



Policy Number	Section Name	Policy Name	Effective Date	Revised Date
CM-100002	Cash Management	Bank Administration		

I. Purpose

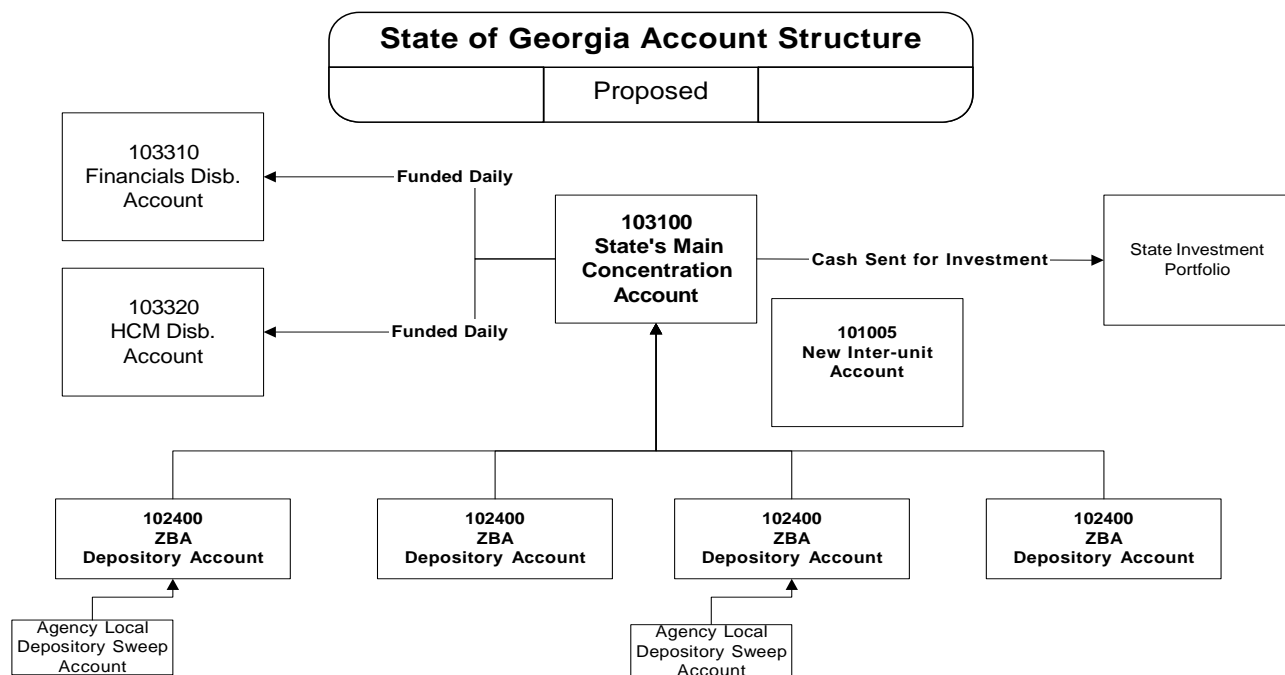
The purpose of this policy is to outline guidelines for state agencies to follow when opening, closing, updating and recording transactions for all bank accounts, and other information necessary to process and monitor the State of Georgia’s cash flow transactions.

II. Background

The State Accounting Office (SAO) and Office of Treasury and Fiscal Services (OTFS) are jointly responsible for the Bank Administration functionalities for the State of Georgia. Pursuant to [OCGA §§50-17-50](#) et seq, all bank accounts must be approved by the State Depository Board, and OTFS is responsible for administering the law on behalf of the State Depository Board. The State Accounting Office is required by [OCGA §§50-5B-3](#) to “Prescribe, develop, operate, and maintain uniform state accounting systems for all state organizations...in accordance with GAAP.”

The Bank Administration business process consists of two separate activities. First, an agency must request approval from the State Depository Board before opening a depository account via OTFS. Secondly, if the request is approved, the agency shall contact SAO to add the banking information into PeopleSoft Financial System, to modify existing bank information relating to the bank, bank account, contacts, or other information necessary to process and monitor the agency’s bank account.

The diagram below shows the Streamlined Banking Account Structure of the State of Georgia.



The Streamlined Banking Account structure comprises of:

1. Two Main Disbursement Accounts: one for operating (GL cash account -103310), and one for payroll (GL cash account – 103320), a Concentration Account (GL cash account -103100, and a Netting account (GL cash account – 101005) owned by OTFS.
2. The agency Main Depository Accounts (Bank of America account) owned by each individual agency. The same GL cash account-102400 will be used for all Agency Main Depository Accounts.
3. Agencies will continue to use their existing GL cash accounts for their Agency Local Depository accounts.
4. The Main Depository account and local depository account will not have disbursement capabilities, their balances are swept to the Main Concentration Account.
5. Inter/intra-unit accounting will be used for the Streamlined Banking accounting entries. The system will automatically assign inter/intra-unit entries for any accounting entries between business units, between funds, etc.
6. The inter-unit (Agency) Bank account (101005 – Cash in Bank-Treasury Bank) will be used to determine cash balances by agency.
7. Agency Revenue and Allotment for each agency will be recorded in the GL cash account – 101005.
8. ZBA entries will be booked to track the movement of cash to/from the concentration account.
9. The GL Allocation process will be run daily to move balances when applicable (e.g. Revenue Collections Remittances).

