semi-annual basis. Copies of this information should be kept on file both in the office of the agency having custody of the account and in the reconciliation section of the General Treasurer's Office.

State of Rhode Island
Department of Administration

OFFICE OF ACCOUNTS AND CONTROL

SECTION	POLICY/PROCEDURE NUMBER	
	A-44	
SUBSECTION	EFFECTIVE DATE /	PAGE NUMBER
	June 15, 1994	Page 3 of 4
POLICY / PROCEDURE	AMENDMENT	/ REVISION
Bank Depository Accounts		October 28, 2016

The General Treasurer and the State Controller shall be notified of the dissolution of any bank depository clearing account. Form A-44B shall be used for this notification. A report of the amount of the account's balance prior to dissolution and of the destination to which this balance was transmitted shall be sent to both the General Treasurer and the State Controller.

Any bank depository account operated by a State department or agency is subject to audit at any time by the State Controller, the Office of Internal Audit, and the Office of the Auditor General.

State of Rhode Island
Department of Administration

OFFICE OF ACCOUNTS AND CONTROL

SECTION

POLICY/PROCEDURE NUMBER
A-44

SUBSECTION

EFFECTIVE DATE / PAGE NUMBER
June 15, 1994 Page 4 of 4

POLICY / PROCEDURE
Bank Depository Accounts

AMENDMENT / REVISION
October 28, 2016

SAMPLE

TO:

FROM: Office of the General Treasurer

SUBJECT: LETTER OF AUTHORIZATION FOR A NON-TREASURER BANK ACCOUNT

You are hereby authorized to establish a bank account which does not contain the signature of the General Treasurer and/or the State Controller. The authorization is provided to establish the following account only.

Account Name: _____

Account Purpose: _____

Account Signatories: _____

Bank: (Authorized Bank for Account) _____

You are to contact the following individual to establish the account: (Bank Official in charge of account groupings) _____

The Office of the General Treasurer reserves the right to review the activity of the account as well as the fees and compensatory balance.

If there are any questions, please contact this office.

Cc: Auditor General
Bank Official and Bank