



State of Arizona Accounting Manual

Topic 40 Revenues and Receipts
Section 26 **Using PayPal and Similar Services to
Process Receipts**

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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.