

20 NCAC 01C .0404 PROCEDURES FOR DEMAND DEPOSIT ACCOUNTS OF STATE FUNDS

- (a) The State Treasurer or his authorized representative are the only persons authorized to designate a financial institution as the depository for a state agency. The criteria for designation of a depository are the safety of the deposits, minimum cost of the entire set of transactions to the state, and other factors unique to each request. The name of the demand deposit account shall be: "North Carolina State Treasurer."
- (b) Each state agency, department or institution shall deposit exclusively either with the Operations Section of the Department or with a depository, as specifically instructed by the State Treasurer.
- (c) The depository's regular deposit form shall be used and shall be headed as follows: "North Carolina State Treasurer, by (Name of State Agency)." This form which is supplied by the depository, is completed by the agency in duplicate.
- (d) Official forms are prescribed for use by the agencies of the state to report funds deposited in a depository to the account of the State Treasurer. The form applicable to the funds deposited shall be completed by the depositing agency and shall be submitted in duplicate to the State Treasurer certifying that the total funds as indicated have been deposited in the depository to the account of the State Treasurer.
- (e) If the depository does not collect an item that was previously included in a deposit and credited to the account of the State Treasurer, the returned item is to be forwarded by the depository as a "cash item" to the depositing agency with a request for direct and immediate reimbursement. The accounting procedures of the State Treasurer and the Director of the Budget will not permit charges to the account of the State Treasurer.
- (f) If an error is discovered in the deposit, the depository's notice of correction shall be forwarded to the depositing agency with a duplicate copy to the State Treasurer.
- (g) The periodic account statements of the depository shall be forwarded to the State Treasurer for audit and reconciliation purposes. The statement is required even though there may have been no activity in the account during the preceding month.
- (h) All checks, drafts or money orders made payable to an agency, institution or department of the state shall be deposited to the account of the State Treasurer. Under no circumstances may an item be converted into cash. When an agency receives funds other than funds required by law to be deposited to the account of the State Treasurer, such funds shall be deposited in a separate deposit account to be administered by the depositing agency since such funds do not come under the jurisdiction of the State Treasurer.

*History Note: Authority G.S. 147-78;
Eff. September 15, 1977;
Amended Eff. March 1, 1985;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 5, 2016;
Amended Eff. November 1, 2020.*