Guidelines for Official Depositories of State Funds

Department of State Treasurer
State of North Carolina

Revised December 2015

This publication may be accessed at the State Treasurer’s website:
www.nctreasurer.com
INTRODUCTION

The General Assembly of North Carolina has provided a centralized system for managing the flow of moneys collected by all State departments, institutions, universities, community colleges and agencies. Rather than each of these agencies having an account with a commercial bank, the Department of State Treasurer assists each agency with the designation of a financial institution where deposits can be made into an account. This centralized account, in the name of the State Treasurer, allows the State to maximize the returns of all funds. The Banking Operations function of the State Treasurer is performed pursuant to N.C. Gen. Stat. §§ 147-68, 147-68.1 and 147-69.

This handbook has been prepared to provide guidelines for the financial institutions designated as official depositories and approved to accept State funds. Compliance with these guidelines ensures that all accounts and relationships are consistently managed and that the State is the prime beneficiary of all funds flowing through the banking system.

FOR ADDITIONAL INFORMATION CONTACT:

Department of State Treasurer
Banking Operations Section
3200 Atlantic Avenue
Raleigh, NC 27604
Telephone (919) 814-3900
Website: www.nctreasurer.com
CBS.help@nctreasurer.com
Deposit of State Funds

Taxes, Fees and Tuition Payments

- Universities
- Community Colleges
- Clerks of Court
- Driver's License Offices
- License Plate Agents
- State Parks
- Agencies
- Other

Main Banks

Main Concentration Account

State Treasurer

Non Main Banks

Taxes

Department of Revenue

Routing of State Warrants (Checks for Payments)

- State Agencies
- Universities
- Community Colleges
- State Warrants
- Payees (Recipients)
- Financial Institutions
- Federal Reserve Bank
- State Treasurer
- Local School Systems
GUIDELINES FOR OFFICIAL DEPOSITORIES OF STATE FUNDS

DESIGNATION
North Carolina General Statue §147-78 authorizes and empowers the State Treasurer to select and designate official depositories for the deposit of State funds. Such designations are generally the result of a request submitted by a State agency requiring the services of a depository bank. The State Treasurer evaluates the agency’s request and makes a determination to approve or deny the request based upon certain factors, including the safety and convenience for the depositing State agency, as well as other factors that may be unique to the request. All designations are made in writing, either by the State Treasurer or the Deputy Treasurer for Financial Operations, through the issuance of an “Official Depository Designation Letter.” This designation letter should be accepted in lieu of a “corporate resolution,” which is normally required of corporate accounts at commercial banks.

An official depository is defined as either a North Carolina chartered financial institution, or a federally chartered financial institution regulated by the Office of the Comptroller of the Currency, or an authorized branch in North Carolina of a non-resident state or federally charted financial institution, to be designated as an official depository for a local government or public authority who provides full-service operations in the chosen market. These operations must consist of at least a “brick and mortar” presence, the ability to offer services to all citizens of the State, and not be limited to a specific line of business or clientele. Specifically, if the institution is headquartered outside of North Carolina, the breadth of the services offered must be the same as offered in the “home” market. Any institution designated as an official depository must also comply with all regulations and guidelines established to provide additional deposit insurance over and above what is provided by the FDIC.

ACCOUNT NAME/TAX ID NUMBER
All demand accounts are to be in the name: “North Carolina State Treasurer.” The Federal Tax ID number is 56-1545517. It should be noted that the State Treasurer is an "Exempt Recipient" under IRS regulations and therefore is not subject to “Backup Withholding.” It is preferred that demand deposit accounts are not used by more than one State agency.

CUSTOMER IDENTIFICATION PROGRAM/ PATRIOT ACT
The Customer Identification Program (“CIP”) was implemented as a result of section 326 of the USA PATRIOT Act which requires additional personal identification when opening accounts and conducting financial transactions. The North Carolina Department of State Treasurer, as an agency of the State of North Carolina, is exempt from providing personal information for accounts and certificates of deposit with financial institutions. The CIP rule applies to a “customer.” A customer is a “person” (individual, corporation, partnership or trust) who opens a new account, an individual who opens a new account for another individual who lacks legal capacity, and an individual who opens a new account for an entity that is not a legal person (e.g., a civic club). The definition of “customer” also does not include an existing customer as long as the bank has a reasonable belief that it knows the customer’s true identity. In addition, excluded from the definition of “customer” are federally regulated financial institutions, banks regulated by a state bank regulator, governmental entities, and publicly traded companies (as
described in 31 CFR 103.22(d)(2)(ii)-(iv). In addition, an “exempt” person shall include a department or agency of the United States, of any State, or of any political subdivision of any State (31 CFR 103.22(d)(2)(ii-iv)).

