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The Division of Financial Operations (DFO) is committed to providing supports and services to schools, Borough Field Support Centers (BFSCs), central and field offices, and all DOE employees.

As part of this commitment, The Banking Unit within DFO has created the following list of frequently asked questions regarding school bank accounts.

School Bank Accounts: Frequently Asked Questions

Opening and Closing a Bank Account

Q. Can a school open an account with any bank that is convenient to the school?

A. The account *must* be opened at a bank authorized by the New York City Department of Finance (DOF) to hold deposits of City funds. There are approximately 30 banks that have this designation. Please see [Appendix A](#) for a list of DOF designated banks to ensure that you select an appropriate bank for your school.

Q. Can a school open a new bank account directly at a bank branch?

A. No. The school should not open an account on their own (directly through a bank branch). The opening of an account must be initiated through the DOE to ensure that the proper information and documentation is collected and transferred to the NYC DOF. For detailed information about opening a new bank account and to find the necessary documentation, please visit the following site: [Opening a bank account](#). You may also call the DOE Banking Unit for assistance: (718) 935-2654.

Q. Can a school request an ATM/debit card in association with its General School Fund (GSF) account?

A. No. Designated banks are not permitted to issue ATM/debit cards to schools. Use of an ATM/debit card associated with a GSF account is strictly prohibited.

Q. Can the PTA use the City's tax identification number (TIN) to establish a bank account?

A. No. The NYC DOF does not permit PAs/PTAs, Teachers' Associations, or any other school-related committee to use the City's TIN to establish a bank account. Bank accounts established by these entities must be opened using the entity's own Employer Identification Number (EIN). (Note: An EIN can be obtained from the Internal Revenue Service).

Q. Do PAs/PTAs need to register their bank accounts with the DOE?

A. No. Neither the DOF nor the DOE Banking Unit requires registration of a PA/PTA bank account.

Q. How should a school close an existing bank account?

A. To close a school bank account, a principal should mail the following to the DOE Banking Unit:

- A letter, addressed to the DOE Banking Unit on school letterhead, requesting the closure of the account.
- The final bank statement showing a zero account balance.

Please mail these materials to:

New York City Department of Education
Division of Financial Operations, Banking Unit
65 Court Street, Room 1802
Brooklyn, NY 11201

Bank Account Maintenance

Q. How can signatories be changed on an existing bank account?

- A. A principal should first call the DOE Banking Unit to request new bank signature cards: (718) 935-2654.

Once the signature cards are received via e-mail, the principal must prepare a formal letter, on school letterhead, requesting modification to the list of existing bank signatories. The letter should include the following information:

- Bank name and account number
- Names and titles of existing signatories
- Names and titles of new signatories

The letter, along with signature cards signed by the new signatories, must be mailed to the DOE Banking Unit at the following address:

New York City Department of Education
Division of Financial Operations, Banking Unit
65 Court Street, Room 1802
Brooklyn, NY 11201

Q. Can a treasurer be a signatory?

- A. No. The treasurer is not allowed to be a signatory.

Q. What guidance can you provide concerning bank account reconciliation?

- A. All bank accounts should be reconciled monthly after the monthly statement is received from the bank. The reconciled balance of the June 30th bank statement must be submitted to the DOE Banking Unit via the online Bank Account Survey: <http://dfoforms.nycenet.edu/BankSurveyUser/>. This can be done over the summer but no later than the middle of September.

Q. Are schools required to place stop payments on issued checks that do not clear within three months?

- A. A school is liable for any check it issues and funds should remain encumbered. However, a banking institution may not process a check that was issued more than six months prior (note that some institutions may not process a check that was issued more than three months prior). If a check is not cashed within 90 days of issuance, it is recommended that the school request a stop payment on the check. The school should also communicate this action to the vendor and offer to reissue the check. Ultimately, the school is liable for any check it issues.

Q. Are the DOF designated banks required to provide copies of cancelled checks along with the monthly statements and provide actual "returned checks" for legal claim to funds?

- A. Banks should provide copies of all cancelled checks, along with the monthly bank statement. Original checks are no longer provided.

Working with Funds

Q. What kind of funds can be deposited into a GSF account?

- A. Monies derived from fund raising, fees (including lunch fees), sales, and donations.

Q. What kind of disbursements can be made from a GSF account?

- A. Any expenditure related to students' activities. Please note that musical instruments purchased with monies from a GSF account should never leave the school premises.

Q. Can grants be deposited into a GSF account?

- A. If the value of the grant is \$9,999 or less and the funds will only be used for other than personnel services (OTPS) (for example, materials, equipment, or supplies), the school may deposit the funds into its GSF account after it has properly reported the grant to DFO's Revenue Office.

