

TABLE OF CONTENTS

1.	Effective Date	2
2.	Application.....	2
3.	Context.....	2
	The Receiver General Establishes Departmental Banking Arrangements and Authorizes Priority Print Sites for RG Cheques.....	2
	The Treasury Board Makes the Regulations.....	3
	The Department's Complexity and Unique Requirements.....	3
	Types of Banking Arrangements.....	4
4.	Objectives and Expected Results	6
5.	Requirements	7
	Delegated Departmental Banking Representative	7
	Requests Related to Banking Arrangements	7
	WCF Replenishments.....	8
	Monitoring the Inventory and Usage of Banking Arrangements	9
	Monitoring DND / CAF's Priority Print Site for RG Cheques.....	10
6.	Roles and Responsibilities.....	10
	Deputy Minister	10
	Assistant Deputy Minister (Finance) / Chief Financial Officer.....	11
	Deputy Chief Financial Officer	11
	Level One Advisors	11
	Director General Strategic Financial Governance.....	12
	Director General Financial Operations and Services	12
	Corporate Departmental Accounting Office	13
	Level One Comptrollers.....	13
	Regional Departmental Accounting Office Comptrollers	14
	Public Funds Accounting Officers	14
	Responsibility Centre Managers	15
7.	Consequences of Non-Compliance	15
8.	References.....	16
9.	Enquiries	17
	Appendix A - Definitions and Acronyms	18

1. Effective Date

- 1.1 This policy is effective on December 14, 2022.
- 1.2 This policy replaces the following Department of National Defence (DND) / Canadian Armed Forces (CAF) financial management (FM) policies:
 - Financial Administration Manual (FAM) Chapter 72 – Departmental Bank Accounts (01 October 1983);
 - FAM Chapter 76 – Verification of Public Funds (01 March 1989);
 - FAM Chapter 79 – Central Departmental Bank Accounts (01 January 1993); and
 - FAM Chapter – 1016-8 Standard Payment System Online receiver General of Canada Sites (10 June 2002).
- 1.3 The policy was approved by the Assistant Deputy Minister (Finance) (ADM (Fin)) on December 14, 2022.

2. Application

- 2.1 This policy defines the FM policy requirements applicable to the use of banking arrangements that support the operation of imprest systems such as cashier installations, petty cash funds, or standing accountable advances, referred to as Working Capital Funds (WCFs). This includes the FM policy requirements related to operating the DND / CAF priority print site for RG cheques used to replenish these WCFs.
- 2.2 The term banking arrangements refers to Receiver General (RG) authorized bank service points i.e. cheque cashing facilities, Receiver General Deposit Facilities (RGDFs), local bank accounts in Canada used by cashiers operating remotely i.e. outside of a base or wing, and imprest bank accounts used in foreign countries.
- 2.3 For more information on the types of banking arrangements refer to paragraph 3.12 below and for more information related to the priority print site for RG cheques refer to paragraphs 5.11 and 5.12 below.

3. Context

The RG Establishes Departmental Banking Arrangements and Authorizes Priority Print Sites for RG Cheques

- 3.1 As stated in the Receiver General Manual: “The RG is responsible for managing the operations of the federal treasury and for ensuring the integrity of the Consolidated Revenue Fund (CRF). [...]”.

- 3.2 Sections 17 (1) and 17 (2) of the *Financial Administration Act (FAA)* require that all public money be deposited to the credit of the RG and authorizes the RG to establish accounts for the deposit of public money.
- 3.3 Furthermore, Government of Canada policy is to use the RG's payment facilities i.e. the Standard Payment System (SPS) including other preferred methods of payment such as acquisition cards, travel cards or SPS priority payments processed electronically or by RG cheque issuance from departmental and Public Services and Procurement Canada (PSPC) priority print sites. For additional information on DND / CAF's priority print site for RG cheques see paragraphs 5.11 and 5.12 below.
- 3.4 Thus, the RG is responsible for the Government Banking System and only the RG may establish departmental banking arrangements or authorize a departmental priority print site for RG cheques.

The Treasury Board Makes the Regulations

- 3.5 Section 10 (c) of the *FAA* authorizes the Treasury Board (TB) to make regulations related to the collection, management, administration and accounting of public money. Furthermore, the TB has authority under section 17 (5) of the *FAA* to make regulations related to the manner in which public money is credited to the RG.
- 3.6 Thus, as per section 7 (1) of the *Cheque Issue Regulations, 1997*, departments may apply to the RG to establish departmental banking arrangements allowing departments to make expenditures where the normal RG facilities or preferred methods for making payments are not immediately available. For DND / CAF this includes requests for banking arrangements in Canada and in foreign countries.
- 3.7 Also, the TB Directive on Public Money and Receivables states that:

“4.1 In relation to the receipt, deposit and recording of public money, the Chief Financial Officer (CFO) is responsible for the following: [...]”

