

7.02
BANKING SERVICES POLICY
CHAPTER 2
POLICY 7.02

Policies Committee Approval: 3/22/04
Cabinet Approval: 9/23/04
Board of Trustees Approval: 11/10/04

I. PURPOSE

To establish institutional criteria for the selection, prescribed services, retention and signatory approval of commercial banking services made available to the College.

II. POLICY

The Board of Trustees shall delegate authority to the President and Vice President of Business Services to sign checks, financial documents and other instruments or agreements that pertain to college depository accounts, banking and financial relationships and/or any other actions or activities that obligate the College, as defined by the Banking Services procedure. When appropriate, the President and/or the Vice President of Business Services may from time to time designate appropriate college employees as authorized signatories on specific departmental and imprest bank accounts.

7.02
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CHAPTER 2
PROCEDURE FOR POLICY 7.02

Policies Committee Approval: 3/22/04
Cabinet Approval: 9/23/04
Board of Trustees Approval: 11/10/04
Page 1 of 4

I. REFERENCE

- A. State Money Management Act, Section 51, Chapter 7, Utah Code Annotated, 1953
- B. Utah State Board of Regents Banking Policy (R543)
- C. Salt Lake Community College Investment Policy (C2S07.01)
- D. Salt Lake Community College Conflict of Interest Policy (C2S03.02)
- E. Rules of the Money Management Council (Utah Code Annotated, Section 53 A-4-205)
- F. Salt Lake Community College Procurement Policy (C2S10.00)

II. DEFINITION

- A. Banking Services. Those services required for the ongoing operations of the College, i.e., checking accounts, change requirements, and other commercial banking services.
- B. Investment Funds. All funds held by the institution addressed under provisions of the State Money Management Act.
- C. Imprest Bank Account. An advance or a loan of funds especially for services rendered to a government entity.
- D. Repurchase Agreement. The simultaneous sale and purchase of an investment security under certain negotiated conditions

III. PROCEDURES

- A. General
 - 1. Only qualified depositories of the state of Utah may be used for checking accounts.

7.02
BANKING SERVICES POLICY
CHAPTER 2
PROCEDURE FOR POLICY 7.02

Policies Committee Approval: 3/22/04
Cabinet Approval: 9/23/04
Board of Trustees Approval: 11/10/04
Page 2 of 4

2. The College will select from the following options:
 - a. A single bank may be given responsibility for all College checking accounts except for duly authorized imprest bank accounts.
 - b. The general checking account may be assigned to one bank, and the College payroll account assigned to a different bank.
3. The College shall conduct, every six years, an internal evaluation of the banking services provided by its current primary bank to determine that the service capabilities and costs of service remain competitive. If the College determines that the service capabilities and/or the cost of service(s) provided by its current primary bank is not competitive, or for any other reason as determined by the College, requests for proposal will be solicited from banking institutions.
4. Departments or organizations of the College desiring to open a bank account must submit requests to the Office of the Vice President of Business Services. The Vice President of Business Services will determine the need for establishing all bank accounts, and will make a recommendation to the President for approval.
5. The Vice President of Business Services, or his/her designees, shall be authorized to sign checks on College bank accounts and to sign agreements and documents pertaining to such accounts and other banking relations. Designate authority shall be granted in writing and identified by name and position as authorized signatories on departmental and imprest bank accounts.
6. The bank shall be notified that the mailing address for all bank statements shall be: Office of the Controller, Salt Lake Community College. In no instance shall any bank statement be requested to be mailed directly to a department or organization without being first mailed to and received by the controller.

7.02
BANKING SERVICES POLICY
CHAPTER 2
PROCEDURE FOR POLICY 7.02

Policies Committee Approval: 3/22/04
Cabinet Approval: 9/23/04
Board of Trustees Approval: 11/10/04
Page 3 of 4

B. Criteria for Selection and Retention of a Banking Service

1. The bank shall meet the minimum requirements and capabilities as noted in Section C below.
2. The bank shall be compensated on a fee for service basis.
3. The primary criteria for bank selection and retention shall be its ability to provide the required banking and short-term investment services at a reasonable cost and/or competitive rates to the College.
4. Bids for the placement of investment funds, excluding short-term investment services, shall not be a part of the process of selecting a banking service.

C. Qualifications for Selection as a Banking Service

1. In order to be eligible for selection as the College's banking service, a bank shall satisfy the following minimum qualifications:
 - a. It must be a qualified depository of the state of Utah.
 - b. The cost of services provided by the bank shall be competitive with costs charged by other banks for similar services. Costs associated with changing banks shall be a factor in determining cost competitiveness.
 - c. It must maintain a banking office readily accessible to the institution, with the capability of providing all normal commercial banking services, as well as investment assistance and advice for the institution.
2. To be eligible for consideration, a bank must be capable of providing the following services:
 - a. The number of checking accounts requested by the institution, and to process all deposit items received and checks issued.
 - b. The currency and change requirements of the various auxiliaries and other departments.

7.02
BANKING SERVICES POLICY
CHAPTER 2
PROCEDURE FOR POLICY 7.02

Policies Committee Approval: 3/22/04
Cabinet Approval: 9/23/04
Board of Trustees Approval: 11/10/04
Page 4 of 4

- c. Compatible data processing services for prompt reconciliation of all bank accounts, and other data processing requirements related to maintenance of institution accounts.
- d. Investment services for the institution in the management of its short-term funds, including provision for:
 - (1) Transfer of funds on a DVP (delivery versus payment) basis for the purchase of securities and safekeeping of securities by a custodial bank or trust company.
 - (2) Repurchase agreements on a daily basis with securities as pledged collateral or qualified money market funds as an investment vehicle to ensure investment of all College funds.
 - (3) Assistance with the purchase and transfer of commercial paper, time certificates of deposit, bankers acceptances, and other money market investments.
 - (4) Transfer of funds from one bank to another by wire transfer or other electronic transfers through the banking system.
- e. Provide daily reports of account activity by electronic interface or other means.
- f. Issuance of savings bonds in connection with payroll withholdings.
- g. Act as a depository for federal withholding and payroll taxes.
- h. Provide financial consultation.
- i. Actively participate in federally insured student loan programs.
- j. Have the capability to provide merchant bank card services.