



County of Riverside
OFFICE OF THE AUDITOR-CONTROLLER
STANDARD PRACTICE MANUAL

SUBJECT: AUTHORIZATION TO ESTABLISH AND MAINTAIN CHECKING ACCOUNTS

SECTION:	8	CATEGORY: Accounts Payable
POLICY NUMBER:	807	Replaces SPM III-E-1-3.3. Authorization to Establish and Maintain Checking Accounts 9/8/87
REVISED/ LAST REVIEWED:	3/25/02	APPROVED BY: <u>Robert Byrd</u>

PURPOSE: To establish authorization requirements for departmental checking accounts.

SCOPE: Applies to County departments, agencies, special districts, and authorities, that are governed by Riverside County Board of Supervisor.

POLICY:

1. All departments using a checking account for Official County Business must have the prior approval of the Auditor-Controller's Office (ACO and Treasurer-Tax Collector's Office (T/TC).
2. All departmental checking accounts should be interest bearing. If the County of Riverside is prohibited by law from retaining interest on the account, or an interest bearing account is not cost effective, an exemption application and justification must be filed with and approved by the T/TC.

PROCEDURE TO ESTABLISH CHECKING ACCOUNT:

1. The department must submit form AU-GA-010 to the ACO when requesting approval to establish a checking account.
2. The Chief of General Accounting, ACO, will evaluate the need to establish a checking account, as opposed to using the County Treasury, and approve or deny the request.
 - If the request is denied, a copy of form AU-GA-010 will be returned to the department.
 - If the request is approved, the original form AU-GA-010 will be forwarded to the Treasurer.
3. The Treasurer's Office will evaluate the following:
 - Bank selected
 - Interest rate
 - If applicable, justifications for not using an interest bearing account (will provide assistance in evaluating cost effectiveness).
4. If all items are approved the Treasurer will sign form AU-GA-010 and return the original to the ACO where it will be kept on file in the General Accounting Division. The ACO will send a copy of the completed form to the department.
5. If any item is not approved, the Treasurer will return the form to the department with appropriate comments and send an advisory copy to the ACO.
6. Interest credited to the account must be deposited to the County Treasury to the appropriation fund per Government Guide 53697 quarterly using the appropriate revenue for interest earnings. The interest deposited must also be identified on the departmental monthly cash statement.

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PROCEDURE TO UPDATE OR CHANGE ESTABLISHED CHECKING ACCOUNT:

1. The department must submit form AU-GA-017 to the ACO when requesting approval to change existing checking accounts
2. The Chief of General Accounting, ACO, will evaluate the change and approve or deny the request.
 - If the request is denied, a copy of form AU-GA-017 will be returned to the department.
 - If the request is approved, the original from AU-GA-017 will be forwarded to the Treasurer.
3. The Treasurer's Office will evaluate the following:
 - Bank selected if applicable
 - Justifications for not using an interest bearing account, if applicable (will provide assistance in evaluating cost effectiveness)
4. If all items are approved, the Treasurer will sign form AU-GA-017, and return the original to the ACO where it will be kept on file in the General Accounting Division. The ACO will send a copy of the completed form to the department.
5. If any item is not approved the Treasurer will return the form to the department with appropriate comments and send an advisory copy to the ACO.
6. Interest credited to the account must be deposited to the County Treasury to the appropriation fund per Government Guide 53697 quarterly using the appropriate revenue for interest earnings. The interest deposited must also be identified on the departmental monthly cash statement.

AP SECTION:	8
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