4.1.5 Ensuring that the department adheres to the banking arrangements established by the Receiver General; [...]”.

The Department’s Complexity and Unique Requirements

- 3.8 Due to the nature and complexity of its programs, DND / CAF faces unique situations that may not be addressed or fully articulated under the TB Directive on Payments, the TB Directive on Public Money and Receivables, the *Cheque Issue Regulations, 1997*, the *Accountable Advances Regulations*, the RG's instructions related to departmental banking arrangements and the RG Directive 2016-2 ‘Printing priority Receiver General cheques at departmental sites and Public Services and Procurement Canada’s sites. This policy outlines and explains the DND / CAF specific FM policy requirements related to banking arrangements and related to the DND /

CAF priority print site for RG cheques. It does not generally repeat information stated in TB publications except as required for context and clarity.

- 3.9 In recognition of the necessity for DND / CAF to maintain operational flexibility both during normal operations and when responding to crisis situations, the department operates payment facilities (i.e. imprest systems such as cashier installations, petty cash funds, or standing accountable advances in support of operations at locations inside or outside Canada etc.). The authority stems from a non-budgetary Parliamentary appropriation (Vote L20b) referred to as the Working Capital Advance (WCA), a funding mechanism approved by TB Minute 741160 dated February 12, 1976. For additional information on the WCA refer to FAM 1016-9 Accountable Advances.
- 3.10 These imprest systems, referred to as Working Capital Funds (WCFs), periodically need cash replenishments. Within Canada RG priority print cheques, printed at DND / CAF's priority printing site for RG cheques, are used to order cash via RG authorized bank service points. These bank service points are not accounts with balances, they are banking arrangements whereby cash is ordered via RG cheque. However, to replenish WCFs in Canada that have cashiers operating remotely (i.e. outside of a base or wing) using local bank accounts and to replenish WCFs in foreign countries using imprest bank accounts, the RG priority print cheques are deposited to these bank accounts. These do have balances and deposits are restricted to establishing, replenishing or augmenting the accounts. For more information on local bank accounts in Canada and imprest bank accounts in foreign countries refer to paragraphs 5.4 and 5.5 below.
- 3.11 Some cashier installations process receivables from Point of Sale (POS) terminals and WCF over-advance pay backs via banking arrangements known as RGDFs. For more information on the types of banking arrangements refer to paragraph 3.12 below.

Types of Banking Arrangements

- 3.12 For the purposes of this policy, banking arrangements are:

Banking Arrangements in Canada

- **Receiver General Deposit Facilities (RGDFs)** enable departments to make deposits at a close and convenient financial institution. Within DND / CAF these are mostly used for processing receivables from POS terminals and WCF over-advance pay backs;
- **Banking Service Points** are arrangements, as per the Cash Order Services Contract between the RG and a financial institution in Canada, whereby the local branches of this institution cash RG cheques for WCF replenishments. An important distinction is that these bank service points don't have balances. These arrangements are only used to order cash for WCF replenishments based on RG

cheques and are referred to as cheque cashing facilities in the WCF Cash replenishment instructions. For additional information see paragraph 5.2 below; and

- **Departmental Bank Accounts (Local Branches)** allow DND / CAF to replenish WCFs in Canada that have cashiers operating remotely (i.e. outside of a base or wing) at locations where the normal facilities required for the RG's preferred methods for making payments and / or cash ordering services are not immediately available and / or to provide a mechanism for the security of public funds. For additional information related to security requirements see paragraphs 5.3 and 5.4 below.

Banking Arrangements in Foreign Countries

- **Imprest Bank Accounts**, as defined in the TB Directive on Payments, are bank accounts located in foreign countries. The Department of Finance designates which foreign financial institutions may be used. The RG liaises with the Department of Finance and is responsible to establish such accounts on behalf of requesting departments. Imprest bank accounts are required given that the RG's normal facilities for making payments and for cash ordering are not available in foreign countries. For additional information related to imprest bank accounts see paragraph 5.5 below. Such arrangements also provide DND / CAF a mechanism for the security of public funds. For additional information related to security requirements see paragraphs 5.3 and 5.4 below.