SIGNATURE CARD
Upon being designated an official depository, the newly designated bank should provide a signature card to the Banking Operations Unit within the North Carolina Department of State Treasurer for execution. The only authorized signature for the account is that of the State Treasurer. The signature provided may be an actual signature or a facsimile signature as provided by N.C. Gen. Stat. § 147-69. No other signature, including that of an agency official, is valid. No corporate resolution is required, as the account is considered that of a “body politic,” and is authorized pursuant to N.C. Gen. Stat. § 147-78.

STATEMENT RENDERING
Unless otherwise requested, bank statements are to be rendered on a monthly cycle. It is requested that the cutoff date of the cycle be the last day of the month. It is also requested that the statements be provided electronically, either through a direct transmission or email to the Bank Reconciliation Unit or via online access to the bank. In the event electronic statements are not available, the paper statements should be sent to the following address:

North Carolina State Treasurer
Attn: Bank Account Recon Unit
3200 Atlantic Avenue
Raleigh, North Carolina 27604

BANK DEPOSIT SLIPS
Deposit slips (tickets) are to be provided by the depository at no charge to either the State agency or the State Treasurer. The deposit slip should be headed as follows:

    North Carolina State Treasurer
    By (Name of Agency)

Banking Operations staff shall order the initial supply of deposit slips through the depository and provide them to the agency. This ensures that the proper information is included on the slips. If the depository provides a deposit concentration service, the deposit slips must be pre-encoded (in the serial number field) with a “location code,” which is assigned by Banking Operations and is specific to the depositing agency. All subsequent orders of deposit slips must be placed through Banking Operations, which in turn will place the order with the bank. However, agencies using a bank that does not provide concentration services may place any subsequent orders directly with the depository. Deposit slips should be NCR paper, in triplicate, and include “North Carolina State Treasurer - By: (Name of Agency)” in the heading (as shown above). Counter deposit slips may be used only prior to the receipt of the initial supply of pre-encoded slips, but this practice is discouraged. All deposits accepted from an agency must be accompanied by a completed deposit slip, prepared in triplicate. The deposit slip should be receipted in accordance with the depository’s receipting process, with the duplicate copy being returned to the agency as evidence of the deposit. Verification of cash deposits must be made
at the time the deposit is receipted.

ENDORSEMENTS
The account of the State Treasurer is restricted in that all checks, drafts, or money orders made payable to the agency are to be deposited to the State Treasurer’s account in the form in which received. No “less cash” deposits are permitted. All deposited items should be endorsed as follows:

For Deposit Only  
North Carolina State Treasurer  
By (Name of Agency)  
(Bank Acct #)  
(Location Code in the case of a Main bank)

Some entities (universities, community colleges, and clerks of court, for example) may have the authority to maintain an account for “non-State funds” in their own name. Endorsements for such accounts would not include the State Treasurer’s name.

STATE AUDITOR’S AUDIT CONFIRMATIONS
As required by N. C. Gen. Stat. § 147-64.6(c)(9), the account is subject to audit examination by the North Carolina Office of the State Auditor. All confirmation requests should be responded to, with no fee being levied for responding to the audit confirmation.

FOREIGN CHECKS
Foreign checks should not be accepted in a regular deposit. The agency should be instructed to present the item to the depository institution as a collection item, for which the bank shall issue a receipt. Once the institution receives credit for the foreign item (usually a discounted value), it should issue the agency a cashier’s check for the value received. Any collection-related fees may be deducted. The agency will then deposit the cashier’s check in the normal fashion to the account in the name of the State Treasurer. Should a foreign item be included in a regular deposit, it should be returned to the agency for collection on a “cash item” basis. The definition of a “foreign check” is an item that is drawn on a foreign bank that cannot be cleared through the Federal Reserve Bank System; in other words it must be issued on a Routing and Transit number that is compatible with the ABA system accepted by the Federal Reserve. An item “payable in U.S. funds” that is drawn on a foreign bank is still considered a “foreign check.”

