

Policy 2805

Establishing and Maintaining University Bank Accounts

Responsible Office	Controller's Office	Effective Date	7/1/98
Responsible Official	Controller	Last Revision	11/11/98
		Last Reviewed	2/1/06

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Scope

This policy governs all bank accounts maintained for operating purposes including institutional accounts, departmental accounts, and all other operating bank accounts. The establishment and maintenance of bank accounts for investment-related activity, real estate property management, debt service, and escrow accounts are subject to separate policies.

Policy Statement

All operating bank accounts containing University funds must be properly authorized in accordance with this policy. Bank accounts and related activity must be recorded in the University's official accounting records and reconciled to bank statements within the time constraints set forth in this policy. Signers for wire transfers, checks and drafts drawn on the University's operating bank accounts must be reviewed by the Vice President for Finance and Administration, or the Associate Vice President for Finance as indicated in this policy, and authorized by the Yale Corporation Finance Committee.

Reason for the Policy

This policy has been prepared to ensure that the University maintains adequate control over its funds through the creation of a formal process for establishing and maintaining University bank accounts.

Policy Sections

2805.1 Authorization for Opening and Closing Accounts

A bank account owned by or containing funds belonging to the University (including any school, department, or other unit of the University) may only be opened or maintained with the knowledge and written approval of the University's Cash Manager and the official authorizer. University bank accounts must be authorized by the Vice President for Finance and Administration. Separate bank accounts to fulfill specialized banking or operating needs for institutional or departmental operating purposes (up to an annual activity level of \$100,000) may be authorized by the Associate Vice President for Finance.

All University bank accounts must have the University's federal Employer Identification Number (EIN) and the name "Yale University" in the account title, and no other bank accounts may use that number or name. Requests to close University bank accounts must be submitted in writing to the University's Cash Manager and approved by the Associate Vice President for Finance.

2805.2 Authorized Signers for Wire Transfers, Checks, and Drafts

All authorized signers for wire transfers, checks, and drafts drawn on the University's general operating bank accounts must be employees of the University authorized by the Yale Corporation Finance Committee to perform this function. The current list of authorized signers for wire transfers, checks, and drafts drawn on the University's general operating bank accounts is contained in Guide [2805 GD.01](#).

The University may establish separate bank accounts to fulfill specialized banking or operating needs for institutional or departmental operating purposes subject to the general approval requirements set forth above. The signers for such accounts must be approved by the Vice President for Finance and Administration, or the Associate Vice President for Finance.

2805.3 Recording Bank Accounts and Related Activity on the General Ledger

All University bank accounts must be recorded on the University's general ledger immediately upon the establishment of such accounts. Activity related to University bank accounts, including deposits, disbursements, transfers to other accounts, and other transactions should generally be recorded in the University's official accounting records within twenty-four (24) hours.

2805.4 Administration and Oversight of University Bank Accounts

The Vice President for Finance and Administration (or Associate Vice President for Finance, for accounts specified above) will assign a *responsible official* to each University bank account for the purposes of ensuring compliance with University policies and procedures, timely reconciliation of bank accounts, adequate segregation of duties regarding the administration of the account as described below, monitoring the continued need or appropriate structure for such accounts, and other oversight requirements as appropriate. Individuals assigned by the responsible official to reconcile the account shall not be the same individuals who are authorized to sign checks or wire transfers on the account. A comprehensive reconciliation of all bank accounts must be performed within 15 days of receipt of the monthly bank statement.

The University Controller's Office, in collaboration with Treasury Services, is responsible for issuing and maintaining policies and procedures governing the establishment and maintenance of University bank accounts. The Controller's Office is also responsible for conducting and/or reviewing the reconciliation of University bank accounts on a periodic basis. The University's Cash Manager shall maintain a current list of all authorized bank accounts, including the respective bank at which the account is held, account number, account description, purpose, responsible official, authorized signers, limitations on check amounts, and other relevant information. The Cash Manager also secures and maintains formal documentation which sets forth the authorization of bank accounts, maintenance of signature cards, Corporation votes, and other relevant correspondence and documentation. All issues regarding banking services and relations should be directed to the Cash Manager.

2805.5 Bank Accounts Maintained by Related Organizations

Bank accounts established and maintained for the purpose of student groups, alumni classes, employee-sponsored social events, and other purposes not directly associated with University business do not normally constitute funds of Yale University. Accordingly, related organizations and individuals who maintain such accounts may not:

- use the University's federal employer identification number (EIN) on the account;
- place the names "Yale" or "Yale University" on the account;
- have the University's address on the account or check stock;
- deposit funds made payable to, or intended for, Yale University into the account;
- administer such accounts during University business hours.

Special Situations/Exceptions

Exceptions to this policy require the prior approval of the Vice President for Finance and Administration.

Related Information

Policy [2801](#): Depositing and Recording University Funds

Guide [2805.GD.01](#) Signature Authority for Wire Transfers and Checks Drawn on the University's General Operating Bank Accounts

Contacts

Subject	Contact	Phone
Request to establish or close a University Bank Account	Cash Manager	432-4474
Reconciliation of Bank Accounts	Associate Controller	432-5527
Interpretation of Policy	Office of the Controller	432-5524

Roles and Responsibilities

Vice President for Finance and Administration

The Vice President for Finance and Administration must approve the establishment of new bank accounts and review the list of employees who are recommended to be signers for wire transfers, checks, and drafts drawn on the University's operating bank accounts.

Associate Vice President for Finance

The Associate Vice President for Finance may approve the establishment of separate bank accounts (up to an annual activity level of \$100,000) to fulfill specialized banking or operating needs, and may approve the authorized signers on such accounts.

Yale Corporation Finance Committee

The Yale Corporation Finance Committee authorizes signers of wire transfers, checks, and drafts drawn on University operating bank accounts and has delegated certain approvals to the Vice President for Finance and Administration and the Associate Vice President for Finance.

Responsible Official

The responsible official assigned to each University bank account shall insure compliance with University policies and procedures, timely reconciliation of bank accounts, adequate segregation of duties regarding the administration of the account, monitoring the continued need or appropriate structure for such accounts, and other oversight requirements as appropriate.

University Controller's Office / Treasury Services

The Controller's Office, in collaboration with Treasury Services, will issue and maintain policies and procedures governing the establishment and maintenance of University bank accounts. The Controller's Office is also responsible for conducting and/or reviewing the reconciliation of University bank accounts on a periodic basis.

University Cash Manager

The Cash Manager shall maintain a current list of all authorized bank accounts, including the information required by this policy. The Cash Manager also secures and maintains formal documentation which sets forth the

authorization of bank accounts, maintenance of signature cards, Corporation votes, and other relevant correspondence and documentation. The Cash Manager coordinates the delivery of banking services on behalf of the University.

Revision History

Last Revision on 11/11/98.

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