



Issue Date: August 2007	Effective Date: August 29, 2007	Responsible Agency: Comptroller General	Directive No: 860
Chapter: Control of Expenditures			
Directive Title: DEPARTMENTAL CHEQUE ISSUE SYSTEMS			

1. POLICY

When, for reasons of efficiency, public benefit, or legal necessity the use of department cheque issue systems is deemed appropriate, such systems shall be implemented.

2. DIRECTIVE

Pursuant to the provisions of this directive, a request for establishment of a departmental cheque issue system must be authorized by the Deputy Head of the requesting department. The Comptroller General must approve the request prior to the system beginning operation, except where specific authority is granted by statute to other persons or bodies such as Territorial Corporations, Boards, or Commissions to operate such systems.

3. PROVISIONS

- 3.1. The request for a departmental cheque issuing system must provide the following information:
- the purpose and intended recipients of the payments, and the reason(s) why such payments cannot be handled by the existing cheque issuing system(s);
 - the expected parameters of the payments to be issued, i.e.: maximum amounts, frequency, numbers of payees;
 - the authority, legislative or otherwise, for the disbursements, and the budgetary limit of expenditures;
 - the source of the funds to be disbursed;
 - the source of funding for system development;



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- the identity (position/name) of the employee(s) responsible to manage the account, and the identity (position/name) of the employee(s) with signing authority on the account.
- 3.2. The public officer responsible for operation of a departmental cheque issue system is accountable for compliance with all relevant sections of the *Financial Administration Act*, including S.27, S.30, S.32, S. 44, and is subject to the provisions contained in this directive. The public officer is also accountable to develop appropriate procedures to control payments and to ensure effective control of the banking/cheque handling activities. The financial and accounting controls developed within the department shall be established and exercised in a manner approved by the Comptroller General.
 - 3.3. The cheque issuing system must be approved by the Comptroller General prior to implementation, as well as any and all subsequent changes.
 - 3.4. The delegation of cheque signing authority must be granted and rescinded in accordance with the Comptroller General's direction.
 - 3.5. An immediate refund to the Consolidated Revenue Fund of additional funds provided to meet seasonal expenditure requirements is necessary once the need has passed, where this process is permitted.
 - 3.6. Overdrafts are not permitted in departmental cheque accounts.