Domestic and International Bank Account Guidelines

Responsible Office: Debt and Treasury Management

Required Approver: SVP, CFO, and Treasurer

Effective Date: October, 2010
Reviewed/Updated: May, 2015

The guidelines set forth below summarize the requirements for opening, reconciling, updating and closing all domestic and international Boston University bank accounts. For purposes of this policy, “Boston University bank accounts” means all bank accounts opened (1) for the University or any of its schools, departments, centers, institutes, or programs, (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) with the Trustees of Boston University tax identification number.

Objective of the Guidelines
The purpose of these guidelines is to establish appropriate bank account control procedures to protect University assets and minimize any risk of financial loss. Each individual school, department, center, institute, and/or program (“University Departments”) that requires a new bank account or is responsible for managing existing accounts should review and understand this policy.

Responsible University Office
Consistent with best business practices, all bank accounts must be opened and closed by the Office of Debt and Treasury Management in Financial Affairs. Therefore, University Departments may not establish a University bank account without first contacting the Office of Debt and Treasury Management. Departmental bank accounts are expected to be the exception, and will be opened only if there is a demonstrated, genuine business need for a separate bank account and subject to Provost or Senior Vice President approval.

General Policies:
A Boston University bank account may only be used for legitimate and allowable revenue and/or expense activities of the University. Proposals for new bank accounts must be submitted by University Departments to the Debt and Treasury Management office and the ultimate decision to open a bank account will be at the discretion of the University’s Treasurer.

All University bank accounts must either have the University Employer Identification Number (EIN), or the equivalent as consistent with the applicable laws of the local jurisdiction where the University is registered to conduct business. The name “Trustees of Boston University” must be in the account title; and if applicable, the account title will also contain the designation “doing business as (DBA)” and the name of the locally registered entity.

University affiliated organizations that are not conducting University Department business activities (e.g. alumni clubs, fraternities, etc) are not permitted to establish bank accounts in the University’s name or
EIN. Student groups are not permitted to establish bank accounts unless they are separately incorporated and under no circumstance may they establish bank accounts in the University name or EIN.

**Specific Bank Account Procedures**

**Opening Bank Accounts:**

Attached as Attachment A (Part I) is a form for submitting a request to the Office of Debt and Treasury Management for approval to open a new University bank account. This form can be accessed directly at [www.bu.edu/CFO/treasury-mgt/resources/treasury-operations/cash-mgt/](http://www.bu.edu/CFO/treasury-mgt/resources/treasury-operations/cash-mgt/). The request should be submitted and approved prior to opening any account.

In addition to the information to be provided per Attachment A, a one year monthly cash forecast/budget (project revenue/expense accounts) is required as part of the request for bank account approval/opening.

**Important Considerations:**

- **Choosing a Bank:** It is important, whenever possible, to open and maintain both domestic and international bank accounts with entities that have existing well established University banking partnerships/relationships. Subject to approval of the Treasurer, another large global banking institution may be used. The University has relationships with a number of large banks with a global and/or regional network (Bank of America, JP Morgan, Citibank, Barclays, etc). For a list of recommended and preferred University banking partners or to discuss specific circumstances where a local bank or non-University bank relationship may be necessary, contact the Office of Debt and Treasury Management.

- **Authorized Signers:**
  - All bank signatories must be Boston University employees and one of the authorized signers for each account must include the Treasurer, unless other arrangements are approved in writing by the Treasurer. No account should have more than three or four authorized signers, including the Treasurer.
  - Authorized signatories for international bank accounts may, if approved by the Treasurer, include senior administrators of the local entity who are under contract with the University and are not University employees. There may be additional signatories added to an international account from the school or department such as the Dean, Principal Investigator or Program Director. In country, there may be more than one signatory, which is recommended if the primary local signatory travels frequently. In most instances, there should be no more than two local signers.
  - Many overseas bank accounts require copies of passports for all signatories. In addition, signers with authority over an international bank account may be required to file a disclosure as part of their personal income tax filings.

- **Research Related Bank Accounts:** Debt and Treasury Management will submit any proposed new bank accounts related to research activities to Research Administration for review and approval.

- **Legal Review:** Treasury and Debt Management will rely on the Office of the General Counsel as needed to complete required bank documentation; for international accounts this will include ensuring that any required proper in-country registration is filed. Copies of registration documentation, appointment of legal representative and operating agreements from the Office of General Counsel may be required to accompany documents provided to the bank.

- **Office of Global Operations:** The Office of Debt and Treasury Management will coordinate with the University’s Office of Global Operations as required.
- **General Ledger Account Number:** Debt and Treasury Management will coordinate with General Accounting to establish a GL account number for any new bank account.

- **Bank Account Alternatives:** It is important to note that, particularly for international activities, establishment of a bank account may not always be the most efficient alternative for the University. This would be true in cases where annual spend amounts are small or when a program is one time or temporary. Please contact Debt and Treasury Management to discuss potential alternatives in these situations.

### Reconciling Bank Accounts:

#### Monthly Reconciliation Preparation:
All bank accounts must be reconciled monthly by the person specified as responsible for reconciling the bank account (this individual must be different than account authorized signers or individuals with access to the account) and the reconciliation must be reviewed monthly by the person specified as responsible for review of the account. Reconciliations should include: (1) reconciliation of all transaction activities to entries in the University general ledger and (2) reconciliation of the ending balance on the bank statement to the University general ledger ending balance and (3) reconciliation of departmental log of cash receipts/disbursements to bank statement in accordance with departmental cash controls/procedures.

