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# MANAGEMENT DIRECTIVE

305.8 Amended  
Number

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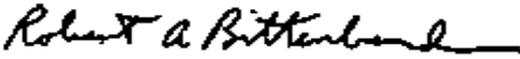
## COMMONWEALTH OF PENNSYLVANIA GOVERNOR'S OFFICE

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Subject:

Commonwealth Bank Accounts and Special Banking Services

By Direction Of:

  
Robert A. Bittenbender, Secretary of the Budget

Date:

June 11, 1997

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This directive establishes policy; defines responsibilities for payment of banking services costs; provides uniform procedures for establishing bank accounts and procuring special banking services; and establishes reporting requirements. This amendment contains changes to the procedures in accordance with 72 P.S. §301, instructions for the automation of the bank account reporting process, and adds Enclosure 3.

1. **SCOPE.** Applies to all agencies under the Governor's jurisdiction and others as appropriate.

2. **POLICY.**

- a. In accordance with law, all agencies having in their possession any moneys belonging to the Commonwealth shall deposit them in state depositories approved by the Board of Finance and Revenue in a manner and with such frequency as shall be prescribed by the State Treasurer.

b. Bank accounts shall be established in accordance with this directive.

c. Bank accounts shall be established in the name of the Commonwealth with the facility and/or agency name included.

d. Agencies shall consult with comptrollers prior to arranging for new bank accounts or for special banking services (e.g., lockbox service, electronic funds transfers, automated reconciling, etc.).

e. Financial institutions shall be notified as to whether new bank accounts are to be associated with accounts of the Treasury Department.

f. Accounts determined to be agency bank accounts currently associated with accounts of the Treasury Department shall be disassociated by the financial institutions.

3. **DEFINITIONS.**

a. **Agency bank account.** An account, not a subsidiary of the single statewide advancement account, established for the use of a Commonwealth agency with approval of the comptroller and the agency assumes all responsibility for payment of banking services. •

b. **Other agency bank accounts.** Accounts operated by agencies for which the Treasury Department, by prior approval, has agreed to assume responsibility for payment of the services.

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**c. Treasury bank accounts.**

(1) Accounts established by and for the use of the Treasury Department.

(2) The single statewide advancement account including all subsidiary accounts.

**4. RESPONSIBILITIES.**

**a. Agency heads** shall be responsible for:

(1) Maintaining a file of all advancement accounts and maintaining separately a file of all other bank accounts to include for each account the:

(a) Name and address of depository.

(b) Title of account.

(c) Purpose of account.

(d) Source of funds.

(e) Custodians' names, titles, and addresses.

(f) Bank account number and type (checking, savings, etc.).

(g) Current approved maximum balance.

(2) Providing comptrollers with information required by this directive before establishing new bank accounts.

(3) Sending the comptroller all requests for new bank accounts or special banking services.

- (4) Providing comptrollers with written notification to show additions, deletions, or changes to existing bank account information.

(5) Arranging for the payment of all banking and service fees not assumed by the Treasury Department.

(6) Disassociating agency bank accounts targeted for separation from accounts of the Treasury Department.

**b. Comptrollers** shall be responsible for:

(1) Maintaining a file of all advancement accounts and maintaining separately a file of agency bank accounts to include for each account the:

(a) Name and address of depository.

(b) Title of account.

(c) Purpose of account.

(d) Source of funds.

(e) Custodians' names, titles, and addresses.

(f) Bank account number and type (checking, savings, etc.).

(g) Current approved maximum balance.

(2) Assisting agencies in the establishment of new bank accounts by reviewing agency requests.

(3) Assisting agencies in procuring special banking services.

(4) Using the ICS XACEADV, Advancement Account Maintenance Screen, to input the required data for advancement and non-advancement accounts. To distinguish non-advancement accounts from advancement accounts, comptrollers must enter routing number 999999998 for nonadvancement accounts in the XACEADV screen. ICS Report XACE643, Depository/Nonadvancement Accounts, replaces the manual bank account listings formerly prepared by the Bureau of Financial Management (BFM).

