

PROCEDURE NUMBER: FINA 5.20 Procedure

SECTION: Administration and Finance

SUBJECT: Revolving Bank Accounts

DATE: October 1, 2024

REVISION:

Procedure for: All Campuses

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Issued by: Administration and Finance – Controller’s Office

Procedure

The University Administration and Finance Division, Controller’s Office, will ensure compliance with University Policy FINA 5.20. This procedure is applicable to campuses, units, and departments utilizing revolving bank accounts. The purpose of this procedure is to supplement the associated policy by providing additional guidance on the requirements associated with revolving bank accounts.

A. Establishing Revolving Bank Accounts

The Controller’s Office maintains a primary Vendor Bank Account that is used to pay all University expenses. However, in certain limited instances, a unit/department may have a need for their own bank account when transactions critical to its business purpose and operations must be paid outside the normal Accounts Payable processes/channels. Requests for such an account must be submitted in writing to the University Controller, who will assess the request and approve the establishment of unit/department-level revolving bank accounts when necessary.

B. Managing and Monitoring Revolving Bank Accounts

Individual revolving bank accounts only allow expenses (debits) at the unit/department level. When spending occurs, units/departments are responsible for requesting reimbursement from the Controller’s Office (through the Vendor Bank Account) to replenish the revolving bank account. Reimbursements must be requested regularly and promptly, commensurate with the activity and operations of unit/department. At a minimum, reimbursement requests must occur monthly.

However, units/departments are expected to request more frequent reimbursements during months with high volume/activity.

The balance attributed to each revolving bank account is established by the Controller's Office based on the specific needs of the unit/department and the nature and level of the activity. The balance will not be increased or supplemented to account for mismanagement.

All revolving bank accounts must maintain a positive balance. It is a departmental responsibility to be aware of account balances and transactions and manage and monitor the account to ensure it does not operate in the negative. Failure to maintain a positive balance results in the assessment of fees from the State Treasurer's Office, which creates an undue administrative burden for the Controller's Office.

The Controller's Office will periodically monitor revolving bank accounts to confirm proper use and management. If the nature and level of activity does not warrant a separate bank account, it will be closed by the Controller's Office. Closure can also occur if the account repeatedly operates in the negative and/or is associated with systemic fee assessments.