



Applies to: All individuals, units, and affiliated entities that have or desire to establish bank accounts through Financial Services

Responsible Office

Office of Business and Finance

POLICY

Issued: 01/07/2021 – Not in effect until [Workday](#) Finance and Supply Chain are implemented at Ohio State. For information only.

As a public institution, The Ohio State University is held to a high level of accountability for fiscal stewardship. Numerous constituencies, including alumni, students, taxpayers, the State of Ohio, and the federal government, have an interest in how the university handles and safeguards its money. Accordingly, every reasonable effort must be made to ensure that university bank accounts are managed appropriately. The Office of Financial Services (Financial Services) is responsible for opening and closing all university **bank accounts** with banks and other financial institutions.

Purpose of the Policy

To establish consistent controls for how university bank accounts are opened, maintained, reconciled, and closed; to enable appropriate stewardship of assets, cost-effective business practices, and accurate financial reporting; to establish consistent processes to open and close bank accounts for affiliated entities with service agreements that include banking services.

Definitions

Term	Definition
Bank account	Checking, deposit, or savings account established by Financial Services with a financial institution.
Exception	Any violation of or noncompliance with a university policy issued by the Office of Business and Finance (Business and Finance).
Senior fiscal officer	Individual who is responsible and accountable for all fiscal operations of a unit.
Unit	College or administrative unit.
Unit leader	Head of college or administrative unit (e.g., dean, senior vice president, president, provost).
Waiver	Permission granted to a unit to operate differently than specified or required by a university policy issued by Business and Finance.

Policy Details

- I. The university maintains a centralized approach for all banking services.
- II. Only the university treasurer, senior vice president for business and finance, or their designees are authorized to select banks and other financial institutions with which to open, make changes to, and close university bank accounts. **Units** and their employees are not authorized to open or close university bank accounts.
- III. Bank accounts may only be established in these circumstances:
 - A. When the nature of the business does not allow for items to be purchased through standard university procurement methods (e.g., accounts payable, approved automated clearing house (ACH), and PCard) and the business operation does not allow for use of existing university bank accounts; or
 - B. For an affiliated entity, when established on behalf and in the name of the affiliated entity, with its own taxpayer identification number (TIN), as specified in a service agreement.



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- IV. Bank accounts for student organizations will not be established by the university and are addressed on the Office of Student Life [Student Activities website](#). Employees involved with student organizations are expected to follow all requirements established by the Office of Student Life.

PROCEDURE

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- I. Financial Services maintains a current list of all authorized bank accounts and associated documentation.
- II. Types of Bank Accounts
 - A. Central university bank accounts
 1. Financial Services is responsible for reconciling central university bank accounts.
 - B. Stand-alone miscellaneous university bank accounts (e.g., OSU Extension, human subjects).
 - C. Stand-alone affiliated entity bank accounts with associated service agreements.
- III. Establishing a Stand-Alone Miscellaneous University Bank Account
 - A. To request a stand-alone miscellaneous bank account, the unit must submit a [Bank Account Request form](#), approved by the **unit leader** and **senior fiscal officer**, to Financial Services.
 - B. Approval is at the discretion of the senior vice president for business and finance or university treasurer.
 - C. Upon approval by the senior vice president for business and finance or university treasurer, Financial Services will establish the bank account and provide the needed materials to the unit's authorized account signer.
- IV. Establishing a Stand-Alone Affiliated Entity Bank Account
 - A. To request a stand-alone bank account for an affiliated entity, the affiliated entity must submit a [Bank Account Request form](#), approved by the senior most official of the affiliated entity and the senior university oversight official as defined in the [Affiliated Entities policy](#), to Financial Services. The signed/approved service agreement that includes banking services must be attached to the [Bank Account Request form](#).
- V. Maintaining and Using a Stand-Alone Miscellaneous University Bank Account
 - A. Units must maintain stand-alone miscellaneous university bank accounts consistent with university policies with special attention to [Expenditures](#) and [Fiscal Stewardship](#). Segregation of duties is required.
 - B. Units must reconcile stand-alone miscellaneous university bank accounts monthly to the bank statement and the general ledger.
 - C. Units must restrict access to stand-alone miscellaneous university bank account information to employees who have a business need-to-know.
 - D. Units must use the [Bank Account Request form](#), approved by the unit leader and senior fiscal officer, to notify Financial Services any time an authorized account user or signer needs to be changed.
- VI. Closing Bank Accounts
 - A. To request that a stand-alone miscellaneous university bank account be closed, the unit must submit the [Bank Account Request form](#), approved by the unit leader or senior fiscal officer, to Financial Services.
 - B. To request that a stand-alone affiliated entity bank account be closed, the affiliated entity must submit the [Bank Account Request form](#), with documented approval by the senior most official of the affiliated entity and the senior university oversight official officer, to Financial Services.
 - C. Except as provided in section D below, funds remaining when a stand-alone miscellaneous university account is closed are deposited to a central university bank account.
 1. The unit is responsible to record the funds to the appropriate general ledger account and corresponding financial foundation data model worktags.
 - D. For funds remaining in a closed stand-alone miscellaneous university human subjects bank account, the principal investigator or unit's account signer is responsible for working with and returning any unused funds