(5) Assisting agencies, in coordination with the Treasury Department, in negotiating optimum service fees for all bank accounts targeted for disassociation from accounts of the Treasury Departments.

**c. The Bureau of Financial Management (BFM)** shall be responsible for:

(1) Maintaining central files of all advancement accounts and all agency bank accounts.

(2) Coordinating, with the Treasury Department, all requests for advancement accounts or special banking services for statewide system advancement accounts.

(3) Coordinating, with comptrollers, the disassociation of targeted agency bank accounts from accounts of the Treasury Department.

**d. The Treasury Department** shall be responsible for:

(1) Approving or disapproving, through BFM, requests for advancement accounts.

- (2) Determining method to acquire special banking services and working in conjunction with agencies and comptrollers for the acquisition of the services.

- (3) Providing assistance in coordinating special banking services (e.g., electronic funds transfers).

**5. PROCEDURES.**

**Procedure 1. New agency bank account.**

Action By	Step	Action
Agency.	1. Identifies need for a bank account.	
	2. Forwards to comptroller a request for approval to establish a bank account. Each request must include:	
	a. Name and location of bank.	
	b. Proposed title of account.	
	c. Purpose of the account.	
	d. Source of funding.	

Action By	Step	Action
Agency.	e. Names, titles, and locations of proposed custodians.	
	f. Highest anticipated account balance.	
	g. A general outline of the operating procedures governing the proposed account.	
Comptroller.	3. Reviews request and approves or disapproves establishment of the account.	
	a. If disapproved, returns request to agency with explanation.	
	b. If approved, notifies agency to submit copy of detailed operating procedures governing the account.	
Agency.	4. Forwards to comptroller a copy of detailed operating procedures governing the account.	
Comptroller.	5. Reviews and approves or disapproves detailed operating procedures.	
	a. If disapproved, returns procedures to agency with explanation.	
	b. If approved, returns procedures to agency and authorizes agency to establish bank account.	
	c. Notifies Treasury Department, Auditor General, and BFM of the establishment of bank account in accordance with 72 P.S. §301; notice to include all information listed on Enclosure 1.	

<b>Action By</b>	<b>Step</b>	<b>Action</b>	<b>Action By</b>	<b>Step</b>	<b>Action</b>
Agency.	6.	Receives procedures from comptroller.  a. If disapproved, revises procedures and goes back to Step 4.  b. If approved, establishes bank account.	Agency.	2.	Forwards to comptroller a request for special banking services, including cost analysis.
	7.	Forwards required interim bank account information changes to comptroller as changes occur.	Comptroller.	3.	Reviews request and approves or disapproves special banking services.  a. If disapproved, returns request to agency with explanation.  b. If approved, forwards request to BFM, Special Accounting, for review and approval or disapproval.
Comptroller.	8.	Records identifying data on file copy of request for bank accounts.		4.	Receives request and notifies Bureau of Financial Management. • Treasury Department of need • for special banking services. •
	9.	Forwards to BFM a copy of the detailed operating procedures governing the account.	Treasury Department.	5. a.	Determines method to acquire special banking services. • • •
	10.	Retains agency notification of changes on file with applicable bank account data.		b.	If RFP is required, notifies BFM and provides instructions on the bidding and contracting process. • •
•	11.	Updates bank account data via ICS XACEADV, Advancement Account Maintenance Screen. Uses routing number 999999998 for nonadvancement accounts. Refers to Enclosure 3 for bank account purpose codes.	Bureau of Financial Management.	6. a.	If RFP is not required, notifies comptroller to proceed with procurement of special banking services. • •
•				b.	If RFP is required, notifies comptroller to participate with agency and Treasury Department. • •
•				7. a.	If RFP is not required, notifies agency to proceed with procurement of special banking services. • •
•				b.	If RFP is required, notifies agency and participates in RFP process with agency and Treasury Department. •
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Bureau of Financial Management.	12.	Maintains comprehensive central file identifying all bank accounts and detailed procedures governing their operations.	Comptroller.	7. a.	If RFP is not required, notifies agency to proceed with procurement of special banking services. • •
				b.	If RFP is required, notifies agency and participates in RFP process with agency and Treasury Department. •
<b>Procedure 2. Special banking services.</b>					
<b>Action By</b>	<b>Step</b>	<b>Action</b>			
Agency.	1.	Identifies need for special banking services.			

