

# UC Davis Policy and Procedure Manual

## Chapter 330, Financial Management and Services

### Section 43, Official University Bank Accounts

Date: 10/2/12

Supersedes: 7/11/00

Responsible Department: Accounting and Financial Services

Source Document: UC Accounting Manual C-173, Cash: Cash Controls; Business and Finance Bulletin BUS-49, Policy for Cash and Cash Equivalents Received.

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#### I. Purpose

This section describes the policies and procedures for establishment, administration, and use of official University bank accounts (i.e., bank accounts using the University's name, or abbreviation thereof, as part of the account name) for UC Davis operations.

#### II. Policy

- A. Cash receipts shall be deposited directly into an official University bank account established specifically for receiving deposits.
- B. Payroll and vendor disbursements shall be made from official University bank accounts established specifically for disbursements.
- C. The official designated in campuswide delegation [DA 2130](#) is authorized to recommend campus representatives who may sign checks, drafts, or other orders for the payment of money or initiate electronic transfers of funds against University checking accounts.
- D. Special revolving funds may be established in separate bank accounts for unique campus situations when use of the accounting system is not available to initiate disbursements from an official University disbursement account (e.g., research stations and operations in foreign countries).
- E. Cashiering change funds are not held in official University bank accounts (see Section [330-46](#)).

#### III. Procedures

- A. Establishment or change of account
  1. The department submits a written request for the establishment or change of a bank checking account to Accounting and Financial Services—Internal Control. The written request shall include the following information:
    - a. Description of proposed use.
    - b. Need for account.
    - c. Location of account.
    - d. Approximate value of disbursements.
    - e. Proposed authorized signatories on checks.
  2. Internal Control prepares the necessary documentation and submits it to the Vice Chancellor—Administrative and Resource Management for review.
  3. The Vice Chancellor—Administrative and Resource Management reviews the request and either forwards approval to the Executive Vice President—Chief Financial Officer (Office of the President) along with bank account general information, signature card, and signatory limits; or disapproves the request and notifies the department, in writing, of the basis for disapproval.

4. The Executive Vice President—Chief Financial Officer prepares and submits written direction to the banking institution to open the account and identifies the names of the authorized signatories, then notifies Internal Control that the account has been opened.
  5. Internal Control establishes the initial account balance by initiating a Direct Charge document for the authorized amount through the University's accounting system, notifies the department of the new bank account, and coordinates the ordering of checks with the bank.
- B. Closing an account
1. The department sends a written request to close the existing bank checking account to Internal Control. The request shall include the following information:
    - a. Account number
    - b. Location of account
    - c. Reason for request to close the account
  2. Internal Control prepares and submits the necessary documentation to the Vice Chancellor—Administrative and Resource Management for review.
  3. The Vice Chancellor—Administrative and Resource Management submits the documentation to the Executive Vice President—Chief Financial Officer to process closure of the account.

#### **IV. Roles and Responsibilities**

- A. Department
1. Retains supporting documentation to provide an audit trail of cash receipt and disbursement activity.
  2. In situations where a disbursement is required, the department:
    - a. Initiates a Direct Charge document in the University's financial system for the amount of funds disbursed.
    - b. Provides Accounts Payable with supporting documents for reimbursement requests.
- B. Internal Control
- Prepares reconciliation of bank statement and authorized general ledger activity and balance.
- C. Vice Chancellor—Administrative and Resource Management
- Verifies that representatives recommended to sign on checks, drafts, or other orders for the payment of money or initiate electronic transfers of funds against University checking accounts are covered by fidelity bond.

#### **V. Further Information**

Additional information is available from Accounting and Financial Services—Internal Control at (530) 757-8511 (<http://accounting.ucdavis.edu/IC/staff.cfm>).

#### **VI. References and Related Policy**

- A. UC Office of the President (<http://policy.ucop.edu>)
1. Accounting Manual:

- a. Chapter C-173, Cash: Cash Controls.
  - b. Chapter C-173-14, Cash: Campus Cash Collection Deposits.
  - c. Chapter C-173-15, Cash: Check Controls.
2. Business and Finance Bulletin, BUS-49, Policy for Cash and Cash Equivalents Received
- B. Presidential Delegations of Authority DA 2130, Revolving Fund Withdrawals (<http://manuals.ucdavis.edu/PublicSearch.aspx>).
- C. UCD Policy and Procedure Manual (<http://manuals.ucdavis.edu/PPM/about.htm>):
1. Section 330-45, Petty Cash Funds.
  2. Section 330-46, Cashiering Change Funds.
  3. Section 330-55, Departmental Cashiering Operations.
  4. Section 330-59, Departmental Cashiering Operations Physical Security.