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to the Office of Sponsored Programs (OSP). The unit is responsible for making the appropriate general ledger entry.

VII. **Waivers** to this policy must be approved in advance and documented by the Office of Business and Finance, using the [Business and Finance University Policy Waiver Request](#).

VIII. Policy Violations

- A. All policy violations must be tracked as an **exception** in accordance with the [Fiscal Stewardship policy](#).
- B. The university may require successful completion of training.
- C. The university may enforce corrective action, up to and including termination, in accordance with applicable policies or rules.
- D. The university may seek restitution, as appropriate.
- E. Criminal charges may be filed, as appropriate.

Responsibilities

Position or Office	Responsibilities
Affiliated entity	<ol style="list-style-type: none"> 1. Submit Bank Account Request form with required approvals and service agreement to establish an account. 2. Submit Bank Account Request form with required approvals to close an account.
Affiliated entity senior most official	Approve a Bank Account Request form to establish or close a bank account.
Affiliated entity senior university oversight official	Approve a Bank Account Request form to establish or close a bank account.
Business and Finance	Approve and document policy waivers.
Employee	Follow all requirements established by the Office of Student Life for student organization bank accounts, if involved with student organizations.
Financial Services	<ol style="list-style-type: none"> 1. Open and close all university bank accounts. 2. Maintain a current list of all authorized bank accounts and associated documentation. 3. Reconcile central university bank accounts. 4. Establish bank accounts and provide materials to account signers upon approval of the account.
Principle investigator or unit's account signer	Work with and return any unused funds to OSP when closing a human subjects account.
Senior fiscal officer	Approve Bank Account Request forms to establish or close a bank account or to change an authorized account user or signer.
Senior VP for business and finance	Approve bank accounts as appropriate.
Treasurer	Approve bank accounts as appropriate.
Unit	<ol style="list-style-type: none"> 1. Submit Bank Account Request forms with required approvals to establish or close a bank account or to change an authorized account user or signer. 2. Manage bank accounts consistent with university policies, especially Expenditures and Fiscal Stewardship. 3. Segregate duties. 4. Reconcile bank accounts monthly to the bank statement and general ledger. 5. Restrict access to bank accounts. 6. Record the funds to the appropriate general ledger account and financial foundation data model values when closing an account, including for human subjects accounts.
Unit leader	Approve Bank Account Request forms to establish or close a bank account or to change an authorized account user or signer.



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Resources

University Policies, policies.osu.edu/
Affiliated Entities, legal.osu.edu/sites/default/files/pdf/AffiliatedEntitiesPolicy.pdf
Expenditures, busfin.osu.edu/sites/default/files/411_expenditures.pdf
Fiscal Stewardship, busfin.osu.edu/sites/default/files/111_internalcontrols.pdf

Forms

Bank Account Request form, busfin.osu.edu/sites/default/files/bank-account-request-form.pdf
Business and Finance Policies and Forms Website, busfin.osu.edu/policies-forms
Business and Finance University Policy Waiver Request,
docsign.net/Member/PowerFormSigning.aspx?PowerFormId=fd68959a-4afb-48bb-a0ae-67521b9ad821&env=na1&acct=387d1013-fb1c-4705-9bd9-7cf575f484ce&v=2

Additional Guidance

Financial Code of Ethics, busfin.osu.edu/sites/default/files/financial-code-of-ethics.pdf
Student Activities, student organization funding, activities.osu.edu/involvement/student_organizations/funding/

Contacts

Subject	Office	Telephone	E-mail/URL
Policy questions	Financial Services, Office of Business and Finance	614-292-6261	busfin.osu.edu/treasurer
Student organization bank accounts	Student Activities, Office of Student Life	614-292-8763	csls@osu.edu activities.osu.edu/involvement/student_organizations/funding

History

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