#### Monthly Reconciliation Delivery:
Completed bank reconciliations must be submitted monthly to the General Accounting office for review within 45 days after month end. If reconciliations are consistently delivered to General Accounting beyond this due date, access to additional funding may be affected. Under no circumstance will an authorized University bank account receive additional funding if the account reconciliations are not complete and submitted on a timely basis.

### Updating Bank Account Information:

Attached as Attachment A (Part II) is a form for submitting a written request to the Office of Debt and Treasury Management to revise the information on an existing account. This form can be accessed directly at [www.bu.edu/CFO/treasury-mgt/resources/treasury-operationscash-mgt/](http://www.bu.edu/CFO/treasury-mgt/resources/treasury-operationscash-mgt/).

An update to bank account information would be required for any of the following:
- Change in authorized signers
- Change in the purpose or the type of account
- Address change
- Change in names of responsible persons
- Receipt of local bank communication regarding bank procedures and/or systems
- Change to target funding/replenishment needs
- Change in local laws

All of the above changes, especially changes/updates to signers as a result of employment changes, must be reported promptly to Debt and Treasury Management. Once authorization is received from Debt and Treasury Management, the responsible unit is required to provide a confirmation to Debt and Treasury Management that the change has been processed and fully documented within 30 days of receipt of authorization.
Closing Bank Accounts:

Attached as Attachment A (Part III) is a form for submitting a written request to the Office of Debt and Treasury Management to close a bank account. This form can be accessed directly at www.bu.edu/CFO/treasury-mgt/resources/treasury-operationscash-mgt/.

Reasons to close bank accounts would include:

• Unauthorized activity
• No activity/dormant account
• Change or completion of business purpose or type of account

The following information is required:

1.) The business purpose for the closure
2.) Confirmation that the bank account has a $0 balance
3.) Confirmation that the General Ledger account has a $0 balance

Once authorization is received from Debt and Treasury Management, the responsible unit is required to provide a confirmation to Debt and Treasury Management that the change has been processed and fully documented within 30 days of receipt of authorization.

University/Treasurer Bank Account Authority:

The Treasurer of the University reserves the right and has the authority to suspend or close any bank account, as well as to change authorized signers at any time.

All University bank accounts are reviewed at least annually by the Office of Debt and Treasury Management to ensure compliance with University policies and to evaluate the continuing need/business purpose for the accounts. Bank accounts that are not in compliance with University policies or are deemed to be no longer necessary to support the activity for which the account was established will be recommended for closing.

<table>
<thead>
<tr>
<th>Contacts</th>
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<tbody>
<tr>
<td><strong>Contact Name</strong></td>
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<tr>
<td>Carol Lovell</td>
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<tr>
<td>Francis Botte</td>
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<tr>
<td>Ruth Kessler</td>
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<tr>
<td>Martin J Howard</td>
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</tbody>
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Attachment A

Office of Debt and Treasury Management

Request for New Bank Account, Bank Account Modification, or Bank Account Closure

Bank Account Request Form

Please fill out all appropriate section(s) of this form to submit a request to Debt and Treasury Management for approval to open, change or close a University bank account. Please review and understand the University’s “Domestic and International Bank Account Guidelines” document prior to submitting any request. Note that a signature is required on page 3; please print out the completed form, sign and send scanned document to treasury@bu.edu or fax to the Office of Debt and Treasury Management at 617-353-5492. Request forms for new accounts should be submitted at least 60 days prior to desired “go live” date.

Program Name:

Program Address:

This is a request to Open (Part I) □ Modify (Part II) □ Close (Part III) □ a University Bank Account

PART I: Request to Open New Bank Account

Account Name: 

Type of Account: Please select one

- Receipts Only □
- Receipts & Disbursements □
- Internally Funded Project and Expense Account □
- Other □
  If other please specify:

For International Accounts: Please Select One

- Local Resident □ or Non Resident □
- US$ □ or Local Currency □
  If Local Currency Please Specify:

Source Funding: Please Select One

- University □ or Grant □
If grant, please specify intended length of program (# of months/years):

Estimated Annual Program Revenues/Expenses: $

Please attach annual program budget to this form:

Please Designate Individuals for the Following Roles:

  Overall Program responsibility in the region/country:
  Overall Program responsibility in Boston:
  Preparation of bank account reconciliations:
  Review of bank account reconciliations:

List of Authorized Signers:

1) Treasurer, Trustees of Boston University
2)
3)

For Treasury Use Only:

  Bank/Location:
  Bank Account Number:
  Date Opened:
  Documentation Responsibility:

PART II: Request to Modify Existing Bank Account

Bank/Location:

Bank Account Number:

Reason for Update: Please select one
  Change in Authorized Signer
  Change in the purpose or account type
  Address Change
  Change in names of responsible persons
  Receipt of local bank communication regarding bank procedures and/or systems
  Change to target funding/replenishment needs
  Other

Information to be Updated:

(Please attach relevant documentation if appropriate)
PART III: Request to Close Existing Bank Account

Bank/Location:

Bank Account Number:

Reason for Closure:
- Unauthorized activity
- No activity/dormant account
- Change or completion of business purpose or type of account

Other required information:
- Explain the business purpose for the closure:
- Confirmation that the bank account has a $0 balance (attach final bank reconciliation)
- Confirmation that the General Ledger account has a $0 balance

Authorized Signature of Dean, Director or Department Chair of Requesting Department:

By signing below, I accept responsibility for this bank account(s) and I am acknowledging and accepting responsibility for the ongoing oversight of the account in accordance with the University Bank Account Guidelines. Oversight includes regular monitoring of bank account activity, ensuring completion of the required monthly reconciliation process, and ensuring that adequate departmental controls with regard to cash and banking activities are in place.

Signature: __________________________

Name: __________________________

Title: __________________________

Date: __________________________

May, 2015