

HISTORY AND DUTIES OF THE TREASURER OF STATE

HISTORY

The position of Treasurer of the Arkansas Territory was created shortly after Arkansas achieved territorial status in 1819. The first Territorial Treasurer was James Scull of Arkansas Post who recorded that he kept financial records wherever he could find food and shelter. Mr. Scull served from 1819 through 1833.

The Office of Treasurer of the State of Arkansas was established by the Constitution of 1836 with the Treasurer selected by joint vote of both houses of the General Assembly. Each subsequent Constitution has provided for a Treasurer of State. The Constitutions of 1836 and 1861 called for selection by the General Assembly, while the Constitutions of 1864, 1868, and 1874, the currently used Constitution, provide selection by vote of the Arkansas electorate.

DUTIES

The Treasurer of State is an executive officer of the state, established by the Constitution of the State of Arkansas and is required to perform all “duties which may be required of him or her by law.” The primary objectives of the Treasurer of State in financial transactions are safety, liquidity, and return on investment.

The Office of Treasurer is composed of six divisions:

Receipt Processing – Daily the Treasury receives deposits from state agencies which collect money/fees/taxes, wires from Federal Reserve, and Department of Finance and Administration Revenue Receipts. All receipts are verified, documented, with a deposit summary submitted to the cash management desk.

Cash Management – Coordinates with bank and investment firms on the daily payment wires and fund transfers from Treasury demand accounts. This division also coordinates with the Department of Finance and Administration and other agencies concerning state fund transfers, adjustments, and collection items. Finally, Cash Management balances the general ledger with all other Treasury divisions daily.

Money Management Trust Fund – Established for use by state agencies and local governments as a vehicle for enhancing investment opportunities and earnings for idle cash.

Certificate of Deposit Trust Investments – Established to allow state agencies to invest their trust funds in certificate of deposit with state banks. State agencies and Arkansas banks benefit from this program by keeping money in Arkansas and yielding the best available rate for agencies.

Warrants Processing – Responsible for redeeming state issued checks when a payee cashes the warrant or the electronic payment is received at the payee’s financial institution.

Local Government Services – Responsible for distributions to Arkansas’s 75 counties and 501 incorporated cities. The monthly distributions are the County and Municipal Aid, commonly known as turnback, and Local Sales and Use Taxes. The Treasury also distributes several other special revenues to cities and counties throughout the year.

In addition to these important duties, the Treasurer serves as a member and secretary of the State Board of Finance; a member of the Arkansas State Highway Employees Retirement System Board of Trustees; a member of the Arkansas Rural Endowment Fund Board of Trustees; ex-officio member of the Arkansas Public Employees Retirement System Board of Trustees; ex-officio member of the Arkansas Teachers Retirement System Board of Trustees; and ex-officio member of the Arkansas Development Finance Authority.