<b>Action By</b>	<b>Step</b>	<b>Action</b>	<b>Action By</b>	<b>Step</b>	<b>Action</b>
Agency.	8.	a. If RFP is not required, proceeds with procurement of special banking services.	Bureau of Financial Management.		(Copy 3 for BFM file, copy 4 for forwarding to Bureau of Risk and Insurance Management, DGS.)
•		b. If RFP is required, takes the lead for the RFP process and completes the contracting process in conjunction with comptroller and Treasury Department.	Comptroller.	5.	Prepares Form STD-130, Advancement and Accounting Voucher Transmittal.
•				6.	Forwards Form STD-130 and copy of approved Form STD-133 to Treasury Department.
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<b>Procedure 3. New advancement account.</b>					
<b>Agency.</b>	<b>Step</b>	<b>Action</b>	<b>Treasury Department.</b>	<b>7.</b>	<b>If account will be in the statewide advancement account system, transfers funds to open the account.</b>
Agency.	1.	Identifies need for an advancement account.			
	2.	Forwards to comptroller written request justifying need for establishment of advancement account.	Comptroller or Agency.	8.	Contacts financial institution and institutes procedures for operating the account, e.g., orders checks, provides names, titles, and locations of custodians, etc.
Comptroller.	3.	Reviews request and approves or disapproves.			
	a.	If disapproved, contacts agency.	Treasury Department.	9.	If account will not be in the statewide advancement account system, forwards to comptroller a check to open the account.
	b.	If approved, prepares and forwards Form STD-133, Request for Approval of Advancement Account, to BFM, Special Accounting Division, for approval or disapproval.	Comptroller.	10.	Notifies agency of approval and forwards check to open the account.
Bureau of Financial Management.	4.	Reviews Form STD-133 and approves or disapproves establishment of account.	Agency.	11.	Contacts financial institution and institutes procedures for operating the account, e.g., makes opening deposit, orders checks, provides names, titles, and locations of custodians, etc.
	a.	If disapproved, returns Form STD-133 to comptroller with explanation.			
	b.	If approved, retains copies 3 and 4 of Form STD-133 and forwards remaining copies to comptroller.			

**Procedure 4. Special banking services for statewide system advancement accounts.** The

Treasury Department covers the costs associated with the single statewide advancement account.

Therefore, special banking services for agency and comptroller advancement accounts should not be

- arranged with PNB without prior approval by BFM
- and Treasury.

Unless the specialized service is for a Comptroller Operations Automated Advancement Account (AAA), the service will require Treasury's approval. Certification of adequate internal controls, inventory security, etc., is required by Treasury prior to approving such requests.

BFM authorization is required prior to an account being added to the AAA system.

Other specialized services processing (fine sorting of checks, magnetic media reporting, etc.) will require BFM and Treasury approval for each type of new service requested.

Comptrollers and agencies should not implement any new advancement account procedure requiring specialized services or order checks in a format other than specified without appropriate written authorization.

Action By	Step	Action
Agency.	1.	Identifies need for special banking services.
	2.	Forwards to comptroller a request for special banking services in accordance with guidelines in Enclosure 2.
Comptroller.	3.	Reviews request and approves or disapproves special banking services.
	a.	If disapproved, contacts agency.
	b.	If approved, forwards request to BFM, Special Accounting Division.