III. Policy

- A. Agencies must obtain approval from the State Depository Board before opening any state bank account based on the guidelines from OTFS in [Section 3 OCGA§ 50-5A-7](#)
- B. Agencies, upon approval by the State Depository Board, may be allowed to open an additional depository account. (See procedures below)
- C. All disbursements (HCM and Financials) will be made from the State's two main disbursement accounts at Wachovia.
- D. Agencies must notify OTFS promptly when a state bank account is no longer needed.

IV. Procedures for Streamlined Banking Agencies

A. Procedures to Open a Bank Account

- 1. The account request must be submitted to the State Depository Board for approval.
- 2. To open a bank account, agencies must submit a request to the Director of the Office of Treasury and Fiscal Services. Any account that is not a sub-account of the Streamlined banking depository account must be approved by the State Depository Board.
- 3. The [Bank Service Request Form](#) should be forwarded to the OTFS with the following information:
 - a. Describe the nature of the funds to be deposited.
 - b. Any special consideration concerning banking services or location.
 - c. Specify the name and title of the individual who will be the custodian of the funds.
 - d. The date the account is needed.
- 4. OTFS will forward the request to the State Depository Board for approval.
- 5. Once the agency receives the approval, the agency will be responsible for contacting the respective bank to open the account.
- 6. Agencies will need to file the [State Agency Signature Card and Depository Agreement Form](#) with OTFS.
- 7. Agencies should complete the [Bank Account Request Form](#), and forward to SAO Cash Management Group.
- 8. The SAO Cash Management Group will add information from the [Bank Account Request Form](#) into the PeopleSoft system upon approval.

9. SAO business analyst enters banking information in PeopleSoft and maintains information on bank account and bank contacts.
10. SAO will notify the agency when the bank account is activated on the PeopleSoft Financial System.

B. Updating Bank Account Information

1. Any changes in account set-up or signatories must be done with OTFS approval.
2. Changes to banking information should be completed and forwarded to OTFS using [Bank Service Request Form](#).
3. SAO will communicate changes to the bank account and enter changes on PeopleSoft.
4. Agencies will communicate with SAO regarding changes to the Local Depository Accounts.

C. Bank Supplies

Agencies on Streamlined Banking must order bank supplies directly from Bank of America by faxing the [Bank Supplies Request Form](#) located on SAO website to Bank of America.

D. Restricted Funds

1. Agencies that have legal requirements to account for specific funds that must be separated from the commingled funds shall contact SAO and establish a separate accounting structure in PeopleSoft and any other unique banking requirement.
2. Based on the information provided by agencies, SAO will determine the proper accounting structure and to segregate the funds.
3. If the restricted funds are legally allowed to retain interest earning on the available cash balances, the agency must establish a separate account with OTFS in Georgia Fund 1. Interest is allocated to monies invested in Georgia Fund 1 on a monthly basis.
4. Agencies will deposit funds in the depository bank account.
5. Agency will code the accounting entry to record deposit to GF1 through OTFS process.

VI. Definitions

Agency- Department, board, commission, or authority of state government

Disbursement Account- Bank account for a payment of funds by check, EFT, or any other technological payment method. (Wachovia)

Georgia Fund 1 Account (GF1) - the combined state and local government investment pool managed by the Office of Treasury and Fiscal Services

Local Depository Account- Any other depository account not at Bank of America for agency's collection. The balance will be swept into the agency's main depository account.

Main Depository Account – Depository bank accounts at Bank of America used by each Streamlined Banking agencies as an operating cash account with same cash account number (102400-Cash in Bank-Depository Account).

Restricted Funds (interchangeable with Restricted Asset) - Funds whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation

Streamlined Banking- Centralized bank account structure implemented by SAO and OTFS to expedite receipting, investing and the management of the state monetary (cash resources)

Signature Card- Card executed by a customer upon opening a bank account. The card contains the signature(s) of the individual authorized to sign checks drawn against the account.

State Bank Account- Bank accounts that are owned, held, or administered by a state agency, regardless of the source of the funds. This includes all types of depository, checking, or savings accounts maintained in any type of financial institution.

See Also:

- [CM- Bank Settlement \(Wires\)](#)
- [CM- Cash Receipts](#)

VII. Approval

Statewide Accounting	OTFS
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VIII. Revision History

Version	Date
1	