3.13 This policy must be applied in conjunction with and after reading the following:

- *Accountable Advances Regulations* section 4 “Issuing of Advances”;
- *Cheque Issue Regulations, 1997* – with emphasis on “Part II Departmental Bank Accounts”;
- QR&O Volume III – Chapter 202 Cash Accounts and Banking Arrangements;
- Receiver General Directive 2016-2 - “Printing priority Receiver General cheques at departmental sites and Public Services and Procurement Canada’s print sites”;
- Receiver General Directive 2020-1 - “Deposit of public money to the credit of the Receiver General for Canada”;
- Receiver General Manual Chapter 4 - “Standard Payment System and Departments”;
- Receiver General Manual Chapter 5 – “Government Banking System and Departments”;
- TB Directive on Payments – with emphasis on section 4.6 Payments by departmental bank account: imprest bank accounts; and
- TB Directive on Public Money and Receivables - with emphasis on section 4.1.1 “Ensuring that all public money received is safeguarded and recorded accurately” and section 4.1.5 “Ensuring that the department adheres to the banking arrangements established by the Receiver General”.

- 3.14 All financial documentation specific to banking arrangements such as, but not limited to, designating a Delegated Departmental Banking Representative, requesting new banking arrangements, requesting modifications or to close current banking arrangements, including documentation related to the DND / CAF priority print site for RG cheques, and all other related transactions, must be retained and protected for six years from the end of the fiscal year after the related banking arrangement ended. When a criminal, disciplinary or recovery action is taken, all documentation must be retained and protected for six fiscal years after such a process is completed.
- 3.15 See [Appendix A](#) for applicable definitions and acronyms used in this policy.

4. Objectives and Expected Results

- 4.1 The objectives of this policy are to:
- State and explain the DND / CAF specific FM policy requirements related to departmental banking arrangements and to the DND / CAF priority print site for RG cheques that are not addressed in the Federal Government Acts and Regulations, RG Directives, the RG Manual and TB Directives. For additional information refer to the listing at paragraph 3.13 above; and
 - Identify the key DND / CAF stakeholders involved with the FM of departmental banking arrangements and with the FM of the DND / CAF priority print site for RG cheques and outline their roles and responsibilities.
- 4.2 The expected results of implementing this policy are:
- Effective governance, oversight and internal control over the inventory of departmental banking arrangements;
 - Effective governance, oversight and internal control over the DND / CAF priority print site for RG cheques;
 - Increased awareness by key DND / CAF stakeholders of their roles and responsibilities related to departmental banking arrangements and the DND / CAF priority print site for RG cheques; and
 - Responsible management and usage of departmental banking arrangements and of the DND / CAF priority print site for RG cheques in accordance the DND / CAF's implementation of the Federal Government Acts and Regulations, RG Directives, RG Manual and TB Directives. For additional information refer to the listing at paragraph 3.13 above.

5. Requirements

Delegated Departmental Banking Representative

- 5.1 As per the RG's procedures, only the Delegated Departmental Banking Representative authorized by the Deputy Chief Financial Officer (DCFO) may request new arrangements, request revisions to existing arrangements, or request the closure of an arrangement. This delegated representative may also make deposit enquiry requests submitted to the RG on behalf of the Department. For additional information contact the Department's delegated banking representative WCFOPS.CCEOPS@forces.gc.ca. A link to the RG's form used to delegate departmental representatives can be found in the References section below.

Requests Related to Banking Arrangements

- 5.2 To request, revise or terminate banking arrangements, contact the Regional Departmental Accounting Office (RDAO) Comptroller responsible for your unit. The RDAO Comptroller will review, modify, approve or reject these requests and is responsible to liaise and forward approved and duly authorized requests to the Department's Delegated Banking Representative via the contact point listed at paragraph 5.1 above. The Delegated Departmental Banking Representative is responsible to liaise and forward these requests to the RG.
- 5.3 The security of public funds is a fundamental requirement. Technically, when DND / CAF receives the WCA (as mentioned at paragraph 3.9 above) and sets up WCFs e.g. cashier installations etc., we are in receipt of public funds which must be secured. The requirement is stated at section 4.1.1 of the TB Directive on Public Money and Receivables as follows:

“4.1 In relation to the receipt, deposit and recording of public money, the chief financial officer (CFO) is responsible for the following:

4.1.1 Ensuring that all public money received is safeguarded and recorded accurately; [...].”

Security requirements are also part of the QR&O Volume III chapter 202.03 Security of Public Funds and must be as per the National Defence Security Orders and Directives (NDSOD) Chapter 5: Physical Security - Standard 5: Physical Security Technical Standards (see Standard – S). When such security requirements are not feasible or practical given a specific location or temporary nature of an operation the applicable RDAO Comptroller must contact the department's Delegated Banking Representative to discuss whether a bank account could be an option based on security requirements.