ERRORS IN DEPOSIT
Should a discrepancy be discovered between the amount of a prepared deposit slip and the amount of the items enclosed, an adjustment may be made to the account, with the exception for deposits made by the Department of Revenue. If an adjustment is made, immediate notification must be made to both the depositing agency and the Bank Reconciliation Unit of the North Carolina Department of State Treasurer.

Special arrangements have been made for errors discovered in cash letter deposits made by the Department of Revenue, and adjustments are not to be made. For a deposit that is “over,” a cashier’s check is to be issued to the Department of Revenue. For a deposit that is “short,” an
unprocessed debit advice should be presented to the Department of Revenue as a “cash item,” in the same manner as a returned check. The Department of Revenue shall then issue a warrant to clear the item from the bank.

**MONEYS DEPOSITED IN ERROR**

Under no circumstances should funds be refunded to an agency, or a debit made against the State Treasurer’s account once a deposit has been accepted, without the express authorization of the State Treasurer’s Office. Moneys deposited in error are to be refunded only as described in N.C. Gen. Stat. § 147-84. Upon obtaining adequate assurance that moneys were indeed deposited in error, the State Treasurer’s Office will provide instructions for clearing the deposit.

**RETURNED ITEMS**

Deposited items that are returned as non-collected may be presented through the banking channels for collection a second time. Should an item not be paid after the second collection attempt, it should be presented to the depositing agency as a “cash item,” with a request for direct and immediate reimbursement. Debits for return items should not be made to the account. The method of return will depend upon the agency involved. The following should be used as a guide:

<table>
<thead>
<tr>
<th>Endorsement By</th>
<th>Method of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMV - License Plate Agency</td>
<td>Return to Raleigh main branch for daily pick-up by Division of Motor Vehicles</td>
</tr>
<tr>
<td>DMV – Drivers License Office (deposited at Main Bank)</td>
<td></td>
</tr>
<tr>
<td>DMV - License Plate Agency</td>
<td>Mail to Div. of Motor Vehicles Attn: Returned Check Dept. PO Box 29615 Raleigh, NC 27626</td>
</tr>
<tr>
<td>DMV – Drivers License Office (deposited at Non-Main Bank)</td>
<td></td>
</tr>
<tr>
<td>N.C. Department of Revenue (deposited at Main Bank)</td>
<td>Picked up by Department of Revenue daily at Raleigh Main branch</td>
</tr>
<tr>
<td>All others (agencies, universities, community colleges, etc.) Regardless of bank</td>
<td>Forward to the local branch for pick-up and reimbursement by the depositing agency</td>
</tr>
</tbody>
</table>

**EFT DEPOSITS**

Should the State agency be the recipient of an incoming wire transfer or ACH credit, procedures should be established to promptly notify the State agency of the receipt of the item. Wire transfer advices should be provided directly to the State Treasurer’s Office. There are two types of Electronic Funds Transfer (“EFT”) deposits: 1) ACH credits; and 2) wire transfers. Should the State agency be the recipient of incoming wire transfers or ACH credits, procedures should be established with the sender of the funds to be promptly notified that funds are being sent. The agency should consult with the State Treasurer’s Office when completing any enrollment forms for ACH deposit, to ensure the correct information is provided, including the ABA/Routing and transit number and account number. In certain cases it may be desirable for the State Treasurer to designate a different bank account number for EFT receipts, one that
allows the State Treasurer's Office to verify the receipt of the item(s) through online access to
the bank.

Some agencies receive a large volume of EFT or wire deposits, and in this case an agency may
request the establishment of a bank account for its dedicated use. Such an account is also
considered a “zero balance account” (“ZBA”), providing for the total of all deposits made to the
account on a given day, to be automatically “swept” to the State Treasurer’s account at the end
of the banking day. The bank shall provide the agency access to online reporting to view the
individual EFT deposits credited to the account. The establishments of such accounts are
considered on a case-by-case basis. The cost associated with the dedicated account and online
capabilities are normally paid by the agency directly to the provider bank. The State Treasurer
may grant the agency “view only” access to the account via the bank’s online system. These
exceptions shall be requested from and granted by the Chief Financial Officer of the Financial
Operations Division of the Department of State Treasurer.

