



UNITED STATES DEPARTMENT OF EDUCATION

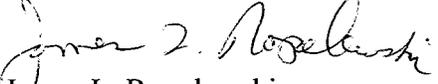
WASHINGTON, D.C. 20202-_____

MEMORANDUM

DATE: JUL 16 2012

TO: ED Executive Officers

FROM: Danny Harris, Ph.D. 
Chief Information Officer
Office of the Chief Information Officer


James L. Ropelewski
Acting Deputy Chief Financial Officer
Office of the Chief Financial Officer

SUBJECT: Policy Memorandum Governing Dormant Bank Accounts

The Department's Grants Management System (G5) contains financial data for thousands of Departmental recipients of financial assistance. In order to maintain the integrity of these data and to ensure that appropriate internal controls are in place to mitigate the likelihood of improper payments, the Office of the Chief Information Officer (OCIO) and the Office of the Chief Financial Officer (OCFO) have collaboratively established new policy governing the deactivation of dormant bank account records maintained in G5. A "dormant" bank account is an account that, according to G5 records, has not received an award for financial assistance for 18 months, or all awards associated with the account have been closed.

Effective immediately, all "dormant" G5 bank accounts will be deactivated. This new policy will reduce the number of bank accounts in G5 that can receive payments and thereby reduce the risk of a payment to an incorrect bank account.

The OCIO G5 Team will develop and provide a monthly report of bank accounts that meet these criteria. The report will be designed for use by staff in the OCFO and in the agency's Program Offices to inform decisions regarding the deactivation of dormant G5 bank accounts. After providing this new monthly report, the G5 team will deactivate all dormant bank accounts identified in the report and notify affected recipients. The recipient notification process will provide details of individual suspended account records and provide standard directions regarding the reactivation of accounts.



This new policy and procedure mirrors internal controls that are commonly employed by commercial banks and the approach is considered a “best practice” by the larger financial management community. The implementation of this policy will reduce the likelihood of improper payments and your support and assistance will contribute to the continued improvement of the Department’s financial management practices and internal control environment.

If you have any questions or concerns, please contact Sylvester Osineme, Team Lead, G5 Banking Financial Information System Team, at 202-245-8081 or sylvester.osineme@ed.gov.

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