- 5.4 As stated at paragraph 3.6 above, and when security requirements are applicable as per paragraph 5.3 above, departments may apply to the RG to establish a bank

account at a local branch in Canada where deposits are restricted to establishing, replenishing or augmenting the account. DND / CAF has made use of this process to establish WCFs and provide cashiers operating remotely (i.e. outside of a base or wing) with the flexibility needed to meet our unique requirements. For example, Canadian Forces Base (CFB) Gagetown has a sub-cashier operating remotely for a Reserve Force unit on Prince Edward Island (PEI) which uses a local bank account. For additional information refer to the Department's Delegated Banking Representative via the contact point listed at paragraph 5.1 above.

- 5.5 DND / CAF also operates imprest bank accounts in foreign countries (a.k.a. foreign bank accounts) where the RG's normal facilities for making payments and for cash ordering are not available. These also enable DND / CAF to provide staff and members the same services available at cashier installations in Canada. As stated at paragraphs 3.6 and 3.12 above, the RG is responsible to establish banking arrangements in foreign countries. Foreign bank accounts are also subject to section 4.6 of the TB Directive on Payments which states:

“4.6 Departmental Managers with delegated authority to administer imprest bank accounts are responsible for restricting deposits to these accounts to the following:

- 4.6.1 Funds that establish, replenish or augment the account; and
- 4.6.2 Refunds or repayments of expenditures or advances made from the account.”

WCF Replenishments

- 5.6 As mentioned at paragraph 3.10 above, all WCFs such as; cashier installations, WCFs with cashiers operating remotely using local bank accounts in Canada and WCFs in foreign countries using imprest bank accounts, periodically need cash replenishments. Within Canada, RG priority print cheques, printed at the DND / CAF priority print site for RG cheques, are used to order cash via RG authorized bank service points. To replenish WCFs in Canada that have cashiers operating remotely using local bank accounts and for WCFs in foreign countries using imprest bank accounts, the RG priority print cheques are deposited directly to these bank accounts. For additional information related to WCF cash replenishments, priority printing of RG cheques and cash ordering procedures refer to the “Cash Order Service DND Operational Procedures” and the “Instructions for WCF cash replenishment – Priority Print RG cheque (effective 05 Dec 2018)” both documents can be found on the Automated Cashier Service (ACS) SharePoint page. A link to the ACS SharePoint page can be found in the Reference section below.
- 5.7 Within their areas of responsibility RDAO Comptrollers approve the personnel designated by their Public Fund Accounting Officers (PFAOs) who are authorized to pick-up cash or draft orders on behalf of the units (base, wing, ship, etc.). PFAOs liaise directly with their bank service point representatives to forward the names and

signature cards of the authorized designates, including any required updates e.g. due to personnel changes to the applicable bank service points / cheque cashing facilities assigned to that unit.

- 5.8 For information regarding processing requirements such as the need to create vendor master records for the authorized personnel mentioned at paragraph 5.7 above or for transaction processing in the Defence Resource Management Information System (DRMIS) and ACS refer to “Cash Order Service DND Operational Procedures” and the “Instructions for WCF cash replenishment – Priority Print RG cheque (effective 05 Dec 2018)”. Both documents are available on the ACS SharePoint page. A link to the ACS SharePoint page can be found in the Reference section below.

Monitoring the Inventory and Usage of Banking Arrangements

- 5.9 As stated in the ‘Context’ section above, only the RG may establish departmental banking arrangements and the CFO must ensure adherence to such arrangements. Furthermore, the TB Policy on Financial Management states that departmental CFOs are responsible for internal controls over financial management as follows:

“4.2.8 Establishing, monitoring and maintaining a risk-based system of internal control over financial management to provide reasonable assurance that:
[...]
4.2.8.3 Relevant legislation, regulations and financial management policy instruments are being complied with; [...].”

