

**South Carolina Office of the State Treasurer**  
**Banking Division**  
**Delegation of Authority Agreement**

Consistent with the South Carolina Code of Laws, the State Treasurer is authorized to establish bank accounts for state agencies and institutions for regular operating purposes or for other justifiable circumstances. The South Carolina State Treasurer does herewith delegate the authority to perform certain associated functions to \_\_\_\_\_ (“State Entity”) and its duly authorized employees and/or representatives in accordance with the following terms and conditions:

1. The bank account(s) identified on “Schedule A - Associated Bank Accounts” as may be amended shall be established for use by the State Entity as deemed appropriate by the State Treasurer’s Office (“STO”), and with a financial institution designated in accordance with the State Treasurer’s policy entitled, “Designation of Qualified Public Depository.”
  - All requests for new bank accounts or changes to existing bank accounts must be submitted to the STO for approval. This includes depository sub/sweep accounts, composite reservoir accounts, and specific purpose stand-alone accounts.
2. The State Entity shall ensure that all funds received will be deposited and maintained in appropriate accounts in the State Treasury, either in a General Deposit Account (GDA) or a Composite Reservoir Account (CRA).
  - Funds whose disbursements are subject to a warrant issued by the Comptroller General’s Office will initially be deposited to a State Treasurer’s GDA for credit to the entity’s appropriate accounting fund, such accounting fund then being considered an “appropriate account” subject to investment and/or disbursement.
  - Funds subject to a special fiduciary requirement and whose disbursements are not subject to a warrant issued by the Comptroller General’s Office may be deposited to an entity’s designated CRA.
  - When deemed beneficially efficient or necessary to meet operational requirements, a combination of a GDA and a CRA may be established, allowing initial deposit of funds to the GDA for credit to the entity’s appropriate accounting fund with subsequent transfer to the entity’s designated CRA for ultimate disbursement.
  - For any State entity’s “accounting fund” represented by deposits in a GDA, any interest earnings will accrue to the State’s General Fund, unless there is a Law, Proviso, court order, or other mandate allowing earnings retention within the entity’s fund.
3. The State Entity shall implement adequate internal controls for depositing of moneys, including:
  - Utilizing and managing “remote deposit” service offered by the bank including adhering to the bank’s prescribed security and processing requirements.
  - Securing and processing of currency, coin, and checks.
  - Managing any third parties the State Entity may authorize to collect and deposit moneys on behalf of the agency.
4. The State Entity shall implement appropriate procedures to timely process any returned checks, ACH returns, or merchant card chargebacks.
5. The State Entity shall implement adequate internal controls over utilization of the bank’s online reporting and transaction system(s), including:
  - Adherence to the bank’s requirements to comply with all security measures and procedures for access and use of the Bank’s Services including without limitation, the use of user IDs, passwords, tokens, and other access devices.
  - Management of user access and user roles, including the timely deletion of users who are terminated or no longer require user access.

6. If applicable, the State Entity shall implement adequate internal controls over check disbursements, including:
  - Securing check stock.
  - Securing signature plates / stamps.
  - Implementing payee positive pay services offered by the bank, including and ensuring that any notifications or responses required by the bank are adhered to in accordance with the banks required time frames.
  - Utilizing stop payment service offered by the bank as appropriate.
7. If applicable, the State Entity shall implement adequate internal controls over Automated Clearing House (ACH) transactions, including:
  - Obtaining approval from the STO before implementing any new ACH Origination service with a banking partner or through a third-party vendor.
  - Adherence to the National Automated Clearing House Association (NACHA) Operating Rules.
  - Origination and transmission of ACH files to the originating depository financial institution (ODFI).
  - Adherence to State Treasurer's policy entitled, "Effective Date of ACH Origination Files;"
  - Prevention of erroneous or duplicate file transmissions.
  - Verification of proper payee name, bank routing number, and bank account number.
  - Verification that any request to change payee bank information is authenticated to deter fraud.
  - Ensuring use of dual approval for all ACH template setups and file submissions (with one user submitting the ACH template/file and a second user approving the ACH template/file submission) and establishment and continual compliance monitoring of appropriate maximum dollar amount limits.
  - Utilization of ACH debit blocks/filtering service offered by the bank, including the establishment and continual monitoring of ACH filter maximum dollar limits to prevent authorized entities from debiting bank accounts for amounts in excess of the established maximum dollar limit. State Entity must obtain approval from the STO before allowing any entity to debit its bank accounts.
    - State Entity must submit an annual report to the STO listing all entities it has authorized to debit its bank accounts, and the maximum dollar amounts that have been established. The report will be due by March 31<sup>st</sup> each year.
8. If applicable, the State Entity shall implement adequate internal controls over wire transfer processing, including:
  - Obtaining approval from the STO before implementing any new Wire Transfer service with a banking partner or through a third-party vendor.
  - Verification of proper payee name, bank routing number, and bank account number.
  - Verification that any request to change payee bank information is authenticated to deter fraud.
  - Ensuring that dual approval is used for all Wire Transfer template and payment submissions (with one user submitting the Wire Transfer template/payment and a second user approving the Wire Transfer template/payment) and establishment and continual compliance monitoring of appropriate maximum dollar amount limits.
9. If applicable, the State Entity shall implement adequate internal controls over merchant card processing, including:
  - Obtaining approval from the STO before implementing any new merchant card service through the State Treasurer's contracted processor or through a third-party service provider.
    - All third-party service providers must be certified to process merchant card transactions through the State's Merchant Card contract with First Data Merchant Services, LLC.
    - Any exceptions to the above requirement must be approved in advance by the State Treasurer.
  - Utilization of any service providers in accordance with applicable state procurement requirements.
    - The STO should be consulted on any procurement solicitation which contains a request for banking or payment services, including merchant card processing.
  - Adherence to contract terms of any agreements entered into with merchant card processor(s).
  - Adherence with the State Treasurer's policy entitled, "Compliance with PCI Data Security Standard."
  - Adherence with the State Treasurer's policy entitled, "Supplemental Policy – Compliance with PCI Data Security Standard – Monitoring and Remediation Process"

