

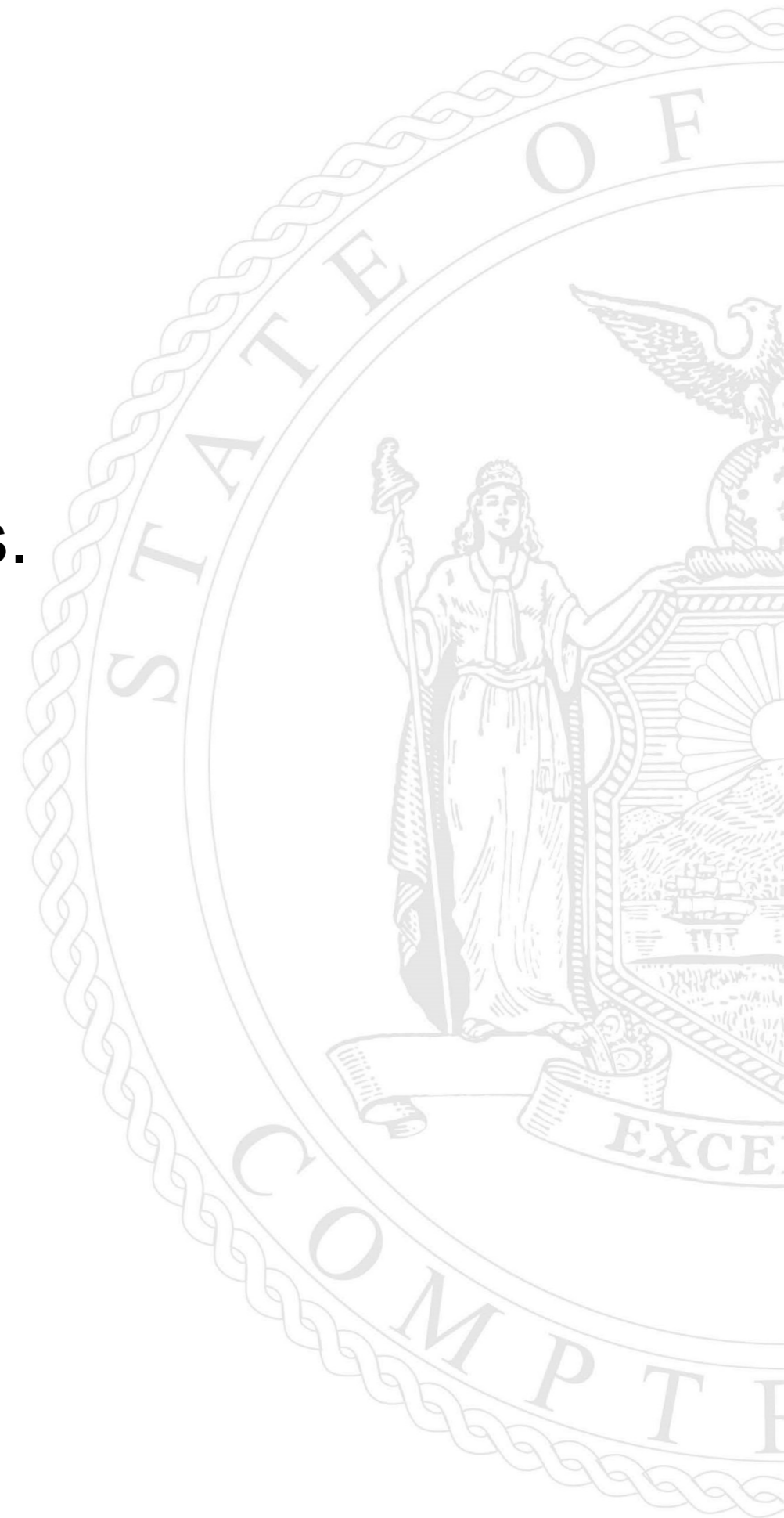
Cash Management: Banking Services & Banking RFPs

