

# MANAGEMENT MEMO

SUBJECT		NUMBER:
BANK ACCOUNTS OUTSIDE THE CENTRALIZED STATE TREASURY (CTS) SYSTEM		95-23
		DATE ISSUED:
REFERENCES:		12-08-95
		EXPIRES:
SAM SECTION 8002, GOVERNMENT CODE SECTIONS 16305.2-16305.7		12-08-96
		ISSUING AGENCY:
		DEPARTMENT OF FINANCE

The purpose of this Management Memo is to remind all state departments of the provisions of Government Code (GC) Sections 16305.2-16305.7 which require Department of Finance approval for all bank accounts (including Zero Balance Accounts) outside the CTS.

GC Section 16305.2 states "All money in the possession of or collected by any state agency or department is subject to the provisions of Sections 16305.3 to 16305.7, inclusive, and is hereafter referred to as state money". GC Section 16305.3 states in part "All state money shall be deposited in trust in the custody of the Treasurer, except when otherwise authorized by the Director of Finance..."

In addition, GC Sections 16520-16522 and 16610-16612 require collateralization of all funds deposited in bank accounts outside the CTS. Departments should review the provisions of State Administrative Manual (SAM) Section 8002, GC Sections 16520-16522, and 16610-16612, to ensure that all funds deposited in bank accounts outside the CTS are properly collateralized.

Departments who currently have bank accounts outside the CTS with Department of Finance approval or who have statutory authority to have a bank account outside the CTS, do not need to take any action. **Departments who have accounts (including Zero Balance Accounts) outside the CTS without Department of Finance approval must apply for approval immediately.** Please refer to the State Administrative Manual Section 8002 for the information to be included when applying for an approval.

Should you have any questions, please contact Department of Finance, Fiscal Systems and Consulting Unit at (916) 324-0385.

  
RUSSELL S. GOULD  
Director  
Department of Finance

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