

NYS Banking Services – Agency Bank Account Consolidation/Closure

Bureau of State Accounting Operations
Cash Management Unit



NYS COMPTROLLER
THOMAS P. DiNAPOLI

Harvesting Knowledge

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Agenda

- Reducing Banking Services Costs/Fees
- Requesting Online Banking Access
- Opening a New Bank Account
- Fraud with Agency Bank Accounts
- Banking RFPs and New Banking Services
- Q&A's – Open Discussion



Reducing Banking Services Costs/Fees



Reducing Banking Services Costs/Fees

- OSC assists in managing over 2,000+ agency bank accounts, within 60+ different banks, for NYS agencies across New York State.
- We started an initiative in 2015 to save NYS money by reducing banking costs.
- Some of the cost savings measures include:
 - reducing the number of bank accounts,
 - eliminating paper reports, and
 - streamlining NYS agencies processes.



Online Banking



Requesting Online Banking Access

For questions pertaining to online access or to add a new user, you can email Cash Management at: BankingServices@osc.state.ny.us.

The following information is needed to add a user to online access:

- Employee's Name, Email Address, Phone Number
- Type of access the user needs (Bank Statements, Previous Day Reporting, etc.)
- Which bank and which account(s) the user needs access to.
- Is there a current online user at your agency that this new user can be cloned after?
- Is there a current online user that no longer requires access and can be removed from online banking?



Most Common Types of Online Access

Some of the more common requests we get for online access are:

- Online Bank Statements
- Previous Day Reporting
- Remote Deposit*
- Image Access/Inquiry
- Positive Pay/Stop Payments
- Same Day/Current Day Reporting *
- Lock Box Access/Reporting *

* Fees associated with this access



Opening a New Bank Account



Opening a New Bank Account

- Contact Cash Management Unit to discuss the need for account.
- Account should be for NYS monies. List the name and purpose of the account, justification for establishment of the account and the account (bank and account number) that the new account will replace, if any.
- Is there a bank you wish to use? If this is not a bank NYS currently does business with, additional time to establish the bank in SFS will be required.
- If approved, we will contact the bank and give them new account name and agency contact information.
- When is an RFP required for Banking Services?
- See GFO Chapter XIV, Section 4.B – Establishment and Closing of Bank Accounts



Opening a New Bank Account

- The Bank will work with the agency to set up the account with standard services.
- Once the account is established, the account number and name must be submitted to Cash Management.
- Agencies will work with OSC's Revenue Receivable Section to establish accounting codes if there will be sweeps of the account.
- OSC CMU will establish the account on SFS.
- OSC CMU will entitle agency users for online bank statements as needed.
- Is there an account you need to close?



Opening a New Bank Account

Cash Management Contact Information:

(For bank account questions and online access)

BankingServices@osc.state.ny.us



Fraud with Agency Bank Accounts



Fraud with Agency Bank Accounts

Common types of fraud can be identified as:

- Defacing a valid NYS agency issued check
- Recreating/duplicating an instrument to be presented as a NYS issued check
- Duplicate cashing of a NYS check (Remote Deposit followed by Bank Teller presentation)



Fraud with Agency Bank Accounts

Percent of Organizations Subject to Attempted or Actual Payments Fraud in 2013

	All Respondents (2013)
Checks	82 %
Credit/debit cards	43
ACH debits	22
Wire transfers	14
ACH credits	9

Statistics Courtesy of Bank of America

NOTE: These percentages reflect the risk in 2013. With recent advances in banking technology, we expect these percentages to have improved but we have a ways to go.



Fraud with Agency Bank Accounts

One of the best tools to help prevent/reduce check fraud is Positive Pay.

What is Positive Pay?

What does “Holder in Due Course” mean?

ANY fraud on a NYS account should be immediately reported to the NYS Attorney General’s Office – Division of Criminal Enforcement and Financial Crimes Bureau (Phone: 518-776-2370) or <http://www.ag.ny.gov/>



Fraud with Agency Bank Accounts

Best Practices to combat fraud:

- Reconcile accounts on a daily basis
- Segregate internal duties for financial activities (Audit/Control)
- Consider migration from Check Payments to Electronic Payment Products
- Add Debit Block to your account
- Become fraud focused on inquiries from other banks/institutions regarding legitimacy of checks
- Escalate suspicious activities to management
- Flag any check over a given dollar amount to be decisioned via Positive Pay
- Early Warning TM



Banking RFPs and New Banking Services



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Banking RFPs and New Banking Services

- Services Available
- Same Day ACH
- Debit Cards
- General Checking/Direct Deposit - Combining into single contract



Any Questions?