- 5.10 Thus, DND / CAF must undertake periodic reviews and audit the inventory and usage of its departmental banking arrangements (i.e. RG authorized bank service points, RGDFs, bank accounts in Canada used by cashiers operating remotely and imprest bank accounts in foreign countries) to ensure that:
- Only RG authorized banking arrangements are used;
 - The ongoing necessity of every banking arrangement is reviewed on a regular basis;
 - All unnecessary / unused arrangements are terminated in a timely manner;
 - The inventory of DND / CAF banking arrangements matches what the RG has on record;
 - Banking arrangements are only used for WCF replenishments;
 - Deposits to WCFs with local bank accounts in Canada used by cashiers operating remotely and deposits to WCFs using imprest bank accounts in foreign countries are restricted to establishing, replenishing or augmenting such accounts;
 - Reconciliations of WCFs, WCFs that have local bank accounts in Canada and WCFs using imprest bank accounts in foreign countries are as per ACS manual; and
 - The inventory and usage of banking arrangements is compliant with all applicable legislation, regulation, TB financial management policy instruments, the QR&Os and this FAM chapter.

Monitoring DND / CAF's Priority Print Site for RG Cheques

- 5.11 The DND / CAF priority print site for RG cheques is subject to the RG Directive 2016-2 'Printing priority Receiver General cheques at departmental sites and Public Services and Procurement Canada's sites'. As per section 7 of this RG Directive the CFO is responsible as follows:

"7.0 Responsibilities"

The Chief Financial Officers (CFO) within departments are responsible for ensuring that the standards, procedures and minimum controls detailed in this directive are in place in their departments, that they are maintained and that they are audited on an ongoing basis to ensure compliance. [...]"

- 5.12 Furthermore, section 8.8 of RG Directive 2016-2 states:

"8.8 Officer in charge of a priority print site"

The officer in charge of a priority print site is the Chief Financial Officer (CFO) of a department or his or her delegate. The delegate should ideally be the most senior officer at the priority print site."

Within DND / CAF these responsibilities are delegated to the CDAO. Note that the term officer in charge does not connote a military rank, it refers to a corporate officer. A link to the RG directive and the email address for the CDAO's WCF Operations (Ops) Officer can be found in the References section below.

6. Roles and Responsibilities

Deputy Minister

- 6.1 The Deputy Minister (DM) is responsible for:

- Ensuring that the governance and oversight with respect to the management and use of departmental banking arrangements are compliant with the TB suite of financial management policies;
- Ensuring that the governance and oversight with respect to the management of the DND / CAF priority print site for RG cheques are compliant with the RG Directive 2016-2 'Printing priority Receiver General cheques at departmental sites and Public Services and Procurement Canada's sites'; and
- Ensuring Level One (L1) Advisors and the ADM (Fin) / CFO are aware of their responsibilities with respect to this policy and have the necessary knowledge to carry them out.

Assistant Deputy Minister (Finance) / Chief Financial Officer

6.2 The Assistant Deputy Minister (Finance) / Chief Financial Officer (ADM (Fin) / CFO) is responsible for:

- Approving this policy and administering its implementation;
- Ensuring the compliant use of departmental banking arrangements;
- Ensuring compliance with RG Directive 2016-2 ‘Printing priority Receiver General cheques at departmental sites and Public Services and Procurement Canada’s sites’;
- Ensuring that financial management controls related to the use of departmental banking arrangements and for the operation of the priority print site for RG cheques are established, monitored and maintained;
- Ensuring that both civilian and military personnel responsible for the financial management of departmental banking arrangements are aware of their responsibilities and have the training to carry them out;
- Ensuring that both civilian and military personnel responsible for the financial management of the DND / CAF priority print site for RG cheques are aware of their responsibilities and have the training to carry them out; and
- Ensuring that corrective actions are taken to address instances of non-compliance with this policy by a civilian, or in the case of a CAF member, notifying the military chain of command that corrective actions must be taken.

Deputy Chief Financial Officer

6.3 The Deputy Chief Financial Officer (DCFO) is responsible for:

- Selecting the Department’s Delegated Banking Representative and authorizing the Delegated Banking Representative Authority form that is sent to the RG. For additional information refer to paragraph 5.1 above. A link to the RG’s form is available in the References section below.

Level One Advisors

6.4 L1 Advisors (Assistant Deputy Ministers and Military L1s) are responsible for:

- Ensuring, within their organizations, that effective processes and controls are in place to support the proper application of this policy and its supporting procedures;
- Ensuring, within their organizations, that both civilian and military personnel involved with the financial management of banking arrangements are aware of their responsibilities and have the training to carry them out;
- Ensuring, within their organizations, that both civilian and military personnel responsible for the financial management of the DND / CAF priority print site for RG cheques are aware of their responsibilities and have the training to carry them out;

- Ensuring that all transactions related to banking arrangements are duly authorized, compliant, timely, accurate, monitored and properly recorded; and
- Ensuring that all financial authorities necessary for the financial management of banking arrangements are in accordance with Departmental, RG and TB financial management policy requirements.

