



# **CIRCULAR**

## **STATE OF NEW JERSEY**

### **DEPARTMENT OF THE TREASURY**

NO.: 10-11-OMB	ORIGINATING AGENCY: OFFICE OF MANAGEMENT AND BUDGET	PAGE 1 OF 4
EFFECTIVE DATE: 10-28-09	EXPIRATION DATE: INDEFINITE	SUPERSEDES: 00-12-OMB
SUBJECT: BANKING SERVICES		
ATTENTION: ALL DIRECTORS OF ADMINISTRATION AND CHIEF FISCAL OFFICERS		
FOR INFORMATION CONTACT: RON TANI LEWIS LAWITZ (Credit Card Processing)		PHONE: (609) 292-4604 (609) 943-4825

This circular makes no substantive changes to 00-12-OMB. Only contact names and mailing addresses have been changed.

#### **I. PURPOSE**

This circular sets the policies and procedures for submitting requests for banking services within the Executive Branch of the State of New Jersey.

#### **II. POLICY**

The Office of Management and Budget (OMB) is the only State office authorized to deal directly with banks in establishing, changing, negotiating and contracting for the payment of banking services. The responsibility of OMB Cash Management, in addition to new accounts, also encompasses and supersedes any unauthorized arrangements that any unit of the Executive Branch of State Government may have previously made for accounts or services with any bank or similar financial institution. All existing account relationships are subject to OMB review and change. This responsibility extends to any State account in a commercial bank, savings bank, savings and loan, or other financial institution.

An account is considered a State account regardless of the source or use of funds, and whether it is "under" or "not under" the direct control of the State Treasurer. Further, for the purpose of monitoring banking relationships, an account is considered to be a State account if that account is under the control of a State employee for official State business and/or fiduciary responsibility.

In order to ensure continuity and compliance with this circular, and adequate departmental internal controls for all banking service requests, each State agency must place all banking service requests through one central Departmental Administrator to serve as the contact point with OMB Cash Management. It is the Departmental Administrator's responsibility to ensure that adequate internal controls, including signing authority responsibility, are in place. Additionally, all banking requests must be pre-approved by the Departmental Administrator prior to any formal request to OMB Cash Management. OMB Cash Management must be notified of any changes to the designated Departmental Administrator within one (1) month of the change.

All agencies of State government requiring any form of new banking services or any changes in existing banking services must submit their requests to:

Department of the Treasury  
Office of Management and Budget  
Cash Management Unit – Banking Services  
PO Box 221  
Trenton, New Jersey 08625-0221

### III. PROCEDURES

The following are procedures for traditional banking service requests. Other types of banking services may require additional review and analysis prior to placement.

#### A. Opening a Bank Account

It is the Department Administrator's responsibility to limit the number of bank accounts requested to those absolutely necessary for the operation of the agency. The Department Administrator submits a written request to OMB Cash Management to open a new account. The request must contain the following information:

Name and address of State agency  
Name of bank requested  
Purpose of account (depository, disbursement, etc.)  
Estimated level of activity (number of deposits, number of checks written, balance levels, etc.)  
Funding source (State appropriated funds, non-appropriated source, etc.)  
Requirements for deposit tickets (usually one year's supply)  
Name, address, and phone number of individual to receive bank statements and related documents  
Names of individuals authorized as signatories for the account  
Number of individuals required to sign checks (usually two)  
Original signature card signed by all authorized signatories

#### B. Closing a Bank Account

The requesting Department Administrator submits a written request to OMB Cash Management requesting to close a bank account. The request must contain the following information:

Name and address of State agency  
Bank name  
Bank account name and account number  
Copy of the most recent bank statement showing a zero balance

#### C. Requesting Signature Changes

The requesting Department Administrator submits a written request to OMB Cash Management requesting a signature change on an account. The request must contain the following information:

Name and address of State agency  
Bank name  
Bank account name and account number  
Names of signatories to delete  
Names of signatories to add  
Number of individuals required to sign checks (usually two)  
Original signature card signed by **all current** authorized signatories

- Blank signature cards must be obtained from OMB Cash Management
- Completed signature cards supersede previously submitted signature cards
- Account name as it appears on bank statement

**D. Removal of Service Charges**

The requesting Department Administrator submits a written request to OMB Cash Management requesting the removal of service charge(s) on an account. The request must contain the following information:

Name and address of State agency  
Bank name  
Bank account name and account number  
Copy of the bank statement showing service charge (debit) against the account

**E. Ordering General Fund Deposit Tickets**

General fund bank accounts have the capability of using encoded information on deposit slips that permits those performing bank reconciliations to identify which State agency made each deposit. When it becomes necessary to order new deposit tickets, the following information should be included in a written request to OMB Cash Management:

Name and address State agency  
Bank name  
Bank account name and account number  
Name and telephone number of individual to receive deposit tickets  
Copy of current deposit ticket or re-order form  
Number of deposit tickets requested (usually one year's supply)

**F. Disclosure of Unauthorized Bank Account**

If there are unauthorized bank accounts in existence as of the date of this circular, or if at any time after issuance of this circular the Department Administrator becomes aware of an unauthorized bank account, the Department Administrator must submit a written statement containing the below information within thirty (30) days to OMB Cash Management.

Name and address of State agency  
Bank name  
Bank account name and account number  
Date account was established  
Name, title, and address of the individual that opened the account  
Signatories to the account and the number of individuals required to sign checks  
Purpose of account (depository, disbursement, etc.)  
Date account was last audited by any jurisdiction, and a copy of the audit findings  
Explanation of why the State procedures were ignored in opening the account  
Copy of the last three (3) months bank statements for the account

**G. Development of a Request for Proposal (RFP)**

If OMB Cash Management identifies specific account(s) or banking service(s) for RFP issuance and contract development or an existing banking service contract is targeted for renewal, OMB Cash Management will lead the development of a RFP with full using agency participation. The using agency will be required to participate as follows:

- Meet with OMB Cash Management to discuss the project, define requirements, disseminate pertinent statistics, and provide exhibits when needed
- Coordinate with Cash Management to establish an attainable timetable of events
- Assist in the evaluation selection process including the development and weighting of evaluation criteria, reviewing all vendor proposals, attending evaluation committee meetings, and providing input into the evaluation report
- Oversee the implementation process
- Review monthly invoices for banking services in a timely manner

#### H. Requesting Credit Card Services

The use of credit cards to accept payment for licenses, services, materials and goods must be requested through the Department Administrator to Lewis Lawitz, Credit Card Processing State Contract Administrator, at (609) 943-4825. A cost benefit to the State of New Jersey by offering the use of credit cards must be demonstrated, and the following information must be submitted:

Description of current operations

Benefits of offering payment by credit card

Effect on any Legislation or Administrative Code

Estimated cost of operation under payment by credit card

Estimated volume and dollar amounts of transactions for payment by credit card

State agencies should not invest directly in financial institutions. Instead, all permissible investments must be placed through the State of New Jersey, Division of Investment. The Division of Investment, in addition to handling specific term investments, operates the State of New Jersey Cash Management Fund, which is the State operated money management fund. This fund provides account holders daily access for contributions and withdrawals, and should be used together with a bank demand account as an alternative to an interest bearing account. Compliance with related executive orders and applicable investment regulations is required.



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Charlene M. Holzbaur, Director