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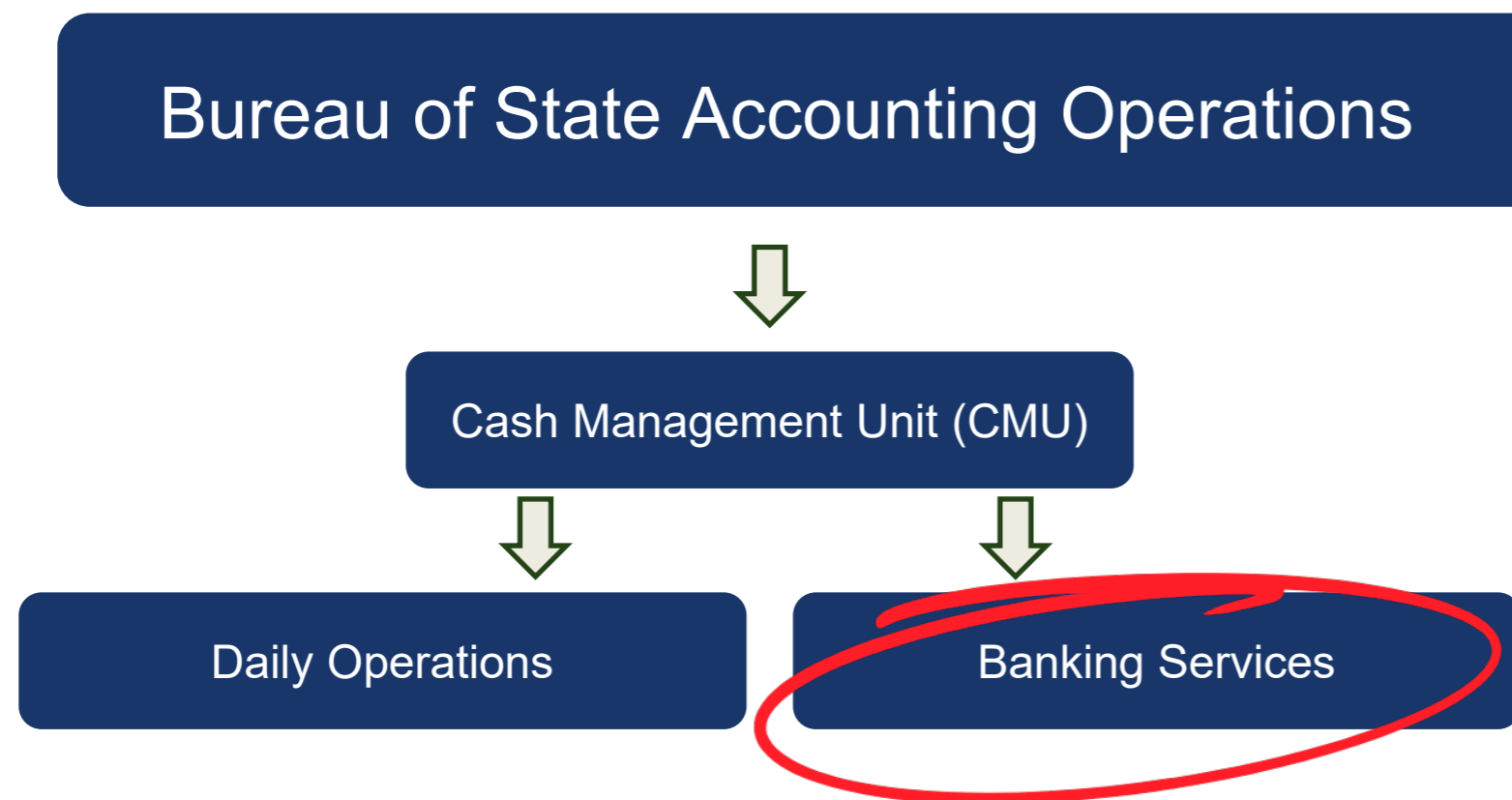


