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| SECTION: | | 6 | SUBJECT: TO ESTABLISH AND MAINTAIN CHECKING ACCOUNTS OUTSIDE THE COUNTY TREASURY |
| POLICY NUMBER: | | 607 | |
| REVISED DATE: | | 5/25/22 | APPROVED BY: <i>Paul Angulo</i> |

PURPOSE: To establish standard guidelines for county departments, agencies and special districts to use when opening a checking account outside the County Treasury. The purpose of this policy is to maximize the earnings of interest consistent with safe and prudent cash management and to ensure depository banks provide proper and adequate security of county monies.

SCOPE: Applies to county departments, agencies, special districts, and authorities, that are governed by Riverside County Board of Supervisors, and/or which maintain funds in the County Treasury.

POLICY: County departments, agencies, special districts and authorities are required to have prior approval of the Auditor-Controller's Office and Treasurer-Tax Collector's Office.

PROCEDURE: This policy and procedure will be a comprehensive guide to county departments, agencies and special districts which need to establish bank accounts outside of the County Treasury. Departments are responsible to submit SPM Form AP-5, Request to Establish Checking Account to the Auditor-Controller Office for approval before opening a checking account outside the County Treasury.

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It is the objective of Riverside County to maximize interest earnings by using the County Treasurer’s central servicing bank account. However, in certain instances it is necessary for departments to establish accounts outside the Treasury. The following will establish proper procedures to follow when requesting a depository account outside the County Treasury.

DEPARTMENT RESPONSIBILITIES

1. SPM Form AP-5, Request to Establish Checking Account must be submitted to the Auditor-Controller’s Office for approval to open a checking account outside the County Treasury. Justification for the need to open an account outside the County Treasury must be provided.
 - a. Purpose of establishment of the account
 - b. Location of where the account will be established
 - c. Custodian’s name
 - d. Type of account
 - e. Funding source for the account
 - f. Estimate frequency of deposit and anticipated revenues for new account
 - g. Estimated monthly balance
 - h. Date account is needed, length of deposit, fees associated with the account, and interest rate to be received.
 - i. Provide the name, title, and signature of the individuals authorized to sign on the account
2. Departments will obtain and maintain signature cards from banking institutions. It is the department’s responsibility to ensure that adequate safeguards are taken to prevent improper or unauthorized use of signatures.
3. SPM Form AP-6, Checking Account Information Change Request must be submitted to the Auditor-Controller’s Office to update the information for existing checking account established outside the County Treasury and previously approved through AP-5 form.
4. Departments must submit a new AP-6 each time any of the conditions previously approved by the Auditor-Controller’s Office have changed.
5. When closing the bank account departments must complete an AP-6 to notify the Auditor-Controller’s Office and forward a copy of the bank statement verifying the account has been closed. Also, departments must ensure that all transactions have cleared the account to be closed and verify that the account has a zero balance.
6. Each fiscal year-end, departments are required to complete and submit Schedule P along with its supporting documents; bank account reconciliation and bank statement for all checking accounts established outside the County Treasury. These requirements apply to accounts that are open, or close during the current fiscal year, as well as the existing accounts. For Schedule P instructions, refer to the Auditor-Controller’s Office website.
7. The responsible assigned trustor to each bank account shall ensure compliance with the policies and procedures, timely reconciliation of bank accounts, adequate segregation of duties regarding the administration of the account, monitoring the continued need or appropriate structure for such accounts, and other oversight requirements as appropriate.

AUDITOR-CONTROLLER’S ROLES

1. The Auditor-Controller’s Office, in collaboration with Treasurer-Tax Collector’s Office, will issue and maintain policies and procedures governing the establishment and maintenance of bank accounts.

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2. The Chief of General Account Division will evaluate the need to establish a checking account based on the justification provided by the department and determine if the need for an account outside the County Treasury may be justified as opposed to using the County Treasury.
 - a. If the request is denied, a copy of the SPM Form AP-5 or AP-6 will be returned to the department.
 - b. If the request is approved, a copy of SPM AP-5 or SPM AP-6 will be forwarded to the Treasurer-Tax Collector's Office.
3. After the approval of the Auditor Controller's and Treasurer-Tax Collector's Office, the original forms are kept on file with General Accounting Division and a copy of the approved form will be sent to the department.
4. The Auditor Controller Office maintains a current list of all authorized bank accounts, including the information required by this policy. The General Accounting Division also secures and maintains formal documentation which sets forth the authorization of bank accounts, and maintenance of signature cards.
5. The Auditor Controller's Office is also responsible for conducting and/or reviewing the reconciliation of bank accounts on an annual basis. Schedule P instruction are available in the year-end manual on the Auditor- Controller's website.
6. Per Government Code 12462.5, on an annual basis the Auditor-Controller must report information on bank accounts outside the County Treasury.

TREASURER/TAX COLLECTOR ROLES

1. The Treasurer-Tax Collector's Office will review to approve or deny the AP-5 or AP6 form forwarded from the Auditor Controller's Office. The Treasurer-Tax Collector's Office will evaluate the selected bank and the justification for not using an interest-bearing account, if applicable.
 - a. If the request is denied, the SPM Form AP-5 or AP-6 will be returned to the Auditor-Controller's Office.
 - b. If the request is approved, Treasurer-Tax Collector will sign the forms and return the original copy to the Auditor-Controller's Office and retain copies on file.

RECORDS MANAGEMENT ROLES

Original copies of AP-5 and AP-6 forms and attached supporting documents will be maintained by the Auditor Controller's Office. Copies of the AP-5 and AP-6 forms will be maintained by the Treasurer/Tax Collector's Office and departments. Fiscal year-end Schedule P and its supporting documents will be maintained by General Accounting Division (ACO).

REFERNCES

- Government Code Section 12462.5
- AP-5 Form, Request to Establish Checking Account
- AP-6 Form, Checking Account Information Change Request
- Auditor Controller's Year-End Manual for Schedule P

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