Director General Strategic Financial Governance

6.5 The Director General, Strategic Financial Governance (DGSFG) is responsible for:

- Ensuring that this policy takes into consideration the unique situations and circumstances of DND / CAF;
- Ensuring that business processes and system requirements related to the management and use of departmental banking arrangements are integrated into DND / CAF's financial management information systems i.e. DRMIS and ACS etc.;
- Ensuring that procedures in support of the compliant management and use of departmental banking arrangements are developed and maintained;
- Testing key internal controls, reporting on the results, and tracking remediation if and as required;
- Providing financial management policy interpretation and clarification when appropriate; and
- Bringing to the attention of the ADM (Fin) / CFO any significant compliance issues with this policy that they become aware of and providing recommendations on how to address them.

Director General Financial Operations and Services

6.6 The Director General, Financial Operations and Services (DGFOS) is responsible for:

- Collaborating with DGSFG in the development or updating of procedures in support of this policy;
- Ensuring that the requirements for managing and using departmental banking arrangements and the DND / CAF priority print site for RG cheques are clearly identified and communicated across DND / CAF;
- Ensuring that departmental compliance with this policy is monitored;
- Ensuring that all documentation related to the establishment and use of departmental banking arrangements and to the establishment and use of the DND / CAF priority print site for RG cheques are retained as described at paragraph 3.14 above;
- Ensuring that CDAO is aware of their responsibilities related to being the Delegated Departmental Banking Representative and being the CFO's delegate in charge of the DND / CAF priority print site for RG cheques and have the training to carry them out in accordance with Departmental, RG and TB financial management policy requirements;

- Ensuring the accuracy, reasonableness and for monitoring purposes, the availability of information related to the inventory of departmental banking arrangements and of the DND / CAF priority print site for RG cheques; and
- Bringing to the attention of the ADM (Fin) / CFO any significant compliance issues with this policy that they become aware of and providing recommendations on how to address them.

Corporate Departmental Accounting Office

- 6.7 The Corporate Departmental Office (CDAO) is responsible for:
- Being the Department's Delegated Banking Representative and primary / only point of contact with the RG related to requesting, revising or terminating banking arrangements i.e. RG authorized bank service points, RGDFs, local bank accounts in Canada and imprest bank accounts in foreign countries;
 - As delegated by the CFO, operating the DND / CAF priority print site for RG cheques and ensuring compliance with RG Directive 2016-2 "Printing priority Receiver General cheques at departmental sites and Public Services and Procurement Canada's sites";
 - Processing WCF replenishment requests (i.e. KR in DRMIS / RG cheque);
 - Ensuring that financial management controls related to the operation of the priority print site for RG cheques are established, monitored and maintained; and
 - Monitoring the inventory and use of departmental banking arrangements as per, but not limited to, the requirements listed at paragraph 5.10 above.

Level One Comptrollers

- 6.8 L1 Comptrollers are responsible for:
- Supporting those in their financial chain of command to ensure that effective processes and controls are in place to support the proper application of this policy and of any related operating procedures;
 - Supporting those in their financial chain of command to ensure that both civilian and military personnel involved with the financial management of banking arrangements are aware of their responsibilities and have the training to carry them out; and
 - Supporting those in their financial chain of command to ensure that requests related to banking arrangements (i.e. requesting new arrangements, revising or terminating existing arrangements) are duly authorized, compliant, timely, accurate, monitored and properly recorded.

Regional Departmental Accounting Office Comptrollers

- 6.9 The Regional Departmental Accounting Office (RDAO) Comptrollers are responsible for:
- Ensuring that compliance with this policy is monitored within their areas of responsibility;
 - Providing guidance and assistance to PFAOs with the application of this policy;
 - Reviewing, modifying, approving or rejecting requests to revise or terminate banking arrangements and is responsible to liaise with and forward these to the Department's Delegated Banking Representative;
 - Approving the personnel designated by their PFAOs who are authorized to pick-up cash or draft orders on behalf of their units (base, wing, ship, etc.) and ensuring that their names and signature cards, including any required updates, are forwarded to the Department's Delegated Banking Representative;
 - Reviewing the Vendor Master Records (set as high-risk vendors) created for the personnel authorized to pick-up cash or draft orders on behalf of the units (base, wing, ship, etc.) prior to approving the payment of WCF replenishments; and
 - Ensuring that their PFAOs use departmental banking arrangements as per the ACS Manual, the "Cash Order Service DND Operational Procedures" and the "Instructions for WCF cash replenishment – Priority Print RG cheque (effective 05 Dec 2018)". These documents can be found on the Automated Cashier Service (ACS) SharePoint page. A link to the ACS SharePoint page can be found in the Reference section below.