10. The State Entity shall establish a process to ensure timely resolution of any banking issues requiring involvement of the State Treasurer's staff, including, but not limited to:
- Incidents of fraud, theft, deceit, and/or negligence.
  - Transaction issues.
  - System interfacing.

The resolution process established by the State Entity shall include, but is not necessarily limited to, providing timely notice to the bank and STO and shall provide the State Entity's full and committed support to the STO.

This delegation may be revoked at any time, with or without prior notice, at the sole discretion of the State Treasurer if, in his opinion: the terms and conditions outlined above are not strictly adhered to, or that the funds in the account are at risk of being pilfered or otherwise misused.

#### ACCEPTANCE

On behalf of the above-named State Entity, the signatories agree to comply with the aforementioned terms and conditions and accept responsibility for ensuring strict compliance with the terms and conditions of this Delegation of Authority Agreement.

\_\_\_\_\_  
(State Entity Director)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Printed Name of State Entity Director)

\_\_\_\_\_  
(Chief Financial Officer)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Printed Name of Chief Financial Officer)

The above-named State Entity is granted this Delegation of Authority in accordance with the terms and conditions set forth in this Agreement. The term of this Agreement shall be from the date below and shall continue until notice in writing to the State Entity Head from the State Treasurer that this delegation for the referenced bank account(s) is revoked or any of the signatories to the Agreement no longer serve in their current capacity.

\_\_\_\_\_  
(Deputy State Treasurer)

\_\_\_\_\_  
(Date)

Melissa D. Simmons, CPA  
Deputy State Treasurer

**Schedule A-Associated Bank Accounts**

Name of State Entity: \_\_\_\_\_

The bank accounts identified below are the bank accounts associated with the State Entity’s “Delegation of Authority Agreement,” and if applicable with the “Delegation of Authority Addendum for CRAs.”

| Bank Name | Account Name | Account Number | GDA or CRA |
|-----------|--------------|----------------|------------|
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\_\_\_\_\_  
(State Entity Director)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Printed Name of State Entity Director)

\_\_\_\_\_  
(Chief Financial Officer)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Printed Name of Chief Financial Officer)

\_\_\_\_\_  
(Deputy State Treasurer)

\_\_\_\_\_  
(Date)

Melissa D. Simmons, CPA  
Deputy State Treasurer

This Schedule A is incorporated by this reference into the “Delegation of Authority Agreement,” and if applicable, into the “Delegation of Authority Addendum for CRAs for the above-named State Entity, dated \_\_\_\_\_, and supersedes any previously executed Schedule A.

**South Carolina Office of the State Treasurer**  
**Banking Division**  
**Delegation of Authority Agreement Addendum for CRAs**

This is an Addendum to the “Delegation of Authority Agreement” executed by the below referenced State Entity, which has been authorized to utilize a “Composite Reservoir Account” (“CRA”).