Purpose of Today's Session

- Understand agency responsibilities related to bank accounts
- Know when to contact Banking Services vs. the Bank
- Review required procedures for account setup, closure and new/updating services
- Clarify how banking services are paid for
- Overview of Banking RFPs and when to involve Banking Services



Who We Are – Banking Services



60+ BANKING RELATIONSHIPS ✓

1,900+ AGENCY BANK ACCOUNTS ✓

Why Banking Services Matters

- Protects State funds and ensures compliance
- Prevents unauthorized banking access
- Improves communication between agencies and OSC
- Clarifies responsibilities and reduces delays
- Supports an accurate and complete inventory



Banking Services Responsibilities

Include but are not limited to...

- Central oversight of account setup, closure and maintenance
- Signature Card Management
- Annual User Access Review
- Review and approval of banking services
- Participation in both statewide and agency banking RFPs



GFO Guidance

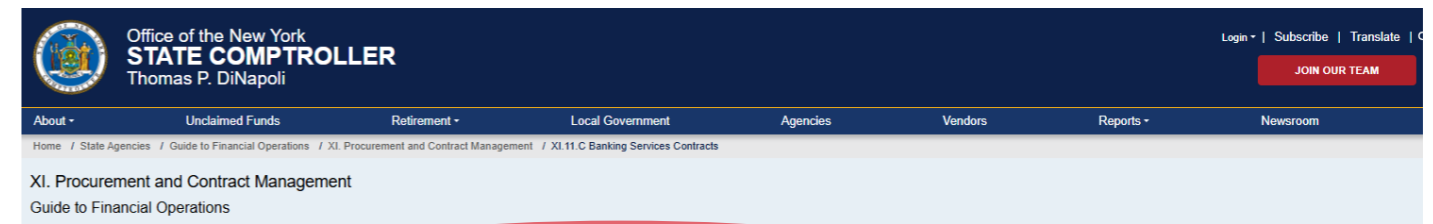
Quick Overview

Sections of Importance

XI.11.C – Banking Services Contracts

XIV.4.A – Agency Bank Accounts Overview

XIV.4.B – Opening & Closing Accounts



XI.11.C Banking Services Contracts

XI.1 Procurement and Contract Management Overview and Policies

XI.2 Comptroller Approval of Contracts and General Contracts Processing

XI.3 Submission of Agency Purchase Orders

XI.4 Grant Contracts

XI.5 Purchase Authorizations

XI.6 Quick Contracting

XI.7 Revenue and Repayment Agreements

Section 106 of the State Finance Law requires that moneys received by a state officer in his official capacity shall be deposited into a bank or trust company designated by the State Comptroller. See [Chapter XIV, Section 4.B - Establishment and Closing of Bank Accounts](#) for information on controls and special procedures for the establishment and closing of agency bank accounts.

This statute also requires all such deposits be secured by either a surety bond or by certain securities pledged as collateral as specified in Section 105 of the State Finance Law.

The purpose of this section is to: (i) define when a contract for banking services is necessary; (ii) set forth the requirements for competitively bidding for banking services; (iii) describe the methods of payment for services provided under banking services contracts.

The following definitions are applicable to this section:

1. Banking Services -- Services provided by a banking institution in maintaining a bank account, including, but not limited to: (i) the acceptance of deposits; (ii) the payment of checks; (iii) electronic funds transfers; (iv) lockbox services; (v) armored car services; (vi) stop payment services; and (vii) reconciliation services.

if banking services by check or electronic payment.

the provision of banking services by retaining deposits with the Accounting Operations - Cash Management Unit (BSAO CMU) of the Comptroller's Office.

banking facility, providing in writing the substantiation of the need for such services, may use banking institutions to provide services beyond the scope of the services provided.

Agencies should consider the actual or anticipated costs for all banking services to be used. Agencies must review their current banking relationships and (ii) moving similar bank accounts at multiple banking institutions.

