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| Issue Date:<br><b>June 2007</b>  | Effective Date:<br><b>May 24, 2007</b> | Responsible Agency:<br><b>Office of the Comptroller<br/>General</b> | Directive No:<br><b>805</b> |
| Chapter:<br><b>Control of Expenditures</b>   |  |   |                             |
| Directive Title:<br><b>ISSUANCE OF GN CHEQUES TO DEPARTMENTS, DIRECT<br/>DEPOSIT AND WIRE/ELECTRONIC FUND TRANSFER</b> |  |   |                             |

## 1. POLICY

Adequate internal control and financial procedures must be in place for the issuance of cheques, direct deposits and wire/electronic fund transfers. The Office of the Comptroller General acknowledges that cheques, under certain specific circumstances, must be returned to the originating departments rather than being delivered to payees.

## 2. DEFINITION

### 2.1. Direct Deposit

Government payments electronically deposited to a specific Canadian bank account in Canada.

### 2.2. Wire/Electronic Fund Transfer

Government funds transferred electronically to a specific foreign or Canadian bank account. This is normally a one time transfer.

## 3. DIRECTIVE

The Comptroller General or delegate(s) may authorize the issuance of government cheques, direct deposit services and wire/electronic fund transfers in accordance with the following provisions.

### CHEQUES RETURNED TO DEPARTMENTS

- 3.1. With the exception of the eligible list in 3.4 below, Deputy Ministers or designates shall approve all other cheques to be returned to departments.

- 3.2. Under no circumstances will cheques be returned to the originator of the transaction to ensure segregation of duties. The returned cheques shall be delivered to a finance officer, other than the originator of the transaction. Return to department cheques must be signed for when picked up by designated employees.
- 3.3. Departments shall maintain a register which clearly states the details of the returned cheques and their disposition.
- 3.4. Cheques eligible for return to departments include the following:
  - 3.4.1 Payments involving legal and contractual obligations which are:
    - a) Real estate transactions;
    - b) Contract releases and construction or service progress payments;
    - c) Damage claim releases (this class does not include payments against Crown debts which have been assigned or are subject to a power of attorney).
  - 3.4.2 Payments requiring formal presentation in a ceremony which are:
    - a) Grants or other payments presented personally by Ministers, Deputy Ministers or Regional Directors; or,
    - b) Honoraria and reimbursement of expenses paid to elders, visiting lecturers or seminar speakers.
  - 3.4.3 Payments which are required for immediate service for:
    - a) Postage meter charging and other postal charges;
    - b) Customs clearance;
    - c) Vehicle licenses;
    - d) Sheriffs' fees;
    - e) Petty cash advances and replenishments.
    - f) Travel advances or claims
  - 3.4.4 Payments which are delivered by diplomatic courier.
  - 3.4.5 Fur Auction Payments

The Department responsible for issuing fur payments must ensure adequate compensating internal controls are established in accordance with Directive 860, Departmental Cheque Issue Systems.



- 3.5 The Comptroller General may exempt departments from the provisions of this directive and authorize cheques to be returned to departments in other circumstances where warranted.

### **DIRECT DEPOSIT**

- 3.6 To obtain this service, individuals or organizations on the vendors list must complete the Direct Deposit Request Form and return via the line department or directly to the Financial Operations of the Department of Finance. All payments due by GN within Canada may be eligible for direct deposit. Examples of eligible payments for direct deposit include, but not limited to:

- a) Grants
- b) Bursaries and student financial assistance
- c) Contributions
- d) Accountable Advances (e.g. travel advance)
- e) Travel Claims for employees and non-employees
- f) Reimbursements of eligible expenses
- g) Professional dues, fees and tuition
- h) Invoice payments

- 3.7 The information required for direct deposit must include the payee bank account details.

- 3.8 A remittance advice will be provided to the payee with each direct deposit advising of payments credited to their Canadian bank accounts. A payee may choose to receive the remittance advice by ordinary mail, facsimile, or e-mail.

- 3.9 GN will not charge the payee for direct deposit service.

### **WIRE/ELECTRONIC FUND TRANSFERS**

- 3.10 Wire/electronic payments and transfers shall be made only by the Department of Finance.

- 3.11 A written request must be completed in accordance with FAM Directive 803 on Account Verification and Payment Requisition and submitted to the Department of Finance.



3.12 Payments and inter-bank transfers that are eligible to be made through wire/electronic transmissions include:

- a) Installment payments to the RCMP for police services;
- b) Income payments to GN Investment Pool participants;
- c) Inter-bank transfers between GN bank accounts; or,
- d) Any other payment upon specific written approval from the Comptroller General.