Action By	Step	Action
BFM, Special Accounting Division.	4.	Receives request and notifies Treasury Department of need for specialized banking services.
Treasury Department.	5.	Reviews request and approves or disapproves special banking services.
	a.	If disapproved, returns request to BFM with explanation.
	b.	If approved, notifies BFM to proceed with procurement of special banking services.
Bureau of Financial Management.	6.	Reviews notice of approval or disapproval from Treasury Department.
	a.	If disapproved, notifies comptroller and provides explanation.
	b.	If approved, notifies comptroller to proceed with procurement of special banking services.

Enclosures:

- 1 – Notice of Establishment of Bank Account
- 2 – Guidelines for Procurement of Special Banking Services for Statewide Advancement Accounts
- 3 – Bank Account Purpose Codes

**This directive supersedes Management Directive 305.8 dated December 21, 1990.**

**NOTICE OF ESTABLISHMENT OF BANK ACCOUNT**

**Treasury Department  
129 Finance Building  
Harrisburg, PA 17120**

**Auditor General  
229 Finance Building  
Harrisburg, PA 17120**

In accordance with 72 P.S. §301, this is to notify you that a bank account has been established at:

\_\_\_\_\_  
(NAME OF BANK)

\_\_\_\_\_  
(LOCATION OF BANK)

\_\_\_\_\_  
(TITLE OF ACCOUNT)

\_\_\_\_\_  
(PURPOSE OF ACCOUNT)

\_\_\_\_\_  
(SOURCE OF FUNDS)

AUTHORIZED CUSTODIAN(S):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Comptroller For:

\_\_\_\_\_  
(Date)

cc: BFM, Special Accounting Division

**GUIDELINES FOR PROCUREMENT OF SPECIAL  
BANKING SERVICES FOR STATEWIDE ADVANCEMENT ACCOUNTS**

Check orders, except for confidential accounts, must contain the following imprint:

**COMMONWEALTH OF PENNSYLVANIA  
STATE TREASURER'S ADVANCEMENT ACCOUNT  
(LOCAL IDENTIFIER: TWO LINES)**

Existing check stock is to be depleted. Account titles at PNB should be corrected when reordering checks.

1. Requests for Treasury approval of check modifications must contain:
  - a. Specific details concerning the changes.
  - b. Present and expected check volume.
  - c. Specimen of present check with proposed changes shown.
  - d. Present and proposed costs. (Comptroller's offices can obtain this information from PNB.)

Special check logos for accounts are prohibited unless approved as an exception by Treasury.

2. Requests for advancement account specialized services should include:
  - a. Details to support why the change is needed.
  - b. Present and proposed costs.
  - c. Anticipated agency savings calculations.

**BANK ACCOUNT PURPOSE CODES**

**I. ADVANCEMENT ACCOUNTS**

**A. GENERAL ACCOUNTS**

01 ADVANCES  
02 CHANGE FUND  
03 CLAIM PAYMENTS  
04 CONFERENCE FEES  
05 LOTTERY PRIZES  
06 REFUNDS  
07 RIDE-SHARING REIMBURSEMENT  
08 SALARY  
09 SMALL PURCHASES – COMPTROLLER  
10 SMALL PURCHASES – FIELD  
11 TRAVEL  
88 EXPENDITURES – 100% AUDITED  
99 EXPENDITURES SAMPLED

**B. SPECIAL ACCOUNTS**

60 CAO ACCOUNT  
61 CONFIDENTIAL  
62 DISASTERS  
63 EDUCATION OF DISADVANTAGED  
64 EMERGENCY RELIEF  
65 LEGAL FEES  
66 SECRETARY'S WRIT  
67 VOTER REGISTRATION

**II. NONADVANCEMENT ACCOUNTS**

40 REVENUE COLLECTION – FEES, FINES, AND PENALTIES  
41 CLEARING ACCOUNT  
42 SALES RECEIPTS  
43 PAYMENTS TO CLAIMANTS  
44 INMATE FUNDS  
45 CONFIDENTIAL EXPENSES  
46 MISCELLANEOUS EXPENSES  
47 MISCELLANEOUS REVENUE