INTRODUCTION

PayPal is an online payment processing service and, as such, performs certain functions equivalent to those provided by a bank. Other commercial enterprises and payment processors offer services similar to those provided by PayPal.

A.R.S. § 35-315 grants the State Treasurer the exclusive authority to contract with any entity providing banking services.

POLICY & PROCEDURES

1. Except with the express, written permission of the Office of the State Treasurer, an agency may not:

   1.1. Establish service to receive payments through PayPal or any other payment processing service.

   1.2. Provide PayPal or another receipt processing service the account name and/or account number of any bank account into which State monies are deposited.

2. If requested, an agency must provide the GAO a copy of the approved exception request obtained from the Office of the State Treasurer that permits it to use PayPal or another payment processing service or to provide such enterprise a state-owned bank account number.