



RUTGERS UNIVERSITY POLICY

Section: ~~40.2.16~~

Section Title: ~~Fiscal Management~~

Policy Name: ~~Banking Relationships Policy~~

Formerly Book: ~~N/A~~

Approval Authority: ~~Senior Vice President for Finance and Treasurer~~

Responsible Executive: ~~Vice President for Finance and Associate Treasurer~~

Responsible Office: ~~Office of Treasury Operations~~

Originally Issued: ~~7/1/2013~~

Revisions: ~~10/10/2013 (Updated title)~~

Errors or changes? ~~Contact: Office of Treasury Operations at 848-445-2788 or Tabers@rci.rutgers.edu~~

<u>Policy Name:</u>	<u>Banking Relationship Policy – Domestic and International</u>				
<u>Section #:</u>	<u>40.2.16</u>	<u>Section Title:</u>	<u>Fiscal Management</u>		<u>Formerly Book:</u> <u>N/A</u>
<u>Approval Authority:</u>	<u>Vice President for Finance and Associate Treasurer</u>		<u>Adopted:</u>	<u>7/1/2013</u>	<u>Reviewed:</u> <u>08/31/2017</u>
<u>Responsible Executive:</u>	<u>Director of Treasury Operations</u>		<u>Revised:</u>	<u>10/10/2013; 08/31/2017</u>	
<u>Responsible Office:</u>	<u>Treasury Operations</u>		<u>Contact:</u>	<u>Director of Treasury Operations (848-445-3353)</u>	

- Policy Statement**
~~To establish~~This policy establishes guidelines for centralizing and controlling the flow of funds throughout the university as well as establishing and maintaining university bank accountaccounts for the purpose of conducting university business.
- Reason for Policy**

All policies are subject to amendment. Please refer to the Rutgers University Policy Library website (policies.rutgers.edu) for the official, most recent version.

~~To ensure the university is aware of all financial assets and that they are recorded properly on the university's general ledger. The purpose of this policy is to establish adequate control procedures over University assets, to minimize the University's risk of financial loss, mitigate other potential liabilities, and to ensure that related financial assets are recorded properly on the university's general ledger (G/L).~~

3. **Who Should Read This Policy**

All members of the Rutgers University community that require and/or utilize university bank accounts should review and understand this policy.

University administrators including, but not limited to:

- Chancellors and vice presidents
- Deans, directors, chairs, and department heads
- Administrators, managers, supervisors

4. **Related Documents Resources**

~~Please refer to the Cash Handling Policy and Procedures memo distributed by the Office of:~~
http://policies.rutgers.edu/sites/policies/files/40.2.8%20-%20current_0.pdf

Treasury Operations Cash Handling Procedures:

<http://treasury.rutgers.edu/cash-check-handling/cash-and-check-handling-procedures>

5. ~~_____~~ for best practice procedures that should be follow to be in compliance with **Definitions**

For purposes of this policy, "university bank accounts" means all bank accounts opened (1) for the University or any of its schools, departments, centers, institutes, ~~or~~ programs, etc.; (2) by or for any entity in which the University has an interest (such as an entity that may be established for overseas activities, or a subsidiary of the University); and/or (3) any entity with the Rutgers University tax identification number. The entities collectively defined in (1), (2), and (3) shall hereafter be described as "department".

5. ~~_____~~ **Contacts**

a. ~~_____~~ Office of Treasury Operations
848-445-2788

b. ~~_____~~ Vice President for Finance and Associate Treasurer
848-445-3787
Tabers@rci.rutgers.edu

6. **The Policy**

40.2.16 ~~BANKING RELATIONSHIP POLICY~~

I. **Policy Details**

A. All banking will be conducted and coordinated through the Office of Treasury Operations in order to achieve efficiency and ~~thus~~ avoid duplication of effort and bank accounts. Therefore, the university's tax identification number should not be used to open a bank account without prior approval from the Office of Treasury Operations.

B. ~~_____~~ Any individual, unit, or department that has an external bank account for university funds must report this information immediately to the Vice President for Finance & Associate Treasurer. ~~Failure to either report this information or to continue to operate a banking relationship without the expressed approval of the Vice President for Finance & Associate Treasurer will result in disciplinary proceedings, up to and including dismissal.~~

B. Bank accounts may only be opened and closed with the approval of the Director of Treasury Operations. The Office of Treasury Operations will review the requests to open

a bank account to ensure that the bank account does not duplicate other university accounts and to ensure appropriate control procedures are in place, among other factors.

- C. Once approved, the individual, unit or department maintaining an external bank account for university funds must make arrangements with the banking institution at which the account is located to cause a duplicate statement to be sent to University Accounting, ASB Room 300, 65 Davidson 33 Knightsbridge Road, Piscataway, NJ 08854. For international accounts, duplicate statements must also be sent to University Treasury at treasury@finance.rutgers.edu. If the bank is unable to send duplicates directly, the responsible department should forward the monthly statements accordingly.
~~G.~~

II. Responsibilities

- A. The Office of Treasury Operations is responsible for:
1. Ensuring that the flow of funds throughout the university is performed in an secure and expeditious manner
 2. Acting as the liaison between the university and the financial community
 3. Opening, closing, and monitoring the existence of all accounts holding university financial assets
 4. Counseling individuals handling university financial assets regarding the concept and importance of funds availability and fiscal accountability.
- B. ~~The Manager, Director of~~ Treasury Operations is responsible for the timely reporting ~~(no less frequently than once each calendar quarter)~~ to the Vice President for Finance & Associate Treasurer on faculty and staff compliance with this policy and any recommendations or problems that arise.
- C. ~~The Vice President~~ Special Responsibilities for Finance & Associate Treasurer is responsible for the timely reporting ~~(no less frequently than once each calendar quarter)~~ to the ~~Senior~~ International Bank Accounts:

Any unit or department maintaining an international bank account must ensure that appropriate procedures are in place to ensure compliance with university control requirements as well as any local, state, and federal guidelines; and to ensure the appropriate expenditure of university funds. The Office of Treasury Operations will review and approve procedures related to international bank accounts including, but not limited to:

1. Monthly bank reconciliation performed by a departmental staff member based in the U.S., completed within fourteen days of the prior month-end, including reconciliation of all activity to the bank statement. If there are unreconciled items and/or if the reconciliation is not completed or up-to-date for any reason, the Office of Treasury Operations must be notified immediately.
- ~~G-2.~~ All authorized bank account signatories must be Rutgers employees unless otherwise granted exception by the Vice President for Finance and Treasurer/Associate Treasurer, and the Office of Treasury Operations must be notified immediately of any changes to the signatories. There should be at least two signatories on policy compliance and any recommendations or problems that arise. ~~the account, including at least one based in the U.S.~~
3. Balances in bank accounts holding university funds should be recorded appropriately in the G/L on at least a monthly basis. If the unit or department

does not maintain a suitable sub-ledger system, then activity should also be recorded in the G/L.

4. The ~~unit or~~ department shall be responsible for notifying their employees who have signature authority over the account that they may have a personal tax filing requirement under the Foreign Bank and Financial Accounts (FBAR) regulations of the Internal Revenue Service. See (<https://www.irs.gov/businesses/small-businesses-self-employed/report-of-foreign-bank-and-financial-accounts-fbar>).