



PROTECTING THE INTEGRITY OF IDAHO FINANCIAL MARKETS SINCE 1905

**Idaho Department of Finance  
Guidance Statement  
2020-02-FIB  
COURIER SERVICE**

**Issue Date: July 1, 2020 (Replaces Policy Statement 90-1)**

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**I. Background**

This Guidance Statement sets forth the Department’s position that a bank operated customer courier service is permissible in the state of Idaho.

For purposes of this Guidance Statement, a “courier service” is a service whereby a bank sends a courier to pick up or deliver funds to a customer at his place of business. “Funds” are here understood to mean a sum of legal tender and/or negotiable instruments as yet unverified and/or unauthenticated by the bank. Any receipt issued at this point is for the package accepted for delivery to the bank, not acceptance of a deposit.

**II. Discussion**

The primary issue raised by this question is whether or not such a service constitutes branch banking.

A branch is defined in Idaho Code § 26-106(6) as:

*“[A]ny location except a bank facility or customer-bank communication terminal or bank service corporation at which a bank performs any or all functions of a bank.”*

The acceptance of deposits is clearly a bank function. Idaho Code § 26-106(1). Thus, if the bank’s courier service is a location at which it accepts deposits, it meets the branch banking requirements.

Idaho Code § 26-106(14) states:

*“Deposit’ means the act of placing or lodging money in the custody of a person, for safety or convenience whether interest-bearing or not, to be withdrawn at the will of the depositor or under*

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*rules, terms and regulations agreed upon by the depositor and the depository. If the context requires, deposit may also mean the money so deposited or the credit the depositor received for it.” [Emphasis added]*

A “deposit” contemplates some agreement between the depositor and depository as to the terms upon which a withdrawal can be made. Until an agreement is reached, a “deposit” as such cannot be made. A bank is unable to agree to return to a depositor a sum certain until such time as it knows what sum was placed with it.

### **III. Summary**

It is the Department’s view that until the customer’s funds are officially credited to this account, no agreement as to withdrawal can be reached, and no “deposit” is made. The relationship between the bank and its customer is that of a depository situation. Thus, the bank is not receiving “deposits” in the operation of a courier service. Such a courier service does not violate branch banking laws and is permissible in the state of Idaho.

**Contact** - You may direct comments or requests for additional information regarding this Guidance Statement to:

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