

Resolution on General Banking Authority

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

July 21, 2021

Background:

The Board of Visitors adopted a Resolution on Contract and Governance Authority at its August 26, 2019 meeting granting the authority to open bank accounts, issue checks drawn against said accounts, and transfer funds against said accounts to the President, the Senior Vice President and Chief Business Officer, or the University Treasurer of Virginia Polytechnic Institute and State University.

The university has multiple accounts with multiple financial institutions to accommodate the university's banking needs. These accounts carry the name "Virginia Polytechnic Institute and State University", use the university's Tax Identification Number, record receipts or disbursements of university funds, holds financial assets of the university, or process financial transactions for the university. When the primary bank does not have a branch office in proximity to operations across the state or when advances are authorized in excess of \$2,000, the university has previously authorized decentralized bank accounts with local authorized signers. Due to a change at the primary bank, the President's letter delegating authority to open specific accounts is no longer accepted. The bank requires officers opening and closing accounts be listed on the university's authorization certificate.

The bank's current authorization certificate only includes the President due to conflicting language on the bank document that authorizes each officer on the certificate to designate one or more other university officers, agents or employees to open bank accounts, issue checks drawn against said accounts, and transfer funds against said accounts.

The proposed resolution authorizes three university officers, or their designees, to transact the day-to-day banking duties on behalf of the university and promotes continuity of operations to facilitate banking activities of minimal risk and value where appropriate and necessary.

RESOLUTION ON GENERAL BANKING AUTHORITY

WHEREAS, on August 26, 2019, the Board of Visitors granted contract and governance authority to the President, the Senior Vice President and Chief Business Officer, or the University Treasurer of Virginia Polytechnic Institute and State University to open bank accounts, issue checks drawn against said accounts, and transfer funds against said accounts; and

WHEREAS, on August 26, 2019, the Board of Visitors granted the President the authority to further delegate those authorities to other university officials as he determines appropriate; and

WHEREAS, the bank's authorization certificate provides individual authorization as well as *authorization for each individual to designate one or more other university officers, agents or employees* to open bank accounts, issue checks drawn against said accounts, and transfer funds against said accounts; and

WHEREAS, it is best practice for continuity of business operations that more than one officer be included on the bank's authorization certificate; and

WHEREAS, the university banking relationships change over time, necessitating the use of local banking accounts, issuance of checks drawn against said accounts, and transfer of funds against said accounts in support of decentralized activities such as cooperative extension remote business operations or same-day payment to research study participants; and

WHEREAS, the university has established processes for authorization and management of local banking accounts for decentralized activities; and

WHEREAS, the Board of Visitors desires that the President, the Senior Vice President and Chief Business Officer, or the University Treasurer of Virginia Polytechnic Institute and State University of the University may further delegate these authorities to other university officials if appropriate and necessary to facilitate decentralized activities of minimal risk and value.

NOW, THEREFORE, BE IT RESOLVED, that the President, the Senior Vice President and Chief Business Officer, or the University Treasurer of Virginia Polytechnic Institute and State University, or their designees, be, and are hereby authorized, to open in the name of the university checking and investment accounts in banks, brokerage houses, and other financial institutions. Funds deposited in such accounts may be withdrawn upon by a check, draft, note, funds transfer, or other order of the university, or upon verbal authorization pursuant to the financial institution's accepted practices; and

BE IT FURTHER RESOLVED, that all checks, drafts, or notes against said accounts be signed or verbally authorized by one of the following officers: President, Senior Vice President and Chief Business Officer, or University Treasurer, or their designees, whose signatures shall duly be certified to said financial institutions, and that no checks, drafts, or notes against said financial institutions shall be valid unless so signed or verbally authorized; and

BE IT FURTHER RESOLVED, that all funds transfers drawn against said accounts be signed or authorized verbally or electronically by one of the following officers, employees, or agents: President, Senior Vice President and Chief Business Officer, University Treasurer, or their designees, and that no funds transfers drawn against said financial institutions shall be valid unless so authorized; and

BE IT FURTHER RESOLVED, that financial institutions holding accounts of the university are hereby authorized and directed to honor and pay any checks, drafts, notes, or orders so written or verbally authorized, whether such checks, drafts, notes, or orders be payable to the order of any such person signing and/or countersigning said checks, drafts, notes, or other orders or any of such persons in the individual capacities or not, and whether such checks, drafts, notes, or orders are deposited to the individual credit of the person so signing and/or countersigning said checks, drafts, notes, or orders or to the individual credit of any of the other officers or not.

RECOMMENDATION:

That the resolution on general banking authority be approved.

August 31, 2021