

OFFICE OF THE STATE TREASURER

POLICIES AND PROCEDURES

CASH MANAGEMENT	NUMBER: 1- 1 REV: 0
SUBJECT: Depository Account Request & Authorization (CMD – 1A)	EFFECTIVE DATE: 05/01/09 Revision Date: 11/10/09
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I. PURPOSE

To establish the requirements for agency depository account requests and authorization by the State Treasurer.

II. REFERENCES

Section 6-1-13 NMSA 1978
2 NMAC 60.2

III. DEFINITIONS

“**Account**” shall mean any deposit account or district court litigant account.

“**Depository Account**” shall mean any demand account, savings account or certificate of deposit of any state agency at any financial institution except accounts of the State Treasurer and investments of the State Investment Council.

“**District Court Litigant Account**” shall mean any litigant funds deposited in financial institution by the district court.

“**State Agency**” shall mean the State of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions other than state educational institutions designated by Article 12, Section 11 of the Constitution of New Mexico.

II. POLICY

A. Authorization of Depository Accounts

1. No State agency may open a new account or deposit money in an existing account without written authorization from the State Treasurer or his designee.

2. The State Treasurer may authorize state agency accounts based on the following general criteria:

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- a. A local deposit account is necessary to ensure safety of state funds handled by state agencies receiving cash or instruments on a daily or routine basis; or
- b. An account is established by court order or state agency administrative action; or
- c. A local account is necessary in order for the state agency to comply with the provisions of Section 6-10-3 NMSA (1987 Repl.); or
- d. The state agency is authorized by statute to keep and maintain a deposit account; or
- e. The deposit account is established at a financial institution that has signed a depository agreement with the State.

B. New Accounts

- 1. Requests for a new deposit account must be in writing on the form prescribed by the State Treasurer (Form CMD-1B). An agency CFO or person of comparable authority within the state agency must sign the request.
- 2. The State Treasurer or his designee shall authorize a new agency account or reject a request for a new account in writing within 10 business days of receipt of the request. The authorization shall state the conditions or limitations on the account and must be re-certified every two years.

C. Existing Accounts

Each existing state agency account is subject to review and authorization by the State Treasurer.

- 1. Each state agency shall submit a written request for re-certification of an existing account on the form prescribed by the State Treasurer (Form CMD-1B).
- 2. Existing accounts are subject to the conditions or limitations established for the account by the State Treasurer or his designee.

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3. These procedures shall apply to any new or existing deposit account or district court litigant account of any state agency.

4. Requests for authorization for new accounts or re-certification of existing accounts shall be submitted to the Cash Management Division at the following address:

Office of the State Treasurer
Cash Management Division/State Accounts Bureau
P. O. Box 608
Santa Fe, New Mexico 87504-0608

D. Unauthorized Accounts

1. All unauthorized accounts shall be closed immediately and funds shall be transferred to the Treasury accordingly. Unauthorized accounts will be reported to the State Board of Finance.

E. Conditions and Limitations

1. The State Treasurer may establish conditions or limitations on any account including but without limitations to the following:

- a. The time period for which the account is authorized;
- b. The maximum balance for the account; based on the safe keeping receipts in the possession of the State Treasurer and the collateralization policy of the State Board of Finance;
- c. The frequency or schedule of deposits by the state agency to the State Treasurer.
- d. The location of the account based on the cost benefit factors such as interest earned, costs, fees, or service charges; and
- e. The location of the account based on deposit insurance limitations, other limitations on deposits established by Section 6-10-24.1

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NMSA 1978 (1987 Repl.) or collateralization requirements established by the State Board of Finance.

2. Except for good cause shown, the state agency shall require the Financial Institution report statements on a calendar month basis and each monthly statement shall reflect activity from the first through the last day of the preceding month.
3. The State Treasurer may consolidate or combine accounts where feasible or as may be necessary to protect the best interests of the state.
4. The State Treasurer may revoke authorization for an account for failure of the state agency to comply with the conditions or limitations established for the account, for failure of the state agency to submit required reports, for changed circumstances which no longer justify the establishment of the account, or to protect the safety of public funds.

F. Reports

1. One of the following reports must be submitted monthly:
 - a. **State Fund Deposit Balance Report** (Form CMD-3), with a copy of the corresponding monthly bank statement, is required for each non-interest bearing account.
 - b. **Interest Earnings Activity Report** (Form CMD-4), with a copy of the corresponding saving or earnings statement, is required for each interest bearing account.
2. Monthly reports are due to the State Treasurer on or before the 20th day of the month following the reporting period and should be addressed to the Office of the Treasurer as provided in section C. 4 above.
3. Failure to report on a timely basis may result in account closure.
4. The State Treasurer may require additional reports as needed.
5. The State Treasurer may have access to all records and files of any agency account upon reasonable request.
6. The State Treasurer shall submit a monthly and/or quarterly report to the State Board of Finance listing all authorized accounts.

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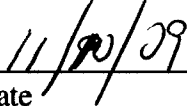
G. Closed Accounts

1. When closing an account the state agency shall submit to the State Treasurer a final bank reconciliation report indicating a zero balance and a copy of the final bank statement. (Form CMD-5).

III. REVIEW AND APPROVAL



State Cash Manager



Date