

SAM—OFFICE REVOLVING FUNDS

BANK DRAFT PURCHASES

8124

(Revised 6/00)

The bank draft system is used by State agencies with field operations where normal payment methods, particularly cash purchase funds, are difficult to maintain or impractical to use.

State agencies may use bank drafts for purchases that have all of the following conditions:

- a. Immediate payment is necessary.
- b. Purchase is an over-the counter transaction.
- c. Vendor is reluctant to accept a subpurchase order or unable to accept CAL-Card.
- d. Alternative payment methods (e.g., the cash purchase fund or the revolving fund) are not available.
- e. Dollar amount of the purchase is \$500 (inclusive of taxes) or less. The limit may be increased with approval from DOF (FSCU).

The following are **improper** uses of bank drafts:

- a. Paying for multiple invoices and credit card purchases.
- b. Mailing bank drafts to vendors.
- c. Using bank drafts to avoid the use of subpurchase orders.
- d. Allowing headquarter's accounting personnel to use bank drafts.
- e. Splitting purchases to avoid the \$500 limit or other DOF (FSCU) approved limits.