

**CITY OF PHILADELPHIA - OFFICE OF THE DIRECTOR OF FINANCE
STANDARD ACCOUNTING PROCEDURE (S.A.P.)**

S.A.P. #
4.1.1.g

Date Issued:
September 9, 1999

Effective As of:
July 1, 1999

Supersedes:
E-4511

Major Classification: **Cash and Related Bank Accounts**

Subject: **Establishment of Agency Bank Accounts (Outside of the City Treasurer)**

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PURPOSE

To provide rules and standard procedures for the establishment and operation of bank accounts under the control of agencies other than the City Treasurer.

Note: Section 6-300 of the Home Rule Charter designates the City Treasurer as the custodian of City funds. However, special circumstances such as fiduciary responsibilities and legal requirements may require that certain funds be held separately from other funds.

GENERAL INFORMATION AND REQUIREMENTS

~ GENERAL POLICY

 .Establishment of bank accounts outside of the Office of the City Treasurer must be required by law or governmental directive ~ have prior approval of the Office of the Director of Finance.

 .Any funds maintained in undeposited cash or checks is unacceptable and shall be considered a violation of City policy. All monies should be deposited on a timely basis.

D... AUTHORIZED SIGNERS

 .Two individual signatures are required for all disbursements. An alternate signer should be designated to cover absences and other emergencies.

 .A deviation permitting use of only one signature (with an alternate) may be approved by the Office of the Director of Finance if valid justification exists, Q! the account is operated on an imprest basis and reimbursements are approved by two officials other than the authorized check signer (s).

 .The City Treasurer must be made an alternate signer on all agency bank accounts and can intercede to withdraw and impound funds when ordered by the Director of Finance.

III

SUPERVISORY AND REVIEW RESPONSIBILITIES

A.. AGENCY

 .Submission of Request for Bank Account Outside City Treasurer to the Office of the Director of Finance-

 .Establishment and operation of the bank account at a banking institution that is a member of the FDIC. Deposits that exceed the FDIC maximum limit must be 100% collateralized .

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Maintaining proper accounting records and documentation to substantiate the records (Note: All manual or computerized accounting systems should be in accordance with Accounting Directive 1999-01).

Monthly reconciliation of all bank accounts.

Notification to the Office of the Director of Finance of fiscal year end account balances of cash and any related investments by type, including cost, market and par values.

Notification to the Office of the Director of Finance of any changes to the existing account.

H... OFFICE OF THE DIRECTOR OF FINANCE

.Receipt and approval or disapproval of Request for Bank Accounts Outside of the City . Monitoring of bank account usage for compliance with all established rules and regulations- .Monitor departments for submission of bank reconciliations on a timely basis.

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ESTABLISHMENT OF ACCOUNT

~ SUBMISSION OF REQUEST TO THE FINANCE DIRECTOR

__The Agency Head or his/her designate will submit a Request For Agency Bank Account Outside of City Treasurer (exhibit A) to the Office of the Director of Finance listing the purpose of the account, the proposed banking institution and location, justification of legal requirements if applicable, names and titles of the proposed check signers, proposed investment policy if any, and all pertinent information for the custodian who will maintain the account.

B... REVIEW AND APPROVAL BY THE OFFICE OF THE FINANCE DIRECTOR

__The Director of Finance will evaluate each request received and approve or reject the application (based on the information presented) and approve all authorized signers and custodians named by the agency head.

L Approval of Application

__The Director of Finance will approve the request and notify the agency to proceed with the establishment of the account by signing and returning one copy of the application to the agency head and forwarding one copy to the City Treasurer.



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~ Rejection of ARRlicatio!!

__ The Director of Finance will notify the agency head of the disapproval and give the reasons for the rejection.

.c... ESTABLISHMENT OF BANK ACCOUNT

__ After approval by the Office of the Director of Finance for the establishment of a bank account outside of the City Treasury, the department will establish the bank account as follows:

L Request to the Bank

__ The agency head or designate will:

Contact the bank in writing requesting that an account be opened.

Furnish the bank with the necessary information i.e. the name of the department requesting the account, type and title of account, type of checks and the approximate monthly check usage. Request a signature card from the bank so that the names of the authorized signers can be registered with the bank as described in section II.B. above.

b Si2oature Card

__ All agency authorized signers should have their name, title and signature listed on the signature card and forwarded to the City Treasurer who will affix his/her name and signature and return the card to the department. It is the responsibility of the deDartment to secure the si-nature of the CitY Treasurer. The department will then forward the signature card to the bank.

__ The City Treasurer should not sign the signature card until they have received a copy of the approval request from the Finance Director.

__ The Agency shall provide the bank with an updated signature card anytime there are changes in the status of authorized signers.

.3 Custodian

__ The custodian will receive and deposit initial funds to the bank and begin operation of the account complying with all rules and procedures promulgated by the Director of Finance and the agency head.

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D... BANK RECONCILIATIONS

__Reconciliation of the bank balance to the book balance must be prepared and submitted monthly to the Accounting Verification Unit in accordance with Standard Accounting Procedure 7.1.3.b Reconciliation of all Bank Accounts in All City Agencies.

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1... Documentation

__Proper accounting records must be maintained to substantiate all receipts and disbursements. Records, canceled checks, and bank statements must be retained in accord with Records Department requirements and until cleared by an audit of the City Controller.

~ Investment Activity

__Savings account balances, Certificates of Deposit, and All other investment activity shall be categorized, listed on a separate sheet of paper and attached to the reconciliation each month.

REVIEW AND ANALYSIS

The Office of the Director of Finance is to receive, review and maintain all bank reconciliations in accordance with Standard Accounting Procedure 7.1.3. b Reconciliation of All Bank Accounts in All City Agencies.

~ SUBMISSION OF RECONCILIATIONS

__All bank reconciliations are to be forwarded on a monthly basis to the Office of the Director of Finance as follows:

ImDrest and Pe!tY Cash reconciliations should be addressed to the Financial Editing and Verification Unit

Custodial and Other reconciliations should be addressed to the Financial Recording and Reporting Unit

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MEMORANDUM

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TO:

FROM:

SUBJECT: Reauest for A2encv Bank Account {Outside of City Treasury} I. Purpose of Account:

DATE:

2. Proposed Banking Institution and Location:

Estimated Average Account Balance -

3. Justification or Legal Requirement for Separate Account:

4. Names and Titles of Proposed Check Signers:

Name

Name

Name

Title

Title

Title

5. If deviation from two signatures is requested, state reasons for deviation, name and title of check signer's supervisor who will maintain supervision of the activity and the estimated average disbursement amount:

6. Records for Proposed Account will be maintained by: Custodian Name & Title
Telephone Number
Work Location

.Employee Number

7. Specify Proposed Investment Policy if Agency expects any investment activity within this account:

I hereby

APPROVE / REJECT this request

Deputy Director Of Finance Date

Note: Submit original and 3 copies of this memorandum which must be signed by Agency Head or authorized designate.

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