



**OREGON
STATE
TREASURY**

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Owner: *Bryan González: Policy & Strategy Manager*
Policy Area: *Finance*
References:

FIN 201: Collection and Deposit of Money(s)

INTRODUCTION & OVERVIEW

Summary Policy Statement

Pursuant to its designation as the sole banking and cash management officer for the State of Oregon, the Oregon State Treasury ("Treasury") has broad authority to review, establish, and modify policies and procedures for the efficient handling of cash and cash equivalents under the control of all Agencies. Agencies are directed to employ the principles, standards, and related requirements for cash management prescribed by Treasury. This policy describes the responsibilities of Agencies for compliance with ORS 293.265 and ORS chapter 295 in the collection and deposit of Money(s).

Purpose and Goals

The goal of this policy is to clarify the expectations of Agencies with regard to the collection and deposit of Money(s) with Treasury.

Applicability

The provisions of this policy apply to Agencies as defined within this policy.

Authority

ORS 293.875

POLICY PROVISIONS

Definitions

Agency (Agencies): Every state officer, board, commission, department, institution, branch or agency of the state government, whose costs are paid wholly or in part from funds held in the Treasury. While excluded, at times, in other legal contexts, includes State Treasury, Secretary of State, Judicial Department, Legislative Assembly, and the Public Defense Services Commission.

Branch Bank Deposit: A deposit of Money(s) prepared in accord with bank requirement and delivered, in person, to a specified Treasury Depository branch (brick and mortar) location.

Cash Management: Generally includes, but is not limited to, the collection and deposit of, handling or management of, and payment, use, or transfer of Money(s) of an entity or organization.

Cash Vault Deposit: A deposit of Money(s) prepared in accord with bank requirement and transported to a specified Treasury Depository location, other than a branch location, by an armored carrier.

Currency: United States coins and paper notes issued by the United States Federal Reserve Bank that are not mutilated as described in 31 CFR 100.5, 100.11, and 100.12, or contaminated such that they cannot be safely processed under routine operating procedures.

Industry Standards or Regulations: Includes any applicable laws, rules, guidelines, policies or interpretations adopted by a governmental, quasi- governmental entity, or private industry trade association addressing a payment network or channel or otherwise regulating or providing standards related to the movement of moneys between and amongst entities, including but not limited to public or governmental entities.

Money(s): Includes Currency, checks or money orders, other negotiable instruments, wire transfers, credit or debit card transactions, and ACH or other electronic funds transfers, as well as demand deposits of an entity or organization. May be referred to as cash or cash receipts.

Oregon Public Funds Laws: The legal provisions outlined primarily in ORS chapters 293 and 295, setting out requirements for the collection, deposit, transfer, administration, and collateralization of Public Funds.

Public Funds: Those funds under the control or in the custody of a public official by virtue of office. The Oregon Department of Justice has concluded that this includes funds both directly and indirectly controlled or held by a public official.

Third Party Vendor: A vendor with whom an Agency contracts (or intends to contract) for provision of services, including Cash Management Services, selected by the Agency, and who is unaffiliated with Treasury for purposes of providing such services.

Treasury Depository: A qualified Oregon Public Funds depository under ORS chapter 295 with which Treasury has an established depository account for acceptance of Agency Money(s).

Policy Statements

1. Agencies that receive Money(s) should implement procedures to timely deposit such Money(s) into an account at Treasury not later than one business day after receipt or collection as provided in ORS 293.265. These procedures should provide for the security of such Money(s), particularly any Currency, as well as for Agency staff and the Agency office receiving and holding the Money(s).
2. A reasonable period beyond one business day may be employed for the deposit of such Money(s) if the Agency documents a valid business reason for using a longer period and that period is no longer than necessary to satisfy that business reason.
 - a. The Agency should consult with Treasury with regard to these business reasons, including appropriate controls, security measures, and endorsement procedures during the period the Agency is holding the funds.
 - b. In no event should this longer period provide for deposits to be made less than weekly.
3. Treasury recognizes that each Agency has its own unique set of circumstances, including programmatic

administrative rulemaking or policymaking authorities, that will inform the design and implementation of specific processes and controls relative to the collection and deposit of Money(s), including Currency. Processes may vary within an Agency depending on the type of Money(s), and amount, that are collected and received. In its design of these processes an Agency should consult with Treasury and consider, at a minimum,

- a. the number of qualified, trained staff it has available to carry out recommended Money handling practices as set forth in the Oregon Accounting Manual, Oregon Public Funds Laws, or other Industry Standards or Regulations;
- b. the security of the Agency's staff, equipment, and office for handling large amounts of Money(s), particularly Currency;
- c. the Agency's ability to adequately secure Money(s), particularly Currency, held overnight when necessary;
- d. the Agency's proximity to a Treasury Depository;
- e. any depository restrictions on Currency deposits, including requirements for Cash Vault Deposit of Currency instead of Branch Bank Deposit; and
- f. where applicable, the availability and frequency of armored car or other secure transport methods with regard to Cash Vault Deposit locations.

4. As a part of its procedures, and based on the above considerations, an Agency should determine the amount of Currency, **if any**, that may be safely and securely collected and held in its offices. The amount may be set forth as a daily average or limit or may vary by day depending on the circumstances of the Agency, including individual Agency locations, and the ability to handle collection of Currency at each. The Agency should adopt procedures to be followed when amounts exceed the limit, which may be zero. Procedures could include the following:

- a. An Agency may require customers with payments of Money(s), particularly Currency, in excess of certain amounts, which may be zero, to notify the Agency in advance of the payment.
- b. An Agency may require that payments of Money(s) over a specified amount, which may be zero, be paid only at certain locations that have the staff, equipment, facilities or operations to securely and efficiently handle payments of Money(s), particularly Currency. Specified locations may include
 - i. locations operated by the Agency, such as a central or headquarters' office location or other Agency-occupied location that otherwise meets security and control provisions;
 - ii. locations operated by an alternative Agency with which the original Agency has an interagency agreement to collect and deposit Money(s), particularly Currency, on its behalf, and that otherwise meets security and control provisions;
 - iii. locations operated by a Third Party Vendor with which the Agency has a contractual relationship and that has been approved by Treasury consistent with FIN 214, Third Party Vendor Requirements.
- c. An Agency may direct a customer to an alternate location or refuse to accept Money(s), including Currency, in amounts greater than Agency-adopted limits and consistent with any procedures adopted by the Agency.

Exceptions

None other than as described above.

Failure to Comply

Failure to comply with these requirements may unnecessarily expose an Agency or its customers to losses due to insolvency, financial fraud, or negligence and may result in termination of an Agency's ability to conduct such transactions.

PROCEDURES and FORMS

None.

ADMINISTRATION

Feedback

Your comments are extremely important to improving the effectiveness of this policy. If you would like to comment on the provisions of this policy, you may do so by e-mailing Treasury at tms@ost.state.or.us. To ensure your comments are received without delay, *please list the policy number and name in your e-mail's subject*. Your comments will be reviewed during the policy revisions process and may result in changes to the policy.

Attachments

No Attachments

Approval Signatures

Step Description	Approver	Date
	Cora Parker: Director of Finance	12/2021
	Carmen Leiva: Operations Analyst	12/2021
	Bryan González: Policy & Strategy Manager	12/2021