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 with **Bank Compensation**

OSC is responsible for determining the amount of compensation a bank should receive for services related to state accounts. State agencies **may not** enter into any agreement with any bank for the payment of compensation for bank services unless such payment is required by law or is expressly approved by OSC.

Savings Accounts

No state agency should establish an interest bearing bank account without the express approval of OSC. The purpose of this restriction is to ensure that all state money that is available for investment is invested in a comprehensive manner with proper collateralization.

Unofficial State Accounts

It is *never* permissible for any state agency employee to open and maintain a bank account for unofficial business (e.g., coffee funds, goodwill funds, party funds, etc.). ~~no such account should ever be opened.~~ Federal ID number, or the names of either the State of New York or a state agency in the title of the account.

XIV.4.A Agency Bank Accounts Overview

A bank account may need to be opened and maintained by an agency for revenue collections, cash advances, or other authorized agency sole custody purposes. Pursuant to Section 106 of the State Finance Law requires that ALL monies received by any state officer or persons receiving moneys shall be deposited in a bank or trust company approved by the State Comptroller. Upon this mandatory approval, the Bureau of State Accounting Operations Cash Management Unit (BSAO CMU) will arrange for payment of banking services and collateralization of accounts.

It is the policy of OSC that all state agencies obtain the most economical and beneficial banking services and such banking services adequately meet the program needs of each department as well as provide for the maximum utilization of the state's cash. It is also the intent of OSC to limit the number of state bank accounts and the services provided to the minimum level necessary to meet these goals.

XI.11.C – Banking Services Contracts

Key Takeaways

- All banking services must be with OSC-approved institutions
- Agencies may not add or modify their own banking services
- Exceptions require approval from OSC Legal and Banking Services

XIV.4.A – Agency Bank Accounts

Overview

- Agencies may need various types of bank accounts dependent on their purpose
- All accounts must be authorized by OSC
- Each account must serve a specific function and be reviewed regularly



XIV.4.B – Opening & Closing Accounts

Key Points

Opening:

- Requested by agency → Approved and opened by Banking Services
- All correspondence should be sent to bankingservices@osc.ny.gov

Closing:

- Can be closed by Banking Services team or initiated by agency
- If closed by agency, Banking Services team must be notified within 10 days

Opening a Bank Account

Process Overview

- Submit request to Banking Services with required information:
 - Name and purpose of Account
 - Justification for establishing the new Account*
 - Estimated Average Balance
 - Address of the agency office making deposits and withdrawals
 - Name and location of bank where the account is requesting to be opened
 - Bank services the account will need (ex. Statements, Positive Pay)
- Banking Services team will review request and make a determination. If approved, Banking Services will proceed with opening the account with the bank
- Bank Setup – Once account is opened, agency can work with Banking Services and Cash Management for various bank setup needs (ex. Cash Management sweep setup, SFS setup, online banking users, etc.)