Public Funds Accounting Officers

- 6.10 Public Funds Accounting Officers (PFAOs) are responsible for:
- Complying with all policies and procedures regarding departmental banking arrangements;
 - Designating the personnel authorized to pick-up cash or draft orders on behalf of their units (base, wing, ship, etc.) and forwarding these names to their RDAO Comptroller for approval;
 - Forwarding the names and work addresses of the RDAO Comptroller approved designates to the DRMIS Service desk for the creation of Vendor Master Records;
 - Forwarding the names and signature cards of the approved designates, including any required updates e.g. due to personnel changes, to the bank service point representatives assigned to their unit; and
 - Ensuring that the personnel authorized to pick-up cash or draft orders only use departmental banking arrangements as per the ACS Manual, the "Cash Order Service DND Operational Procedures" and the "Instructions for WCF cash replenishment – Priority Print RG cheque (effective 05 Dec 2018)". These documents can be found on the Automated Cashier Service (ACS) SharePoint page. A link to the ACS SharePoint page can be found in the Reference section below.

Responsibility Centre Managers

- 6.11 Responsibility Centre (RC) Managers, within their area of responsibility and at all organizational levels, are responsible for:
- Ensuring a compliant application of this policy;
 - Ensuring that the use of departmental banking arrangements is as per the ACS Manual, the “Cash Order Service DND Operational Procedures” and the “Instructions for WCF cash replenishment – Priority Print RG cheque (effective 05 Dec 2018)”. These documents can be found on the Automated Cashier Service (ACS) SharePoint page. A link to the ACS SharePoint page can be found in the Reference section below;
 - Adhering to QR&O Volume III - Chapter 202 Cash Accounts and Banking Arrangements;
 - Ensuring that both civilian and military personnel are trained, aware and fully understand the requirements related to, the request for and uses of, Departmental Banking Arrangements; and
 - Ensuring, in all instances, that requests for departmental banking arrangements are justified, duly authorized and submitted to their RDAO Comptroller.

7. Consequences of Non-Compliance

- 7.1 Under the TB Policy on Financial Management the DM is responsible for investigating and acting when significant issues regarding policy compliance arise. The DM must also ensure that appropriate remedial actions are taken to address such issues within the DND / CAF. The TB Framework for the Management of Compliance provides guidance on the considerations for determining the possible mix of consequences which include; the impact of the non-compliance, whether there is a history of non-compliance, whether there was intent and whether there are other circumstances.
- 7.2 To support the DM’s responsibility under the TB Policy on Financial Management, the ADM (Fin) / CFO or in the case of a member of the CAF, the military chain of command at the ADM (Fin) / CFO’s direction, must ensure corrective actions are taken and that consequences are commensurate with the nature of the non-compliance with this policy. Corrective actions and consequences can include a requirement for additional training, changes to procedures or systems, removal or suspension of delegated spending and financial authorities, disciplinary action or other measures as appropriate. For additional information refer to the TB Framework for the Management of Compliance.

8. References

8.1 Legislation

[Accountable Advances Regulations](#)
[Cheque Issue Regulations, \(1997\)](#)
[Financial Administration Act](#)

8.2 Treasury Board FM Policy Instruments

[Policy on Financial Management](#)
[Directive on Payments](#)
[Directive on Public Money and Receivables](#)
[Framework for the Management of Compliance](#)

8.3 Receiver General

[Banking Arrangements \(Standard deposit facility setup\)](#)
[Receiver General Manual Chapter 4 – Standard Payment System and Departments](#)
[Receiver General Manual Chapter 5 – Government Banking System and Departments](#)
[Receiver General Directive 2016-2 Printing priority Receiver General cheques at departmental sites and Public Services and Procurement Canada's print sites](#)
[Receiver General Directive 2020-1 Deposit of public money to the credit of the Receiver General for Canada](#)
[Departmental Delegated Banking Representative Authority Form](#)

