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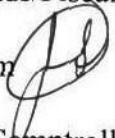
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MEMORANDUM

To: Agency Heads/Fiscal Officers

From: John Graham 

Re: Reissue of Comptroller's Internal Control and Accountability Directive 9,
*General Procedures for the Administration of Cash and Securities Held as
Collateral for Performance on Contracts, Franchises, Revocable Consents and
Concessions and Other Agreements*

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A new version of Comptroller's Internal Control and Accountability Directive #9 is attached. It supersedes the existing version dated June 30, 2000.

This Directive sets forth uniform procedures for the administration of cash and securities that the City of New York holds as collateral for performance on contracts, franchises, revocable consents and concessions and other agreements. The procedures govern all transaction types, including initial deposits, substitutions, redeposits and releases providing detailed instructions that agencies, contractors and franchisees must follow.

The Office of the Comptroller is required by law to ensure that each Depositor pay their proportionate share of the charges assessed by the City's custodial bank. The Directive requires an annual custody account maintenance fee of \$300 combined with a separate \$20 fee for each deposit, substitution and release transaction.

The Directive now requires, for release of deposited securities upon satisfactory conclusion of a contract or franchise, that the Contracting Agency request from the Depositor a form entitled *Contractor Lien/Assignment Certification*, a notarized statement confirming whether or not the Depositor has any existing outstanding liens or third party assignments. The Contracting Agency must also furnish the Comptroller's Office with written confirmation that there are no third party assignments recorded against the Depositor.

The Directive has revised several of the forms that agencies, contractors and franchisees must use to initiate security deposits and other transactions. Copies of all forms are included as Exhibits to the Directive.

Questions and comments should be addressed to Susan Cornwall, Unit Chief, Accounting Directives, Bureau of Accountancy, Municipal Building, One Centre Street, Room 808, New York, NY 10007, (212) 669-8216, E-mail scornwa@comptroller.nyc.gov.