

Part: **Public Money and Property**
 Section: **Bank Accounts**
 Subsection: **Control of Bank Accounts**
 Policy: **Approval of Bank Accounts**

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Approval of Bank Accounts

Objective

The objective of this policy is to ensure effective management and control of bank accounts.

Authority

The Financial Administration Act, 1993 (FAA) allows the Minister of Finance to “establish, maintain or close accounts in the name of the Crown with any financial institution on any terms that the minister considers appropriate” (section 21).

The FAA allows Treasury Board to direct any person receiving, managing or disbursing public money to keep any books, records or accounts that it considers necessary (clause 5(e)).

The FAA requires public moneys to be forwarded, deposited and otherwise dealt with in accordance with any orders and directives of Treasury Board (section 22).

The FAA allows Treasury Board to make orders and issue directives with respect to its duties under section 4 of the FAA (e.g., relating to the finances, the administrative policy and management practices, and the accounting policies and practices of the Government) (clause 5(a)).

The FAA allows the Provincial Comptroller to issue directives to ministries and public agencies detailing the manner in which Treasury Board orders and directives are to be complied with (subsection 10(2)).

Definitions

In addition to the primary bank accounts for the General Revenue Fund (GRF) (i.e., main, payroll and U.S. Dollar), other types of bank accounts include the following:

- **Imprest bank accounts** are bank accounts that are periodically funded from the GRF bank account as payments are made. Generally, imprest bank accounts are used for making payments where the Government’s central payment system cannot be used for an effective or efficient manner (e.g., to pay individuals for casual work such as fighting forest fires). To establish an imprest bank account for the GRF, refer to [Section 3105 Imprest Bank Accounts](#).
- **Transfer and clearing bank accounts** are used to collect moneys for transfer to the GRF.

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- **Special purpose bank accounts** are provided for funds that are authorized through legislation.
- **Trust bank accounts** are used to hold money that does not belong to the Government.
- **Suspense bank accounts** are used to hold money on a temporary basis until the final disposition can be determined.
- **Charge back or returned items bank accounts** are used to accumulate items returned from the financial institution.
- **Credit card clearing bank accounts** are used to accept credit card payments.

Treasury Board Policy

- .01 It is in the best interest of the Government from both a control and a money management perspective to maintain a minimum number of bank accounts.
- .02 Amounts held in bank accounts should be sufficient to cover the organization's operations but not exceed the amount.
- .03 The Government has selected a principal financial institution to centralize banking and take maximum advantage of services offered. Ministries should hold bank accounts at the principal financial institution, wherever practical.
- .04 The approval of the Provincial Comptroller or delegate is required for opening and closing of all bank accounts. [This policy applies to the GRF, special purpose funds and trust money administered by ministries, where the bank account is to form part of the Consolidated Offset Balance Concentration arrangement and where required by legislation.]
- .05 Bank accounts may not be established for the following: petty cash, business policy expenses, individual travel and relocation expenses.
- .06 Ministries are responsible to ensure that adequate systems are in place to control funds in bank accounts.

Provincial Comptroller Directives

- .07 The Assistant Provincial Comptroller, Provincial Comptroller's Office (PCO), Ministry of Finance is delegated the authority to approve the opening and closing of bank accounts.

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- Criteria** .08 Separate bank accounts are authorized only when the banking requirements cannot be reasonably accommodated by the GRF bank account or other existing bank accounts. Examples of where the need for a separate bank account can be established include the following:
- Legislation requires that funds be kept separate from the GRF.
 - Cheques must be identified with particular government programs.
 - Time restrictions on cheque issuance cannot be met through the GRF payment system.
 - A bank account separate from the GRF bank account is necessary for administrative purposes (e.g., credit card clearing accounts).
 - Geographical location makes the use of the GRF bank account impractical (i.e., where revenue is collected in a location where the principal financial institution does not have a branch).
- Control Objectives** .09 The organization responsible for the bank account is to ensure appropriate administration and control of the bank account. The following controls should be in place:
- Bank accounts and signing authorities including online bank functions are properly authorized.
 - A list of approved cheque signers and online approvers is maintained.
 - All moneys received are properly safeguarded, properly recorded and deposited.
 - Appropriate segregation of duties is implemented and where not practical, compensating controls are implemented.
 - A daily review of bank transactions is performed. This review requires matching cheques (number and dollar amount) processed by the bank to accounting records of cheques issued.
 - Bank accounts are reconciled at the end of each month or more frequently as required.
 - A list of individuals who are authorized to view balance and transaction information through online access is maintained.
 - Bank accounts are closed when no longer required.

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- Opening/Closing**
- .10 To obtain approval to open a bank account, submit an [Application to Open a Bank Account](#) form to the Assistant Provincial Comptroller, PCO along with a completed [Bank Account Internal Control Questionnaire](#).
 - .11 The Assistant Provincial Comptroller, PCO, reviews and approves the system to be used for the account to the extent deemed necessary. The system reviewed encompasses the receipts and disbursements of funds from the account and the related financial system. The approval of the Assistant Provincial Comptroller, PCO is required to use online banking to make payments from or collect receipts in the bank account.
 - .12 To obtain approval to close a bank account, submit an [Application to Close a Bank Account](#) form to the Assistant Provincial Comptroller, PCO.
 - .13 Each year, ministries should confirm that each bank account is required, it is being used as intended, that the list of signers on record with the financial institution is accurate, and that the list of individuals who are authorized to view balance and transaction information through online access is accurate.
- Change in Use**
- .14 To obtain approval to change or expand the use of an existing bank account, submit a request along with a revised [Bank Account Internal Control Questionnaire](#) to the Assistant Provincial Comptroller, PCO.
- References**
- [3020 Suspense Accounts and Conditional Receipts](#)
 - [3105 Imprest Bank Accounts](#)
 - [3300 Holding Money in the GRF](#)
 - [3305 Holding Money in the GRF through Consolidated Offset Balance Concentration \(COBC\)](#)
 - [3315 Terms and Conditions for Moneys Held in the GRF](#)
 - [3400 Control of Special Purpose Funds and Trust Money](#)
 - [3405 Establishment and Control of Special Purpose Funds and Trust Money](#)
 - [3410 Cash Management of Special Purpose Funds and Trust Money](#)
 - [3500 Control of Public Money](#)
 - [3530 Electronic Funds Transfer Receipts](#)
 - [3505 Receipt and Control of Public Money](#)
 - [3600 Control of Bank Accounts](#)
 - [3610 Controls over Bank Accounts](#)
 - [3615 Bank Account Interest and Charges](#)