

Resolution on General Banking Authority

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

November 14, 2022

Background:

The Board of Visitors adopted a Resolution on General Banking Authority at its August 31, 2021 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. In alignment with the bank's authorization certification, the resolution also authorized 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 general banking resolution is needed to effectively manage the university's various bank accounts. When the university's primary operating bank does not have a branch office in close proximity to operations across the state, or when advances are authorized in excess of \$2,000, the university is authorized to set up decentralized bank accounts with local authorized signers. The 2021 general banking resolution stated that each authorized officer can designate other officers, agents, or employees to open bank accounts, issue checks, and transfer funds against said accounts. This is needed due to the requirement of the university's main operating bank that each authorized officer and transfer funds against said accounts.

The proposed resolution authorizes four 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. The only changes from the 2021 resolution include an update to the title of the Senior Vice President and Chief Business Officer to Executive Vice President and Chief Operating Officer and the addition of the Vice President for Finance as an authorized officer.

RESOLUTION ON GENERAL BANKING AUTHORITY

WHEREAS, on August 31, 2021, the Board of Visitors granted general banking authority to the President, the Senior Vice President and Chief Business Officer, or the University Treasurer of Virginia Polytechnic Institute and State University, or their designees, to open bank accounts, issue checks drawn against said accounts, and transfer funds against said accounts; 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 Executive Vice President and Chief Operating Officer, the Vice President for Finance, and the University Treasurer of Virginia Polytechnic Institute and State 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 Executive Vice President and Chief Operating Officer, the Vice President for Finance, 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, Executive Vice President and Chief Operating Officer, the Vice President for Finance, or the 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, Executive Vice President and Chief Operating Officer, Vice President for Finance, or 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.

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