8.4 DND / CAF FM Policies

Automated Cashier System (ACS) SharePoint Page (access required)
[NDSOD Chapter 5 Physical Security](#)
[NDSOD Chapter 5 – Standard 5: Physical Security Technical Standards \(Standard – S: Security of Public Funds\)](#)
[Queen's Regulations and Orders \(QR&O\) Volume III – Chapter 202 Cash Accounts and Banking Arrangements](#)

8.5 DRMIS Service Desk, RG Cheque Related and WCF Ops Positional Mailboxes

DRMIS Service Desk Positional mailbox: DRMIS-SIGRD@forces.gc.ca
For RG cheques contact CDAO 2's Positional Mailbox:
RG_CHQ_POST_ISSUES_CHQ_RG_APRES_EMISSION@Forces.gc.ca
WCF Ops positional mailbox: WCFOPS.CCEOPS@forces.gc.ca

9. Enquiries

- 9.1 Questions on policy interpretation and clarification are to be addressed to the appropriate Comptroller.
- 9.2 If the local Comptroller requires assistance, the question will be escalated through the financial chain of command.
- 9.3 If the L1 Comptroller needs guidance on the matter(s) raised, the L1 Comptroller may contact the Director Financial Operations (DFO) / CDAO.
- 9.4 If the DFO / CDAO needs guidance on the matter(s) raised they may contact the Director Financial Policy (DFP) at FinancialPolicy-PolitiquesFinancieres@forces.gc.ca.

Appendix A – Definitions and Acronyms

Definitions

Automated Cashier System (*Système du caissier automatisé*) is an electronic evolution of the CF-120 (Canadian Forces Unit Working Capital Leger Sheet) and replaces most manual cashbook functions. It interfaces with ClaimsX and DRMIS.

Imprest bank account (Compte bancaire d'avance fixe): is a bank account located in a foreign country set up by the Receiver General for Canada in the name of a department, and funded through an advance issued in compliance with the Accountable Advances Regulations. Departments may make restricted deposits to and issue cheques from this account. (Source TB Directive on Payments)

Imprest Fund (*Fond de caisse à montant fixe*) is a predetermined sum of cash set aside in a fund used to pay for small incidental expenditures or assigned to a person for a specific purpose. Following a periodic reconciliation and accounting of expenditures, such funds are replenished to their original value. Petty cash funds and cashier installations are examples of imprest systems of funds.

Public Funds i.e. money (*Crédits publics*) means all money belonging to Canada received or collected by the Receiver General or any other public officer in his official capacity or any person authorized to receive or collect such money, [...]. (FAA section 2)

Working Capital Fund (*Compte du capital d'exploitation*) is the funding allocated from the WCA. The allocation is aligned with the Department's approved annual operating budget and is distributed to certain Fund Centres as per the CDAO's planned WCF allocation. Fund Centres are RDAO supported organizational entities that have been assigned a budget e.g. a Base, a Wing or a Ship, etc. A WCF is used for issuing standing accountable advances to fund imprest systems such as cashier installations, petty cash funds or standing accountable advances in support of overseas operations etc.

National Defence – Assistant Deputy Minister (Finance)

Financial Administration Manual (FAM) Chapter 1016-9-1 Departmental Banking Arrangements and the Priority Print Site for Receiver General Cheques

Acronyms

ACS – Automated Cashier System

ADM – Assistant Deputy Minister

ADM (Fin) / CFO – Assistant Deputy Minister (Finance) / Chief Financial Officer

CAF – Canadian Armed Forces

CDAO – Corporate Departmental Accounting Office

CFB – Canadian Forces Base

CRF – Consolidated Revenue Fund

DCFO – Deputy Chief Financial Officer

DGFOS – Director General, Financial Operations and Services

DGSFG – Director General, Strategic Financial Governance

DM – Deputy Minister

DND – Department of National Defence

DRMIS – Defence Resource Management Information System

FAA – Financial Administration Act

FAM – Financial Administration Manual

FM – Financial Management

L1 – Level One

NDSOD – National Defence Security Orders and Directives

PEI – Prince Edward Island

PFAO – Public Funds Accounting Officer

POS – Point of Sale

PSPC – Public Services and Procurement Canada

QR&O – Queen's Regulations and Orders

National Defence – Assistant Deputy Minister (Finance)

**Financial Administration Manual (FAM) Chapter 1016-9-1 Departmental Banking
Arrangements and the Priority Print Site for Receiver General Cheques**

RDAO – Regional Departmental Accounting Office

RC Manager – Responsibility Centre Manager

RG – Receiver General for Canada

RGDF – Receiver General Deposit Facility

SPS – Standard Payment System

TB – Treasury Board

WCF – Working Capital Fund