CURRENCY TRANSACTION EXEMPTION
In accordance with 31 USC § 5318(a)(6) Depositing agencies are exempt from the currency
transaction reporting for cash deposits that exceed $10,000, as otherwise required by the Bank
Secrecy Act. As provided by the law, the State Treasurer will execute any forms required by the
depository to secure such exemption.

NIGHT DEPOSITORY SERVICES
Some agencies require night depository services and for such, the depository’s standard night
depository agreement should be executed. The State Treasurer should sign the agreement as
depositor. Individuals at the particular agency will be listed as agents. In the case of a DMV
License Plate Agency or DMV Driver’s License Office, the DMV field supervisor must authorize
the individual agents’ names. The cost of the purchase of any bags is the direct responsibility of
the agency, while any other related costs are to be considered as bank fees and handled as
described below. All agreements should be set up under the open bag option.

WITHDRAWALS
While deposits to an account are made by individual agencies, funds can only be withdrawn by
a transaction initiated by the State Treasurer. There are two types of transactions initiated by
the North Carolina State Treasurer: 1) a drawdown request; and 2) ACH debit for balances
exceeding the determined target balance.

Withdrawals from the banks providing concentration services are initiated through a “1031
Message” (Draw Down Request) submitted by the State Treasurer through the Federal Reserve
System, and are honored in accordance with written instructions on file with the depository.
Callback verification calls are not required for draw down requests submitted in accordance
with the instructions on file. Telephone requests to initiate wire transfer withdrawals are not
generally authorized. However, in the event of technical difficulties, a continuity of operations
plan should be coordinated by the Statewide Banking Operations Manager and other Disaster
Recovery personnel at the Department of State Treasurer.

Withdrawals from the banks not providing concentration services shall be submitted via the
ACH network and will draft the account for any funds exceeding a pre-determined target balance that is maintained to avoid monthly service charges.

BANK FEES
N.C. Gen. Stat. 147-68(b) prohibits disbursements from the State Treasurer without the issuance of a State warrant in the absence of a legislative appropriation. Additionally, Article 5, Section 7(1) of the North Carolina Constitution states in part: “[N]o money shall be drawn from the State Treasury but in consequence of appropriations made by law.” Therefore, no debits are to be made to the account to pay any bank fees or service charges (pertaining to “depository services”), including those for deposit slips. Any fees are to be waived and considered as an “analysis charge” against the target balances in the account. Target balances are maintained in the account to compensate for services provided by the depository and are adjusted as needed, based upon the deposit activity and the 90-day Treasury bill (T-bill) earnings rate. The State Treasurer’s Office prepares, on an annual basis, a “Schedule of Allowable Service Charges” that applies to the financial institutions that provide concentration services for the bank accounts. This schedule is based mainly upon the average discount fee levied by financial institutions in the Southeast, according to “The Blue Book of Bank Prices,” but also takes into consideration current products offered by the banks and used by the agencies, as well as average pricing of these products.

There are services that an agency or institution may acquire from a financial institution, that are not considered “depository services,” and, as such, are not subject to the State Treasurer’s compensation method. Services not considered “depository services” include those relating to credit card processing, lockbox services, EDI services, ACH services, student cards and ATMs. However, any of these services that relate to the collection of revenue (State funds) must result in the funds being deposited to an official depository designated by the State Treasurer. The provider of the “depository services” and the “non-depository services” do not necessarily have to be the same organization.

OFFICIAL CHECKS
State agencies occasionally have need to secure “official checks” or “cashier checks” from a depository. Any fees for such checks are the direct responsibility of the agency and are not to be debited against the State Treasurer’s account, nor considered as an allowable analysis charge.

CREDIT CARD SERVICES
The State Controller’s Office has entered into a Master Service Agreement with a single credit card processor under which agencies, universities and community colleges may participate. If an agency does not want to use the statewide contract for this service, the agency must have an exemption in place with the Office of State Controller, and the processor must provide the service at the same pricing rate as is offered through the Master Service Agreement. The fees for such services are handled directly with the university or agency, and are not to be charged as an analysis charge against the State Treasurer’s account. Any “chargeback” items are to be handled in the same manner as return items, or according to other specially prearranged procedures.
DIRECT DEPOSIT SERVICES
Payroll centers administered by individual state universities and by several state agencies have secured the services of various banks to act as their “originating depository financial institution” ("ODFI"). These services are provided pursuant to agreements executed by the State Treasurer, the university/agency and the ODFI. Separate clearing accounts are maintained by these banks, with the funding of the ACH file being made on payday via a wire transfer from the State Treasurer.

