

Part: **Public Money and Property**  
 Section: **Bank Accounts**  
 Subsection: **Control of Bank Accounts**  
 Policy: **Bank Account Interest and Charges**

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## Bank Account Interest and Charges

### Objective

*The objective is to ensure proper operation and controls are in place to practice efficient cash management of public money.*

### 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)).

### Treasury Board Policy

- .01 Ministries may pay service charges where the financial institution used is not the primary financial institution. Service charges for the General Revenue Fund (GRF) are paid centrally by the Ministry of Finance.
- .02 Interest that is charged by the bank or paid to the bank is at rates and conditions agreed to from time to time by the Minister of Finance.
- .03 Interest charged by the primary financial institution is to be billed by the bank on a monthly basis, as supported by a statement of daily balances, to the Treasury Management Branch, Ministry of Finance.
- .04 Interest paid by banks is to be credited to the appropriate bank account.

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## Provincial Comptroller Directives

- .05 Excess funds in bank accounts are to be invested as authorized by legislation. Refer to [Section 3305 Holding Money in the GRF through Consolidated Offset Balance Concentration \(COBC\)](#) and [Section 3410 Cash Management of Special Purpose Funds and Trust Money](#).
- .06 Where bank accounts other than with the principal financial institution are submitted for approval under [Section 3610 Controls over Bank Accounts](#), ministries are responsible for reviewing the appropriateness of the banking arrangements.
- .07 Ministries are responsible for conducting their banking activities in an efficient manner that takes into account the fees that they are incurring for the services.
- .08 Ministries are to inform the Executive Director, Treasury Management Branch, Ministry of Finance, of changes to the banking services received from the Government's principal financial institution as there may be an impact related to the Financial Services Agreement.

## 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](#)  
[3505 Receipt and Control of Public Money](#)  
[3530 Electronic Funds Transfer Receipts](#)  
[3600 Control of Bank Accounts](#)  
[3605 Approval of Bank Accounts](#)  
[3610 Controls over Bank Accounts](#)