

**DPE 022/011/2014**

**December 2014**

**Circular 16/2014: Public Bank Accounts**

**To: All Accounting Officers, Finance Officers**

**A Dhuine Uasail,**

I am directed by the Minister for Public Expenditure and Reform to refer to arrangements for the ongoing operation and management of Public Bank Accounts.

*This circular supersedes previous Department of Finance circulars and guidance in relation to public bank accounts.*

*Section A: Introduction to Public Bank Accounts*

**Public Bank Accounts**

1. Departments and Offices operate bank accounts with the commercial banks to facilitate payments and receipts generated in the normal course of business. Such accounts are designated as 'Public Bank Accounts'. The Accounting Officer has responsibility for all public bank accounts held by his/her Department or Office.

2. These accounts are funded when Voted money is deposited in them or when receipts are lodged from Departmental customers. Ultimately, these receipts should be lodged to the Departmental Vote with the Paymaster General or to the Central Fund, as appropriate, unless sanction has been obtained, in advance, from the Department of Public Expenditure and Reform to retain receipts for business purposes.

3. The rationale behind the operating requirements for public bank accounts is that public money, as far as possible, should be held by the Exchequer (Paymaster General) and should not be at the disposal of commercial banks for periods beyond what is deemed necessary for operational purposes.

**Role of the Department of Public Expenditure and Reform (DPER)**

4. The Department has legal authority to determine (a) which bank accounts are deemed public bank accounts and (b) the banks in which these accounts are operated. If you are uncertain as to the status of a bank account, please contact **Government Accounting, Department of Public Expenditure and Reform (DPER) - email [govacc@per.gov.ie](mailto:govacc@per.gov.ie); Lo-Call: 1890 661010, or +353 1 6767571,**

### **Credit Card Accounts:**

5. A credit card account is usually a payment instrument allowing purchases in advance and payment settled within agreed terms. Where such an account is pre-funded, the Department of Public Expenditure and Reform may determine that the account is a public bank account. If in doubt, contact Government Accounting Unit, DPER (contact details at paragraph 4 above).

### **State Bodies**

6. Bank accounts held in commercial banks by State bodies are not deemed to be public bank accounts and are outside the scope of this Circular. In general, the primary legislation or Establishment Order for these bodies provides for autonomy with regard to their banking arrangements.

### ***Section B: Sanctioning of Public Bank Accounts***

7. **Sanction** to open a Public Bank Account is provided by DPER:

- **New Account:** requests to open a new bank account must be submitted to DPER (Government Accounting), on the Request for Sanction form PBA 1 (Public Bank Account 1 – Appendix 1).
- **Change of Use:** In the case of a change of title or use of a public bank account, a request for sanction must be submitted to DPER (Government Accounting) on form PBA 2 (Public Bank Account 2 – Appendix 2).

### **Information Required**

<b>PBA1 – Appendix 1</b>	<b>PBA2 – Appendix 2</b>
Name of Department/Office	Name of Department/Office
Business case	Business case
Name of the public bank account (required format)	Original and proposed new title and purpose of the public bank account
Relevant bank and branch office address.	Relevant bank and branch office address.
Additional issues/ information (e.g. requirement for Electronic Funds Transfer EFT, Internet Business Banking IBB)	Additional issues/information, if any.
Whether it is intended to close any bank account and any associated details.	Whether it is intended to close any bank account and any associated details.
Confirmation of adherence to this Circular.	Confirmation of adherence to this Circular.

### **Issue of Sanction**

**8.** A letter of sanction will issue from DPER to the relevant Department / Office. DPER may determine that conditions apply – for example, sanction being temporary or subject to review. DPER may also provide sanction, if sought, to Departments / Offices in the case of public bank accounts being opened in other jurisdictions.

**9.** As outlined in the letter of sanction, the Department or Office concerned is required to furnish the relevant bank with the names and signatures of the officers authorised to operate on the public bank account. This notification must be provided by the Accounting Officer of that Department/Office or by a deputy with delegated authority from the Accounting Officer. The number of officers who may issue such notifications to the banks should be strictly limited.

### *Section C: Public Bank Accounts - Operating Requirements*

#### **Accounting Officer Oversight**

**10.** The Accounting Officer for a Vote is responsible for the oversight of his or her Department's/Office's public bank accounts. He or she should be satisfied that the opening of public bank account(s) is kept to the minimum necessary, that the need for such account(s) is kept under periodic review (at least once a year) and that the arrangements for operating the public bank accounts are effective and safe and comply with the requirements of this Circular.

#### **Requirements**

**11.** Departments/Offices must be familiar with the following requirements:

- **Number of Accounts:** Keep the number of public bank accounts to a minimum.
- **Closure of Accounts:** DPER must be notified when accounts are being closed.
- **Balances:** Keep balances in public bank accounts to a minimum by regularly transferring balances to the Paymaster General/ Central Fund, especially when receipts are being lodged.
- **No Borrowing:** Public bank accounts should not become overdrawn as this is, in effect, borrowing on behalf of the State, without sanction, and is in breach of public financial procedures.
- **Interest/Charges:** Public bank accounts should be interest-bearing where possible and charges incurred on public bank accounts should be minimal and commensurate with the required level of functionality to be provided by the bank.