Each community college and each local public school system has authority to select an ODFI to process its ACH payroll file. The fees can be paid either by the college/local school system, or by the State Treasurer. In order for the fees to be paid by the State Treasurer, there must be a separate clearing account established for each. The service fees associated with these separate accounts should be considered as analysis costs and be applied to the State Treasurer’s regular account in accordance with the State Treasurer’s allowable charges. Funding of the ACH file is normally made by the college/school system depositing both a local bank check and a State warrant to the clearing account on payday. Any uncollected funds balance resulting from the deposit of the State warrant is considered in the consolidated analysis of all State Treasurer accounts maintained with the bank.

STATE WARRANTS
Except for disbursements made via electronic funds transfer, State agencies disburse funds through the issuance of warrants (State checks) drawn on the State Treasurer as opposed to being drawn on a financial institution. The Federal Reserve Bank ("FRB") considers the State Treasurer a "non-financial endpoint" and has assigned 053110594 as the unique routing and transit number. All warrants bear this number and are therefore payable at par through the Federal Reserve System. The State Treasurer subscribes to the FRB’s image capture and check truncation services, and as such, the State Treasurer has designated the FRB as the point of presentment for all State warrants. State warrants are generally subject to the Uniform Commercial Code in the same manner as checks/drafts, and are considered as government checks when applying Regulation CC, which governs the length of time a deposit hold may be placed on a deposited item to ensure collection by the depository bank.

ESCHEATING OF STALE DATED ITEMS
The State Treasurer and State Controller have issued a joint statement regarding stale date provisions applicable to State warrants. The policy specifies that the stale date period shall be one year after the date of issuance, the same period applicable to U.S. Treasury checks, and the same period for which State warrants are subject to being escheated. There is an exception for certain types of payments pertaining to federal funds (e.g., Unemployment, Child Support, and Public Assistance), for which the stale date period is 90 days. The one-year stale date period does not prohibit a financial institution from electing to dishonor a State warrant that is older than six months, as provided for under the Uniform Commercial Code (N.C. Gen. Stat. §25-4-404).

Questions regarding the issuance or validity of a specific State warrant should be addressed to the issuing State agency, whose name is specified on the warrant.
COLLATERALIZATION REQUIREMENTS
Official depositories are required to provide collateral for all deposits of the State Treasurer that exceed available FDIC insurance coverage. Collateral securities are to be pledged to the State Treasurer at the Federal Reserve Bank, the Federal Home Loan Bank, or an eligible bank authorized to conduct a trust business. Additionally, the pledging is to be pursuant to the appropriate executed security agreement, which must be approved by the depository’s board of directors or loan committee. The security agreement to be executed depends upon the method of collateralization the depository has chosen to collateralize public deposits. A depository using the “Dedicated Method,” securing uninsured deposits of various public depositors separately, must execute Form COLL-94A, “Security Agreement with Resolution (Dedicated Method).” A depository using the “Pooling Method,” securing uninsured deposits of all public depositors through a pool of collateral established with the State Treasurer, must execute Form COLL-93A, “Security Agreement with Resolution (Pooling Method).”

The rules governing the collateralization of public deposits are found in the North Carolina Administrative Code, Title 20, Chapter 7. Copies of the rules, security agreements and associated forms are contained in the publication entitled “Collateralization of Public Deposits in North Carolina.”

CERTIFICATES OF DEPOSITS
As part of its Cash Management Program, the State Treasurer may invest in Certificates of Deposit and Savings Certificates issued by North Carolina banks and savings institutions, dependent upon the availability of funds. The rate is set by the Treasurer’s Office, normally each Tuesday, which by law cannot be less than the return available in the market on U. S. Government and/or Agency securities of comparable maturity. The term of all certificates is six months. The conditions for all certificates issued under the program are found in the following section. One of the conditions requires amounts above applicable FDIC insurance coverage to be collateralized, as specified above. If a financial institution has not provided information to establish a security agreement to provide adequate collateralization over and above what is provided by the FDIC, the certificate will not be issued until this requirement is met.