If the grant is for \$10,000 or more, the school should contact its grants officer to process the grant through DFO's Revenue Office so that the funds can be made available in the DOE's accounting system (FAMIS) for disbursement. Funds or assets under \$10,000 are considered to be "gifts" if they are given voluntarily without any compensation; gifts can be deposited into the GSF account. If the funds or assets are given for a specific purpose (such as, to fund a specific program), they are considered to be "grants"; grants cannot be deposited into the GSF account (see details in section 5.7 of the [General School Funds and Cash Transactions chapter of DFO's Standard Operating Procedures manual](#)). Schools are encouraged to contact the grants officer at its BFSC to obtain guidance on how grant monies should be properly processed and reported.

Q. How should a school handle cash receipts?

- A. All cash should be given to the school treasurer as soon as possible and deposited in the bank daily (if possible). All cash receipts should be noted in the Cash Receipts Journal.

Q. How can disbursements be made from the GSF account?

- A. All disbursements from the GSF account must be approved in writing by the principal or his/her designee. Disbursements should be made by check only. Funds received and deposited into the GSF as a result of student fundraising activities should only be disbursed to benefit the students.

Q. How do I fund and maintain a petty cash account?

- A. While reimbursement for expenditures should be made by check whenever possible, petty cash (cash on hand) can be used to meet small immediate expenses resulting from student activities. To fund a petty cash account, the treasurer can write a check payable to him or herself or to "Petty Cash" in an amount not to exceed \$200. Cash on hand should never exceed \$200.

To request advances from petty cash, the requestor must complete a *Petty Cash Voucher* and obtain approval from the principal or his/her designee. Once approved, the treasurer should assign a number to the voucher, in sequential order, and then record the transaction in the corresponding column of the school's Cash Disbursement Journal. Once purchases have been made, all receipts or invoices – regardless of the size of the expenditure – must be submitted to the treasurer so that they may be attached to the *Petty Cash Voucher* and filed. (Additional details can be found in the [General School Funds and Cash Transactions chapter of DFO's Standard Operating Procedures manual](#)), section 5.8.

Q. What should be done with excess funds received from non-fundraising activities (for example, \$40 left over from a field trip)?

- A. Any funds remaining after a non-fundraising activity should be deposited into the school's GSF account.

Q. During field trips, a school will often have additional expenses that are not adequately covered by money collected from parents (for example, lunch for a student who failed to bring a sack lunch, tolls, tips for guides). How should these shortfalls be handled?

- A. Any student-related expense associated with a field trip can be paid from the school's GSF account. All disbursements must be noted in the associated Cash Disbursement Journal.

Working with Vendors

Q. A vendor has requested a tax exempt number from us before it can provide goods/services. Where can a school obtain this?

A. Either the number, or a formal letter containing the DOE's tax exempt number, can be obtained by calling the DOE Banking Unit: (718) 935-2654

Q. What happens if a vendor does not provide a packing slip (for example, cap and gowns)?

A. As long as a school can certify that the items were delivered, the invoice can be paid. If there is a discrepancy with either the price or quantity, the school should resolve the issue directly with the vendor.

Audits

Q. We see that audits are sometimes repeated multiple times. Is there a reason for this?

A. Most audits of school bank accounts are supervised by the Office of the Auditor General (OAG). The school should contact OAG directly if it has a question or concern about an audit.

Please note that the DOE Division of Financial Operations maintains a Standard Operating Procedures (SOP) document, which is posted on the DOE Web site: <http://dfoapps.nycenet.edu/SOP/>. You may wish to bookmark this page as answers to many of your questions can be found here.

Appendix A:
New York City Designated Banks

As outlined in the New York City Department of Finance (DOF) Bank Account Policy and Procedures, City agencies, departments, schools, and programs may establish bank accounts, using the City's Tax Identification Number (TIN), only at a designated bank. The list of designated banks includes the following:

Amalgamated Bank	MUFG Union Bank
Bank of America, N.A.	Popular Community Bank
Capital One N.A.	Santander Bank
Citibank, N.A.	Signature Bank
Flushing Bank	State Street Bank
HAB Bank	TD Bank
HSBC Bank USA	The Bank of New York Mellon
IDB Bank	U.S. Bank
JP Morgan Chase Bank	Victory State Bank
Modern Bank	Wells Fargo Bank

To aid in your search for a new bank, you may find it helpful to use the "My Bank Tracker" tool (www.mybanktracker.com/banks). This tool, used in conjunction with this list, can help you locate City-designated banks near your school.
