

## SAM—OFFICE REVOLVING FUNDS

### **BANK DRAFT SYSTEM AUTHORIZATION**

**8125**

(Revised 6/00)

State agencies need approval from DOF (FSCU) to establish the bank draft system and to exceed the \$500 limit for bank draft purchases. Requests should include the following:

- a. Intended use of and need for the bank draft system.
- b. Expected number of cash purchase transactions that would be replaced annually by the system.
- c. Average dollar amount per cash purchase transaction.
- d. Expected dollar amount of cash purchase funds that would be returned to the State agency revolving fund or reasons why the cash purchase funds should be maintained at the current level or a reduced level.
- e. Expected dollar amount to be advanced from the revolving fund to an account maintained by the contracted bank.

The following certification is required:

“I certify that the above information is true and correct and that the bank draft system, if approved, will not be used to circumvent the normal procurement process.

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Fiscal or Accounting Officer”

If approved, DOF (FSCU) will issue instructions for selecting a bank and for establishing and operating the system. When the State agency finds a bank to contract with for bank draft services, the State agency must also receive approval from DOF (FSCU) for a bank account outside the centralized State Treasury System. (See SAM Section 8002.)

Approval of the bank draft system does not include delegation authority to make purchases in excess of \$100. State agencies must obtain approval from the Department of General Services, Procurement Division. (See Public Contract Code Section 10308.)

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