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**OREGON
STATE
TREASURY**

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Owner Bryan González:
Deputy Director
of Finance
Policy Area Finance

FIN 212: Overdrafts

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 establishes how Treasury addresses negative account or fund balances (overdrafts).

Purpose and Goals

The goal of this policy is to clarify the expectations of Agencies with regard to negative account or fund balances (overdrafts).

Applicability

The provisions of this policy apply to Agencies, as defined within, and the General Fund.

Authority

ORS 293.171, 293.875 & 352.135(3)

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 at Treasury. While excluded, at times, in other legal contexts, includes Treasury, Secretary of State, Judicial Department, Legislative Assembly, and the Oregon Public Defense Commission. Agency also is used here to reference those other entities, including public universities, that hold funds at Treasury by virtue of an intergovernmental or other agreement.

Policy Statements

1. Negative account or fund balances (overdrafts) must result from only transitory or unanticipated imbalances in receipts and disbursements unless otherwise expressly authorized by Treasury.
2. Agencies experiencing negative account or fund balances shall contact Treasury.
3. Anticipated imbalances and imbalances of more than a transitory nature shall be addressed as interfund borrowing under Treasury policy FIN 209.
4. Treasury will charge Agencies a fee, as listed on the Banking Services Fee Schedule, for each instance of a negative account or fund balance.
5. In addition to the fee referenced above, Treasury will charge Agencies interest on negative account or fund balances.
6. Agencies shall clear negative account or fund balances as soon as possible.
7. Treasury reserves the right to transfer any funds an Agency has, in accounts held by Treasury, to offset unauthorized negative account or fund balances that are not cleared in a timely manner.
8. Large or frequent negative account or fund balances may result in modification or termination of an Agency's access to Treasury accounts and services.

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 customer.solutions@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 line*. Your comments will be reviewed during the policy revisions process and may result in changes to the policy.

Approval Signatures

Step Description

Approver

Date

Cora Parker: Director of
Finance

11/2024

Bryan González: Deputy
Director of Finance

11/2024

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