- **VFM:** Value for Money should always be a priority when choosing a commercial bank to provide banking services.
- **Procurement:** Public Procurement procedures must be followed when choosing a commercial bank to operate a public bank account.
- **Account Title:** The words ‘public bank account’ must be included in the title and officials’ names are not permitted. The required naming convention for public bank accounts is as follows:
 

**‘Department name – (brief functional description) - Public Bank Account’,**  
 e.g. Department of Public Expenditure and Reform –Special Receipts – Public Bank Account.
- **Transfer of Functions:** Following the transfer of functions between Government Departments and Offices, the names of public bank accounts must be changed to reflect the new Department/Office title. DPER should also be notified accordingly by submitting form PBA 2.
- **Change of Use:** Sanction is required for any proposed change of use of a public bank account. DPER must be notified (form PBA 2) in advance, if a change of use is envisaged, in order to amend the sanction.
- **Review of Public Bank Accounts:** The need for public bank accounts and the arrangements for the operation of these accounts should be reviewed periodically, (at least annually), to ensure that they are delivering value for money and are operating in accordance with the requirements of this Circular. Departments / Offices must maintain a list of all Public Bank Accounts.

### **Stamp Duty on cheques**

**12.** Government levies are collected by banks (Medallion and Stamp duty charges) on behalf of the State. Under Section 111 of the Stamp Duties Consolidation Act, 1999, stamp duty is not payable on cheque transactions (instrument) where the source of the money is the Government’s Central Fund / Exchequer Account.

**Money Laundering**

**13.** Section 34 of the Criminal Justice Act, 2004 requires banks to take certain anti-money laundering measures in relation to non-personal account customers who operate on accounts. This application of anti-money laundering measures is a matter for the bank. The Department of Public Expenditure and Reform has no remit in this area.

David Moloney,  
Assistant Secretary,  
Department of Public Expenditure and Reform.

To: Government Accounting  
Department of Public Expenditure and Reform

Your reference:

Date:

**Request for sanction**

I request sanction to open a new Public Bank Account(s),

<b>1. Name of Department /Office:</b>
<b>2. Business Case:</b>
<b>3. Provide name of the account:</b> <i>In the format 'Department / Office name - (brief functional description) - Public Bank Account.'</i> e.g. "Department of Public Expenditure and Reform – Agency Receipts – Public Bank Account":  The words 'Public Bank Account' must always be used in the title.
<b>4. Provide name of bank and branch office address where account will be held:</b>
<b>5. Please outline additional issues/information, if any (e.g. requirement for Electronic Funds Transfer EFT, Internet Business Banking IBB).</b>
<b>6. Do you propose to close any existing public bank account? If yes, please provide account details.</b> <b>Yes</b> <b>No</b>

I confirm adherence to public financial procedures in relation to the opening and proposed operation of this (these) public bank account(s), as outlined in the Department of Public Expenditure and Reform Circular 16/2014. In particular that public procurement requirements have been followed and value for money achieved.

Yours sincerely,

\_\_\_\_\_  
A.N. Other  
Head of Finance Unit

**Appendix 2  
PBA.2**

**To: Government Accounting  
Department of Public Expenditure and Reform**

**Your reference:**

**Date:**

**Request for sanction to change the title (or use) of a Public Bank Account(s)**

I request sanction to change the title/use of the following Public Bank Account(s):

<b>1. Name of Department /Office:</b>
<b>2. Business Case:</b>
<b>3. Original title and purpose of public bank account:</b>  <b>Proposed new title and purpose:</b>
<b>4. Provide name of bank and branch office address where account is held:</b>
<b>5. Please outline additional issues/information, if any (e.g. requirement for Electronic Funds Transfer EFT, Internet Business Banking IBB).</b>
<b>6. Do you propose to close any existing public bank account(s)? If yes, please provide account details.</b>  <b>Yes</b> <b>No</b>

I confirm adherence to public financial procedures in relation to the operation of this (these) public bank account(s), as outlined in the Department of Public Expenditure and Reform Circular 16/2014. In particular that public procurement requirements have been followed and value for money achieved.

Yours sincerely,

\_\_\_\_\_  
A.N. Other  
Head of Finance Unit

**Government Accounting Section**

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Room 0.9 Lower Ground Floor  
South Block, Government Buildings  
Upper Merrion Street  
Dublin 2

Email address: [govacc@per.gov.ie](mailto:govacc@per.gov.ie).

Website: [www.govacc.per.gov.ie](http://www.govacc.per.gov.ie)

**Lo-Call: 1890 661010 or +353 1 6767571**