CONDITIONS FOR ALL CERTIFICATES ISSUED IN ACCORDANCE WITH G.S. 147-69.1:
Funds may be invested in time deposits of financial institutions with a physical presence in North Carolina, in amounts compatible with the applicant institution’s capital adequacy. However, in no case shall the amount exceed 50 percent of the “Total Equity Capital,” as reported on the institution’s most recent quarterly report of condition submitted to the FDIC.

- All amounts above the FDIC insurance coverage shall be fully collateralized in accordance with the collateralization rules codified in the North Carolina Administrative Code -- Title 20, Chapter 7. The rules require that the appropriate “Security Agreement” and “Escrow Agent Agreement” be executed before the investment can be made. The State Treasurer warrants to the financial institution that the funds represented by the time deposits are public deposits subject to the Collateralization Rules.

- Interest rates offered are determined by the State Treasurer as provided by law and are revised as necessary, so as not to be less than yields available on U.S. Treasury and/or
Agency securities of comparable maturity. Interest due on maturing certificates is calculated on the actual number of days from issue date to maturity date (using a 360-day basis with no compounding), and is to be remitted on maturity date through the Automated Clearing House. The financial institution shall establish an account against which the State Treasurer may submit an ACH debit.

- Certificates will be issued with a fixed maturity date, which will be the first Thursday following the 179th day after issue date, unless such day is a holiday, in which case the maturity date will be determined by the State Treasurer.

- Certificates are to be issued to “TREASURER OF THE STATE OF NORTH CAROLINA.” The Treasurer’s tax ID number is 56-1545517. The State Treasurer certifies that the office is "exempt" for tax backup withholding purposes.

- The financial institution, upon issuing the certificate, agrees to reimburse and hold harmless the State Treasurer from and against any loss, arising from any actions or omission of actions of the institution, in regards to the timely and proper remittance of interest and/or principal at maturity date.

- Certificates (or advices evidencing a book entry) are to be held in custody by the State Treasurer and will be returned to the issuer properly endorsed on or before the maturity date, together with a notice stating the amount of interest due and the terms at which the certificates may be reissued. For certificates not being reissued, the principal amount is to be remitted by wire transfer to a Raleigh bank designated by the State Treasurer. The institution is to advise the Treasurer’s Office by telephone of any intent not to reissue the certificate. The option to reissue the certificate at maturity may or may not be offered by the Treasurer.

- It is the policy of the State Treasurer not to vote proxies where the underlying investments are fully secured by FDIC insurance and proper collateral.
§ 147-64.69 (c) (9). Duties of the State Auditor.
The Auditor may examine the accounts and records of any bank or financial institution relating to transactions with the State Treasurer, or with any State agency, or he may require banks doing business with the State to furnish him information relating to transactions with the State or State agencies.

§ 147-69. Deposits of State funds in banks and savings and loan associations regulated.
Banks and savings and loan associations having State deposits shall furnish to the Auditor of the State, upon the Auditor's request, a statement of the moneys which have been received and paid by them on account of the treasury. The Treasurer shall keep in the Treasurer's office a full account of all moneys deposited in and drawn from all banks and savings and loan associations in which the Treasurer may deposit or cause to be deposited any of the public funds, and these accounts shall be open to the inspection of the Auditor. The Treasurer shall sign all checks, and no depository bank or savings and loan association shall be authorized to pay checks not bearing the Treasurer's official signature. The Treasurer is authorized to use a facsimile signature machine or device in affixing the Treasurer's signature to warrants, checks or any other instrument the Treasurer is required by law to sign. The Commissioner of Banks, the bank examiners, and the savings and loan examiners, when so required by the State Treasurer, shall keep the State Treasurer fully informed at all times as to the condition of all these depository banks and savings and loan associations, so as to fully protect the State from loss. The State Treasurer shall, before making deposits in any bank or savings and loan association, require ample security from the bank or savings and loan association for these deposits.

§ 147-75. Deputy to act for Treasurer.
The Treasurer may authorize a deputy to perform any duties pertaining to the office. The Treasurer may authorize a deputy to affix the Treasurer's signature to any check, warrant or any other instrument the Treasurer is required to sign by use of the facsimile signature machine or device during the Treasurer's absence or disability. The Treasurer shall be responsible for the conduct of his deputies.