**Note: Justification is important due to ongoing efforts to reduce the number of bank accounts held by the State.*

Closing a Bank Account

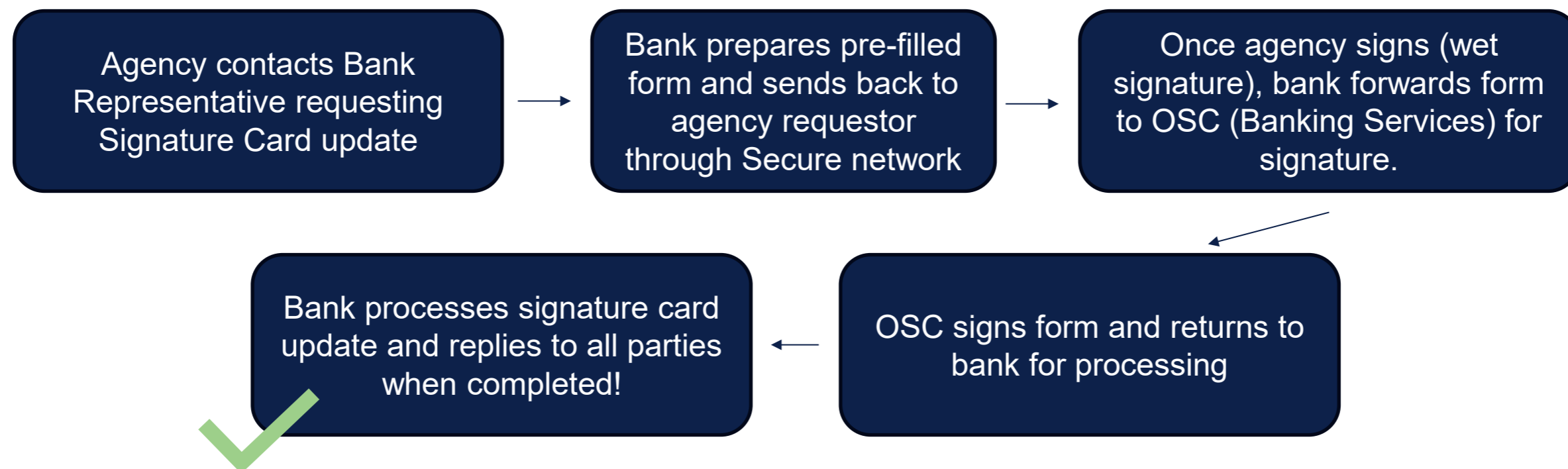
Process Overview

Account Closed by Agency	Account Closed by Banking Services
<p>Notify Banking Services within 10 Days of Closure</p> <ul style="list-style-type: none">- Include email from banking representative confirming the account is closed- Return or destroy unused checks/scanners according to the bank’s instructions <p><i>- It is extremely important to notify Banking Services when accounts are closed for financial reporting purposes, SFS purposes, and accurate inventory reporting</i></p>	<ul style="list-style-type: none">- Notify Banking Services that you’d like to close the account- Provide statement showing that the account balance is zero or if you require our assistance to disburse the balance- Banking Services Team will work with Bank to close the account- Banking Services will notify agency requestor when the account has been closed

Signature Cards & Account Ownership

- Signature Cards list Authorized Signers
- Should consider agency internal controls
- Banking Services maintains copies and coordinates updates
- Please be prompt with updating signature cards with staff changes!

Typical Signature Card Update Process



Online Banking User Access

- Agencies request access through Banking Services
- Banking Services assigns user roles and permissions
- Adding Services to Bank Accounts? Contact us to evaluate and initiate
- Notify Banking Services when access needs removal

KeyNavigator® | KeyBank 
FDIC FDIC-Insured - Backed by the full faith and credit of the U.S. Government

Secure Sign On

Welcome to
J.P. Morgan Access®

Wells Fargo **Vantage**

M&T Bank | Treasury Center

BANK OF AMERICA  **CashPro®**

Annual Bank User Review

- Conducted by Banking Services
- Sent to each agency for review
- Agencies confirm or update user access
- A crucial compliance control step

**Online Banking Users: Please login periodically! We flag any users that have been inactive for longer than six months!*

Payment for Banking Services

Two ways

Direct pay via Appropriation

or

Compensating Balances

When to Contact Banking Services vs. the Bank

Scenario	Contact
Need a new Bank Account	Banking Services
Need a new Check Scanner	Banking Services
Scanner not working	Bank
Signature Card Update	Bank
Need Online Banking Login Reset/Unlocked	Banking Services

This chart only represents a few examples; there are many others! If you are unsure, our mailbox is always open.

Resources

GFO:

[XI.11.C – Banking Services Contracts](#)

[XIV.4.A – Agency Bank Accounts Overview](#)

[XIV.4.B – Opening & Closing Accounts](#)

Email us:

BankingServices@osc.ny.gov

CashManagement@osc.ny.gov

Q&A and Final Reminders

- Review GFO Guidance regularly
- Don't guess – email Banking Services if unsure
- Keep user access and signature cards updated

Questions?



Thank you.

