

Bureau of State Accounting Operations

Cash Management

Administration of State Agency Bank Accounts



NYS COMPTROLLER

THOMAS P. DiNAPOLI

Opening a New Bank Account

OSC Guide to Financial Operations

The screenshot shows a web browser window displaying the OSC Guide to Financial Operations. The browser's address bar shows the URL: <http://www.osc.state.ny.us/agencies/guide/MyWebHelp/Default.htm>. The page title is "XIV.4.B Establishment and Closing of Bank Accounts".

The left-hand navigation menu is visible, with the following items:

- Welcome
- I. OSC Guide to Financial Operations Overview
- II. New York State (NYS) Financial Accounting
- III. Statewide Financial System (SFS) Overview
- IV. Accounting Codes – Uses and Descriptions
- V. Chart of Accounts (COA) Governance
- VI. Budgets
- VII. State Revenues and Appropriated Loan R
- VIII. AP Journal Vouchers and GL Journal Ent
- IX. Federal Grants
- X. Vendor/Customer Management
- XI. Procurement and Contract Management
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 - 4. Agency Bank Accounts**
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 - 9. Statewide Financial System Imaging an
 - 10. Travel and Purchase Rewards Progr
 - 11. Cost Allocation
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The main content area displays the following information:

You are here: XIV. Special Procedures > 4. Agency Bank Accounts > B. Establishment and Closing of Bank Accounts

XIV.4.B Establishment and Closing of Bank Accounts

Agency Request

It is the agency's responsibility to request to establish a bank account. Each agency must obtain authorization from the OSC Bureau of State Accounting Operations Cash Management Unit (BSAO CMU) to establish a new bank account through a request in writing. Upon receipt of the agency's formal request for a bank account, OSC will evaluate the request to determine if the establishment of the account is consistent with all relevant rules, regulations, and statutes, and to determine if the account is necessary for its operations. To ensure that each new account is established consistent with the overall financial operation of the requesting agency, each request must be approved by the Chief Fiscal Officer of the requesting agency or by a designee.

The request letter must include the following:

- Name and purpose of the account;
- Statutory reference where applicable;
- Justification for establishing the new account;
- Estimated initial balance;
- Estimated maximum balance anticipated on both a short-term and a long-term basis;
- A description of the flow of cash, e.g., "the cash will be held by the agency until disbursed", or "the cash will be transferred to the State Treasury";
- Address of the office making deposits and withdrawals;
- Name and title of official(s) in charge of the account;
- Name and location of a commercial bank where the agency wishes to open the account;
- The services anticipated to be provided by the bank;
- Affirmation that the account custodian understands the need for and has implemented internal controls necessary to protect state assets - including monthly reporting and bank to book reconciliations.

All correspondence concerning agency bank accounts should be sent to:

Office of the State Comptroller
Bureau of State Accounting Operations
Cash Management Unit
110 State Street - 9th Floor
Albany, New York 12236



Banking Services

- OSC is responsible for the oversight of all banking services related to the funds of the State.
- OSC must approve any bank account.
- No bank account containing State monies may be charged any account or service fees.
- OSC generally pays for ordinary and routine banking services for state agencies.



Banking Services

Cash Management Contact Information:
(For bank account questions and online access)

BankingServices@osc.ny.gov



Future of Bank Accounts

- Improve efficiency of statewide banking activity
 - Consolidate/Close bank accounts
 - Automating processes
 - Reduce banking service costs
 - Reduce reconciliations
 - Bank activity through SFS



Sole Custody Accounts

➤ Statutorily Created

- Created per legislation
- Monies are never transferred to the State Treasury except for investment purposes
- Investment Fund would not have appropriation authority
- Bank account could be authorized to issue checks

➤ Administrative Revenue Collection

- Bank account serves as an extension of the NYS General Checking Account
- Collection of monies to be transferred to the State Treasury
- No checks issued from bank accounts



Current Sole Custody Topics

- Check stock for new bank accounts
 - Permissible for statutory sole custody accounts, if needed
 - Checks should not be issued against a revenue collection sole custody account



Current Sole Custody Topics – Cont'd

- **Banking Legal Agreements**
 - Also called “Banking Service Agreements”
 - Formal, written, legal agreements or contracts that are required with every bank that provides banking services to the State of New York, including State agencies
 - Legally binding contracts



Current Sole Custody Topics – Cont'd

- Banking Legal Agreements (continued)
 - State agencies may not directly enter into any banking services agreement for paid banking services unless such payment is required by law or is reviewed and expressly approved by OSC.
 - Agencies must be aware of each bank's proposed documentation that seeks to obtain agreement to its terms and conditions.
 - Banking documents may not change OSC's required and approved terms and conditions with each of the banks to ensure that bank is not adding new terms.



Current Sole Custody Topics – Cont'd

Escheatment



Escheatment

Pursuant to §102 of the State Finance Law, the amounts of all uncashed checks and prepaid cards issued by or on behalf of the State for more than one year from the date of issuance shall be paid into the Abandoned Property Fund. The funds must be turned over by the applicable reporting date pursuant to OUF; April 30th. OSC will complete this transfer for the Comptroller's Refund Account and payroll checks. DTF Treasury will complete this transfer for Vendor, Employee Expense and SSI/SSP checks. **Business Units are responsible for transferring the funds from their agency sole custody accounts once the required information is transmitted to OSC OUF.**

For current escheatment dates for Refund, Payroll, Vendor, Employee Expense and SSI/SSP checks see [Operational Advisory 9 – Current Year Escheatment](#).

Once the proceeds of the uncashed payments for the year have been transferred to OUF, all future claims related to these proceeds shall be referred to OUF.

For further information on transferring funds to OUF, please refer to the OUF website at www.osc.state.ny.us/ouf. Questions can be directed to OUF at 1-800-221-9311 or by e-mail to NYSOUF@osc.ny.gov.



Questions?

- Cash Management Unit
cashmanagement@osc.ny.gov
- Chris Smith, CMU Manager
 - Phone (518)486-6761
crsmith@osc.ny.gov
- David Richter, CMU Assistant Manager
 - Phone (518)486-1222
drichter@osc.ny.gov
- Amanda Zibella, Supervising Accountant
 - Phone (518)474-7117
azibella@osc.ny.gov
- Michael Donadio, Supervisor
 - Phone (518) 473-0583
mtonadio@osc.ny.gov
- Erkki Oman, Supervisor
 - Phone (518)486-1241
eoman@osc.ny.gov

