Bank Account Policy

Effective Date: September 30, 2008

Latest Revision: July 9, 2012

Policy Statement

This policy sets certain requirements for opening, closing, updating, and maintaining Columbia University bank accounts. For purposes of this policy, “University bank accounts” mean any bank account opened (1) by or for the University or any of its schools, departments, centers, institutes, or programs, (2) by or for any entity in which the University has a controlling interest (such as limited liability companies that may be established for overseas activities in accordance with separate University policies), or (3) with use any of the University’s tax identification numbers.

Reasons for the Policy

The purpose of this policy is to establish adequate control procedures over University assets and minimize the University’s risk of financial loss.

Responsible University Office

The Office of the Treasurer

Who is Governed by this Policy

Each individual, school, department, center, institute, and program (“University Departments”) that require and utilize University bank accounts should review and understand this policy.

Scope

In accordance with the University’s by-laws, bank accounts may only be opened and closed by the authorization of the University’s Trustees. This authorization has been formally delegated to the Executive Vice President (EVP) for Finance and to the Treasurer. Accordingly, Columbia University Departments may not establish a University bank account without first obtaining written approval from the EVP for Finance or Treasurer. This condition applies to all University bank accounts as defined above, regardless of how the account is named, and whether or not the account uses the Columbia University name or the name of any school, department, center, institute, program, affiliate, or the name of any other entity or person.
Policy

A Columbia University bank account can only be used for legitimate and allowable revenue and/or expense activities of the University or an entity in which the University has a controlling interest (a “University Entity”). Proposals for new bank accounts must be submitted by University departments to the Treasurer’s office and the ultimate decision to open a bank account is at the discretion of the University’s Trustees, EVP for Finance, or Treasurer.

All University bank accounts must either have the University Operating Entity Employer Identification Number (EIN), Personal Account Number (PAN), or the equivalent as consistent with the applicable laws of the local jurisdiction, and either the name “Trustees of Columbia University” or the name of the University entity in the account title. Where applicable, the account title will also contain the designated “Doing Business as (DBA)” title of the University Department.

University-affiliated organizations that are not formed for University department related activities (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. Student groups should contact their school business office or Dean of Students to determine what other options are available.

Choosing a Bank

Wherever possible, it is important to open and maintain bank accounts with entities that have well established University banking relationships. The University has relationships with a small number of large banks with a global or regional network (Bank of America, Citibank, HSBC, JPMorgan Chase, Standard Bank, and Wells Fargo). For a complete list of University banking relationships and to discuss circumstances where a local bank or non-University bank relationship may be necessary, contact the Treasurer’s office.

Opening Bank Accounts

Contact the Treasurer’s office to open a bank account.

The following information is required prior to opening a new University bank account (unless noted):

1. Account Specifications:
   - Legal Entity Employers Identification Number (EIN), PAN (or equivalent)
   - Legal Entity Name
   - School/Department/Center/Institute/Program
   - Country and Address
   - Purpose of Account (the “Program”)
• Type of Account (receipts only, receipts and disbursements, internally funded project expense account, interest bearing, other)

• Local resident or non-resident account (if international)

• Account designation - Local currency (specify), US Dollars, or both

• Source of funding (if it is a grant, state period of grant and grantor)

• Name of person with overall responsibility for the program in the region/country (if not in NY)

• Name of person with overall responsibility for the program in NY

• Name of person responsible for preparing the bank account reconciliation

• Name of person responsible for reviewing the bank account reconciliation

2. Intended length of program (typically must be >1 year)

3. 12 month cash forecast/budget (project expense accounts)

4. Copies of resolutions and operating agreements from the Office of General Counsel (if international or new entity)

5. Copy of in-country registration from the Office of General Counsel (if international or new entity)

6. Suggested bank, address and contact information

7. Description of the electronic reporting capabilities and if applicable a list of authorized individuals to access the online system*

8. List of authorized signatories on the account and a description of any limitation on account by authorized signers*

9. ARC natural account number associated with bank account

• Requested from the Controller’s office by the Office of the Treasurer

10. Approval by an appropriate officer from the school or department of Columbia University

*Unless otherwise specifically authorized in writing by the EVP for Finance or Treasurer, all bank signatories must be Columbia University employees and the authorized signers must include the EVP for Finance or Treasurer. Authorized signatories for international bank accounts may, if approved in writing in advance by the EVP for Finance or Treasurer, include senior administrators of the local entity who are not University employees. Domestic accounts should include at least one additional finance division officer. For international accounts, up to two additional signatories, such as those of the Vice Dean for Finance (or equivalent), PI, or Program/Country Director, should be added from the school or department. There may be more than one signatory in country, which is recommended if the primary signatory travels frequently. In instances where a requested signatory is not a Columbia University employee, an appropriate officer of Columbia University must approve the request for
signature authority. Please note that many international 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.

**Bank Account Reconciliation**

The University department is responsible to appoint the appropriate staff to record and reconcile monthly all bank activity in the General Ledger. There are two types of reconciliations that must be completed depending on the type of account: (1) the ending bank balance on the bank statement must be reconciled to the bank balance in the General Ledger Cash Account and (2) the activity in the bank account must be reconciled to the General Ledger Master Clearing Account (MCA). The department is responsible to clear the MCA timely.

The completed monthly bank reconciliations must be submitted to the appropriate central business office (Controller’s Office for non-CUMC accounts and the CUMC Administration Office for CUMC accounts) for review within the required timeframe. For complete guidelines on proper bank reconciliation procedures and the submission timeline, please refer to the Financial Reporting and Operations page on the Controller’s website.

**Updating Bank Accounts**

Contact the [Treasurer’s office](#) to update a bank account.

The following information is required:

1. The business purpose for the update
2. Approval by an appropriate officer from the school or department of Columbia University

Updates to bank accounts may include:

- Authorized signers
- Shift in purpose or type of account
- Address change
- Names of responsible persons
- Local bank communication relevant to bank procedures and/or systems
- Changes to target funding/replenishment needs

**Closing Bank Accounts**

Contact the [Treasurer’s office](#) to close a bank 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 ARC account has a $0 balance
4. Approval by an appropriate officer from the school or department of Columbia University

Reasons to close bank accounts may include:

- Unauthorized activity
- No activity/dormant account
- Change in business purpose or type of account

University bank accounts are also periodically reviewed by the Office of Treasurer, Office of the Controller, and CUMC Administration for compliance with University policies and to determine the usefulness of the accounts. Accounts that are in violation of University policies or are no longer necessary to support the activity for which the account was established will be recommended for closure.

**Referenced Links**

Treasurer’s Office – Cash Management and Operations


email: cashteam@columbia.edu

Controller’s Office


CUMC Controller’s Office

[http://www.cumc.columbia.edu/finance/controller.html](http://www.cumc.columbia.edu/finance/controller.html)