

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Fiscal Affairs

NUMBER: 03.A.30

AREA: General

SUBJECT: Establishment of Bank Accounts

1. PURPOSE

This policy describes the authority and process for establishing a bank account within the University of Houston System, in addition to compliance with banking laws and Board of Regents policies.

2. POLICY

- 2.1. A primary or secondary bank account shall only be established, modified or closed by the University of Houston System (UHS) Office of the Treasurer.
- 2.2. Any primary or secondary bank account not established by the UHS Office of the Treasurer constitutes an unauthorized bank account and must be communicated to the Treasurer immediately. The Treasurer will take the necessary action to close any such bank account as soon as practical.
- 2.3. Primary or secondary bank accounts shall only be created when there is a clear business need as determined by the Treasurer.
- 2.4. The UHS Office of the Treasurer must have prior approval of the Board of Regents (BOR) to establish a primary bank account or edit signature authority on a primary bank account.
- 2.5. Each primary bank account must have a banking resolution on file in the UHS Office of the Treasurer.
- 2.6. A primary bank account shall only be established by the UHS Office of the Treasurer at the current treasury management bank or the current custody bank with which the System has a current contract.
- 2.7. A secondary bank account can be established only by the UHS Office of the Treasurer when it is determined that there is a specific need.
- 2.8. Any primary or secondary bank account must have a signature card or equivalent document on file with the primary or secondary bank which identifies the university officials authorized to conduct activity on the account.
- 2.9. Only those individuals listed on the current Incumbency Certificate of the System may be listed as signatories on primary and secondary accounts.

- 2.10. The UHS Office of the Treasurer is responsible for retaining copies of all signature cards, banking resolutions, bank contracts, and other similar documents governing primary and secondary bank accounts.

3. DEFINITIONS

- 3.1. Banking Resolution: A document that is signed by the Secretary of the Board of Regents and stamped with the University of Houston seal, to define the relationship and responsibilities that certain designated individuals maintain with respect to the university's banking needs. The document specifies who may sign checks and who may make banking decisions on behalf of the System.
- 3.2. Incumbency Certificate: An official document issued by the University that lists the names of its current officers along with that officer's signature. The document is used as confirmation of the identity of the signing authorities of the University of Houston System and proves that they are authorized to enter into legally binding transactions on behalf of the System.
- 3.3. Primary Bank Account: A bank account used in the daily cash management of the university funds.
- 3.4. Secondary Bank Account: A bank or brokerage account which maintain deposits temporarily until they may be transferred to a primary operating depository account. A secondary bank account is used to process mineral rights, stock gifts or any other monies other than those received by the University for daily cash management.

4. PROCEDURES

- 4.1. A secondary bank account may be opened by contacting the Office of the Treasurer with documentation as to the business need, use and scope of the account. The Treasurer is responsible for obtaining approval from the Senior Vice Chancellor of Administration and Finance, or designee per [Board Policy 55.01.3](#). Upon creation of the account, the Office of the Treasurer will maintain and oversee the account.
- 4.2. All account activities, including transfers in and out, will be monitored and directed by the Office of the Treasurer.
- 4.3. Monthly statements for both primary and secondary accounts will be sent to the accounting department for monthly reconciliation.

5. REVIEW AND RESPONSIBILITY

Responsible Party: Senior Associate Vice Chancellor for Finance

Review: Every three years on or before May 1

6. APPROVAL

Approved: Jim McShan
Senior Vice Chancellor for Administration and Finance

Renu Khator
Chancellor

Date: December 5, 2017

REVISION LOG

Revision Number	Approval Date	Description of Changes
1	12/05/2017	Initial version