

Establishing and Closing University Bank Accounts

FIN-TRE-VI-52



About This Policy

Effective Date:

06-20-1991

Last Updated:

06-01-1996

Responsible University Office:

Office of the Treasurer

Responsible University Administrator:

Senior Vice President and Chief Financial Officer

Policy Contact:

MaryFrances McCourt

Senior Vice President, Chief Financial Officer and Treasurer

mmmccour@indiana.edu

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Policy Statement

Bank accounts used to conduct University business are established with the authorization of the Trustees of Indiana University. In accordance with the resolution passed by the Board of Trustees at its meeting on June 20, 1991, the University Treasurer is authorized to open bank accounts on behalf of Indiana University.

Accordingly, the opening or closing of any bank accounts, must be approved by the Office of the Treasurer prior to their establishment or closing.

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Reason For Policy

All funds belonging to Indiana University must be deposited in an Indiana University bank account.

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Procedure

University departments and their staffs should not be dealing directly with any financial institution regarding the opening or closing of a bank account. Only the University Treasurer or his or her delegates have the authority to enter into or modify banking agreements on behalf of Indiana University.

Academic departments and administrative offices within Indiana University wanting to open or close a bank account must send a written request to:

Investment and Cash Management, Office of the Treasurer
The Poplars Building
Indiana University, Bloomington

Requests can also be transmitted via email or fax.

Email: moneymov@iu.edu

Fax: (812) 855 3863

NEW ACCOUNTS

The request must include:

1. Purpose of account. The request should include justification as to why the account is needed and why no existing account meets the identified need.
2. Proposed name of account. Note: All accounts must include "TRUSTEES OF INDIANA UNIVERSITY" in their titles."
3. Type of account (custodial fund, depository, lockbox, etc.)
4. Duration account will be needed.
5. IU general ledger account number
6. Source of funding
7. The account to be charged for banking fees, if applicable
8. Name and phone number of contact person. This should be an exempt faculty or staff member.

Accounts will be non-interest bearing unless an exception is authorized by the University Treasurer. If interest is earned, it must be placed into the University General Fund account for interest income unless approval to do otherwise has been obtained from the University Treasurer.

The request will be reviewed and forwarded to the University Treasurer for approval. If approved, Investment and Cash Management will confer with the requesting department to determine the appropriate bank to use for the account and will obtain and complete the documents needed to open the account. Investment and Cash Management will notify the requesting department when the account is open and available for use.

Monthly bank statements will be mailed to Investment and Cash Management unless Investment and Cash Management determines that it is appropriate for the account statements to go directly to the department. All account analysis statements will go to Investment and Cash Management.

All accounts are subject to audit by the State Board of Accounts and/or the Indiana University Internal Auditing Department.

ACCOUNTS TO BE CLOSED

The request must include:

1. Name, address and phone number of bank
2. Account name
3. Bank account number
4. Indiana University General Ledger account number
5. Reason for closing
6. An explanation as to how existing check stock, signature plates, outstanding checks, etc. will be returned, destroyed or processed.
7. Requested date for closing

Investment and Cash Management will notify the bank of the closing and transfer out any remaining balances and credit the appropriate University account.

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Definitions

Indiana University Bank Account:

Any account (checking, saving, depository, money market, etc.) opened at a financial institution which has any of the following:

Uses the name Indiana University, Indiana University Purdue University at Indianapolis or any abbreviation thereof, or

Uses the University tax identification number, or

Receives the deposit of or disburses University funds

Bank Analysis Statement:

This is a summary recap prepared by the bank of all charges incurred on a bank account or group of accounts for a specified period. It does not contain detail and it usually used as an invoice for the fees incurred on a bank account.

Bank Statement:

The monthly statement received from the bank, which details all transactions for a specific period (usually a month) and shows the ending balance in the account. It also typically includes all paid checks.

Financial Institution:

Any domestic or foreign: bank, credit union, brokerage house or related institution.

Tax Identification #:

The number used to identify Indiana University for Federal and State tax matters.

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History

This police was established on June 20, 1996.