The South Carolina State Treasurer does herewith delegate the authority to initiate depository and disbursement transactions to \_\_\_\_\_ (“State Entity”) and its duly authorized employees and/or representatives in accordance with the following terms and conditions:

1. The CRA bank account(s) identified on “Schedule A - Associated Bank Accounts” as may be amended shall be established for use by the State Entity as deemed appropriate by the State Treasurer, and with a financial institution designated in accordance with the State Treasurer’s policy entitled, “Designation of Qualified Public Depository.”
2. The bank account(s) shall include the name of the State Entity in the description for identification purposes.
3. The bank account(s) shall be established under the Tax ID of the State Treasurer, unless otherwise specified.
4. The bank’s signature card shall be executed by the State Treasurer and/or his designee.
5. The bank’s signature card shall bear the names and signatures of the State Treasurer and the State Entity’s employees who are authorized to initiate transactions or subscribe to services on the entity’s behalf. It shall be the responsibility of the State Entity to update and notify the State Treasurer’s Office (“STO”) on a timely basis, and as often as may be required, of any changes to such personnel and/or signature authorizations which affect the signature card. It shall also be the responsibility of the State Entity to train and supervise its representatives who have signature authority, and the State Entity shall be fully responsible for any negligence, fraud, deceit, or theft attributable in whole or in part to its representatives.
6. The State Entity shall ensure that all funds received will be deposited and maintained in appropriate accounts in the State Treasury. To maximize interest earnings accruing to the State’s General Fund, funds are not to be prematurely transferred from a General Deposit Account (GDA) to a Composite Reservoir Account (CRA), nor are funds belonging to a GDA to be diverted to a CRA.
  - a. Any interest earnings on a CRA will accrue to the State’s General Fund, unless there is a Law, Proviso, court order, or other mandate allowing the entity to retain the earnings.
7. The State Entity shall adhere to all applicable requirements of the Comptroller General’s Office regarding the requisitioning and disbursing of funds, and associated reporting.
8. The State Entity shall reconcile the bank account(s) in accordance with established policies and procedures.
9. The State Entity shall ensure that the bank account balance is not overdrawn, and shall be solely responsible for any costs, fees, or interest, if any, should the account be overdrawn as a result of the State Entity’s failure to maintain an adequate account balance. The State Entity shall further be responsible for immediately replenishing the account with the funds necessary to resolve fully any such overdraft.
10. In addition to the internal controls referenced in item number five of the Delegation of Authority Agreement pertaining to the bank’s online system, the State Entity shall also implement adequate controls regarding:
  - a. Establishment of a system administrator at the State Entity, if so authorized by the STO

- b. Initiation of electronic payments (ACH and Wire Transfers) to include the requirement of dual authorization and establishment of appropriate maximum dollar limits for all ACH and Wire Transfer transactions
11. The State Entity shall implement adequate internal controls over check disbursements, including:
- a. Securing check stock.
  - b. Securing signature plates / stamps.
  - c. Implementing payee positive pay services offered by the bank, including and ensuring that any notifications or responses required by the bank are adhered to in accordance with the banks required time frames.
  - d. Utilizing stop payment service offered by the bank as appropriate.
12. The State Entity shall implement adequate internal controls for depositing of moneys, including:
- a. Utilizing and managing “remote deposit” service offered by the bank including adhering to the bank’s prescribed security and processing requirements.
  - b. Securing and processing of currency, coin, and checks.
  - c. Managing any third parties the State Entity may authorize to collect and deposit moneys on behalf of the agency.
13. The State Entity shall implement internal controls for Commercial Credit Card programs, including but not limited to:
- a. Creating and maintaining policies and procedures to govern distribution and use of the Commercial Credit Cards
  - b. Ensuring that only authorized employees are provided a commercial credit card and that cards are returned to the state entity if the employee is terminated, or it is deemed the employee no longer needs access to a card
  - c. Ensuring the card is used only for official state entity business expenses
  - d. Ensuring the card is used only for authorized purchases as approved by the state entity
  - e. Establishing authorized merchant categories as a spending control
  - f. Reviewing the appropriateness of established purchasing limits
  - g. Maintaining proper oversight and reconciliation of the card program
  - h. Ensuring the monthly bill is paid in full and by the designated due date

Please note: The state entity takes full responsibility for the risk and liability incurred with use of Commercial Credit Card programs.

This delegation may be revoked at any time, with or without prior notice, in the sole discretion of the State Treasurer if, in his opinion: the terms and conditions outlined above are not strictly adhered to, or that the funds in the account are at risk of being pilfered or otherwise misused.

## ACCEPTANCE

On behalf of the above-named State Entity, the signatories agree to comply with the aforementioned terms and conditions and accept responsibility for ensuring strict compliance with the terms and conditions of this Delegation of Authority Agreement.

\_\_\_\_\_  
(State Entity Director)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Printed Name of State Entity Director)

\_\_\_\_\_

(Chief Financial Officer)

(Date)

\_\_\_\_\_  
(Printed Name of Chief Financial Officer)

The above-named State Entity is granted this Delegation of Authority in accordance with the terms and conditions set forth in this Agreement. The term of this Agreement shall be from the date below and shall continue until notice in writing to the State Entity Head from the State Treasurer that this delegation for the referenced bank account(s) is revoked or any of the signatories to the Agreement no longer serve in their current capacity.

\_\_\_\_\_  
(Deputy State Treasurer)

\_\_\_\_\_  
(Date)

Melissa D. Simmons, CPA  
Deputy State Treasurer