§ 147-77. Daily deposit of funds to credit of Treasurer.
All funds belonging to the State of North Carolina, in the hands of any head of any department of the State which collects revenue for the State in any form whatsoever, and every institution, agency, officer, employee, or representative of the State or any agency, department, division or commission thereof, except officers and the clerks of the Supreme Court and Court of Appeals, collecting or receiving any funds or money belonging to the State of North Carolina, shall daily deposit the same in some bank, or trust company, selected or designated by the State Treasurer, in the name of the State Treasurer, at noon, or as near thereto as may be, and shall report the same daily to the Treasurer. The State Treasurer may authorize exemptions from the provisions of this section so long as funds are deposited and reported pursuant to the provisions of this section at least once a week and, in addition, so long as funds are deposited and reported pursuant to the provisions of this section whenever as much as five thousand dollars ($5,000) has been collected and received. Each State agency that has custody of funds less than five thousand dollars ($5,000) shall provide adequate safekeeping of such funds. The
The Treasurer may refund the amount of any bad checks which have been returned to the department by the Treasurer when the same have not been collected after 30 days’ trial.

§ 147-78. Treasurer to select depositories.
The State Treasurer is hereby authorized and empowered to select and designate, wherever necessary, in this State some bank or banks, savings and loan association or associations, or trust company as an official depository of the State.

§ 147-80. Deposit in other banks unlawful; liability
It shall be unlawful for any funds of the State to be deposited by any person, institution, or department or agency in any place or bank or trust company, other than those so selected and designated as official depositories of the State of North Carolina by the State Treasurer, and any person so offending or aiding and abetting in such offense shall be guilty of a Class 1 misdemeanor and any person so offending or aiding and abetting in such offense shall also immediately become civilly liable to the State of North Carolina in the amount of the money or funds unlawfully deposited, and, at the instance of the State Treasurer, or at the instance of the Governor, the Attorney General shall forthwith institute the civil action in the name of the State of North Carolina against such person or persons, either in the courts of Wake County, according to their respective jurisdiction, or in the county in which said unlawful deposit has been made, according to the selection made by the officer requesting the institution of such action, for the purpose of recovering the amount of the money so unlawfully deposited, with interest thereon at six percent (6%) per annum, and for the cost of said action, and the court in which said action is tried may also tax, as a part of the cost in said action, to the use of the State of North Carolina, a sum sufficient to reimburse the State of North Carolina for all expense incidental to or connected with the preparation and prosecution of such action.

§ 147-81. Number of depositories; contract.
The State Treasurer is authorized and empowered to select as many depositories in one place and in the State as may appear to him to be necessary and convenient for the various officers, representatives and employees of the State, to comply with the purposes of G.S. 147-77, 147-78, 147-80, 147-81, 147-82, 147-83 and 147-84, and make such contracts with said depositories for the payment of interest on average daily or monthly balances as may appear advantageous to the State in the opinion of such Treasurer and the Governor.

§ 147-82. Accounts of funds kept separate.
In order to preserve and keep them separate, all funds that are now required by law to be kept separate or to be separately administered, both by State departments, institutions, commissions, and other agencies or divisions of the State which collect or receive funds belonging to the State, or funds handled or maintained as trust funds in any form by such department, division or institution shall be evidenced in daily reports by distribution sheets, which shall reflect and show an exact copy of the accounts, showing the distribution of said money kept by such collecting departments, institutions and agencies, and the same shall be entered in the records of the office of the State Treasurer, so as to keep and maintain in the office where the same is first collected or received the same account thereof, and of the distribution thereof, the same records and accounts as are kept in the office of the State Treasurer relating thereto.
§ 147-83. Receipts from federal government and gifts not affected.
General Statutes 147-77, 147-78, 147-80, 147-81, 147-82, 147-83 and 147-84 shall not be held or construed to affect or interfere with the receipts and disbursements of any funds received by any institution or department of this State from the federal government or any gift or donation to any institution or department of the State or commission or agency thereof when either in the act of Congress, relating to such funds received from the federal government, or in the instrument evidencing the said private donation or gift, a contrary disposition or handling is prescribed or required, and the said sections shall not apply to any moneys paid to any department, institution or agency, or undertaking of the State of North Carolina, as a part of any legislative appropriation, or allotment from any contingent fund, as provided by law, after the same has been paid out of the State treasury.

§ 147-84. Refund of excess payments.
Whenever taxes or other receipts of any kind are or have been by clerical error, misinterpretation of the law, or otherwise, collected and paid into the State treasury in excess of the amount found legally due the State, said excess amount shall be refunded to the person entitled thereto.