

Administrative Policy No.: 19.85.22

Subject: Local Fund Banking Fees

Contact: Office of Accounting Services
Chief, (360) 664-5716

Authorizing Source: State Administration & Accounting Manual (SAAM)
[80.30](#) State Accounting and Reporting Policies
[85.22](#) Deposit Adjustments and Returned Payments

Effective Date: August 10, 2017

Revised: May 7, 2021

Approved By: Original signed by Judy Fitzgerald
Assistant Secretary / Chief Financial Officer

Purpose

This policy establishes the treatment of banking service fees incurred for local bank accounts that have not been placed in the state treasury (with the State Treasurers Office).

Scope

This policy applies to all bank accounts held at financial institutions for the following funds administered by the Department of Social and Health Services (DSHS):

- Fund 512 – Institutional Stores Account
- Fund 651 – Institutional Resident’s Deposit Account
- Fund 752 – Institutional Clearing and Transmittal Account
- Fund 753 – DSHS Child Support Service Account
- Fund 800 – Institutional Welfare and Betterment Account

This policy does not apply to the following funds:

- Fund 001 – General Fund
- Fund 057 – State Building Construction (Escrow accounts are established only when needed and by contractor)
- Fund 525 – WA State Combined Fund Drive (administered by Secretary of State)

Definitions

DSHS means the Department of Social and Health Services.

Funds (account) are a fiscal and accounting entity with a self-balancing set of general ledger codes in which cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, are recorded and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. For reporting purposes, the state identifies certain accounts as major funds, and administratively combines all remaining accounts into roll-up funds.

Local bank accounts are accounts under the control of an agency with cash on deposit in a local bank account and requiring the signature of agency officials on a check for disbursement.

Maintenance bank fees are fees charged for the establishment and the required maintenance of the account.

Non-treasury funds are accounts, which have cash on deposit with a financial institution that is outside of the control of the State Treasurer.

Program means the affected DSHS programs, including the division, office, or staff designated by the Assistant Secretary or Division Director as being responsible for compliance with this policy.

Transaction bank fees are those fees charged by a financial institution for services beyond the establishment and maintenance of a bank account. Such fees include stop payments, cashier's checks, wire transfers and returned items (i.e. NSF.).

Policy

A. **Maintenance bank fees and transaction bank fees are to be paid from either the local account or the program's general fund.**

1. The following local funds are to pay for any bank fees from the local bank account and not charged to the program's general fund:
 - a. Fund 512 – Institutional Stores Account
 - b. Fund 651 – Institutional Resident's Deposit Account
 - i. Transaction fees must be charged against the residents account or balance. See 2.a.iii for exceptions.
 - c. Fund 800 - Institutional Welfare and Betterment Account
2. The following local funds are to pay for any fees from the program's general fund:

- a. Fund 651 – Institutional Resident’s Deposit Account
 - i. Maintenance fees in this fund must be charged to the general fund.
 - ii. Transaction fees outside of the resident’s control are to be charged to the general fund only when there are not sufficient funds available in the resident’s account to cover the fee (stop payment, wires, etc.).
 - iii. Transaction fees incurred due to DSHS processing errors.
- b. Fund 752 – Institutional Clearing and Transmittal Account
- c. Fund 753 – DSHS Child Support Service Account

DSHS Official