Establishing and Closing University Bank Accounts
FIN-TRE-52

About This Policy

Effective Dates:
06-20-1991

Last Updated:
12-21-2021

Responsible University Administrator:
Vice President and Chief Financial Officer

Policy Contact:
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Scope

All Indiana University units and employees.

Policy Statement

Bank and other financial 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 and other financial accounts, such as PayPal or other money transmitter and electronic commerce accounts, must be approved by the Office of the Treasurer prior to their establishment or closing.

Reason For Policy

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

Procedure

1. University units and their staffs must not deal directly with any financial institution regarding the opening or closing of a bank, electronic commerce, or other financial account. Only the University Treasurer (or delegate) has the authority to enter into or modify banking and other financial account agreements on behalf of Indiana University. This includes accounts with money transmitter and electronic commerce accounts such as PayPal, Venmo, Zelle and others.

2. Academic departments and administrative offices within Indiana University that wish to open or close a bank or other financial account must send a request to moneymov@iu.edu.

3. Request for New Accounts
   a. 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.
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.

b. 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.

c. The request will be reviewed by Treasury Operations and forwarded to the University Treasurer for approval. If approved, Treasury Operations 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. Treasury Operations will notify the requesting department when the account is open and available for use.

d. Monthly bank statements and account analysis statements will be accessed electronically.

e. All accounts are subject to audit by the State Board of Accounts and/or Internal Audit.

4. Request to Close Accounts
   a. 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.
   
b. Treasury Operations will notify the bank of the closing and transfer out any remaining balances and credit the appropriate university account.

Definitions

**Indiana University Bank Account:** Any account (checking, saving, depository, money market, etc.) opened by the Office of the Treasurer or Treasury Operations at a financial institution that 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:** 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, money transmitter, or related institution.
Money Transmitter: A money transmitter is an individual or business that engages in the transmission of money or monetary value. Money transmission means engaging in the business of receiving money for transmission or transmitting money within the United States or to locations abroad.

Tax Identification Number: The number used to identify Indiana University for federal and state tax matters.

History

This policy was established on June 20, 1996.

This policy was revised to add a Scope section on November 18, 2016.

This policy was fully reviewed, and non-substantive updates were made on December 21, 2021.