

## **BUSINESS POLICY LETTER**

To: All Members of the University Community

2003:02

Date: May 2003

### **Cash Management Policy**

Board Approved December 16, 2000

(Supersedes 99:17 & 2001:03)

#### **I. PURPOSE**

The purpose of the Cash Management Policy is to document the Board of Trustees approved guidelines for banking and daily cash management of University funds.

#### **II. POLICY**

A. Banking and cash management

Banking, cash management, and short-term investment activity shall be the responsibility of the President and/or his/her designee, and is to be implemented according to the following policy guidelines.

B. Primary banks

The following five banks in which the University is authorized to maintain regular commercial (checking) or investment checking accounts shall be known as "primary" banks.

1. Fifth Third Bank & Trust-Northern Michigan
2. Fifth Third Bank & Trust-Grand Rapids
3. Chemical Bank Central of Big Rapids
4. Huntington National Bank - Big Rapids Branch

Additional primary banks shall be established only by future approval of the Ferris State University Board of Trustees.

#### **III. BANKING ACTIVITY**

A. Receipts of all University funds shall be deposited directly into accounts established at the primary banks; except the funds received by Ferris' Off-Campus Program in Flint may be deposited in Citizens Bank in Flint.

B. All primary banks, Citizens Bank in Flint, and any money-market fund utilized by the University pursuant to Section IV. of this policy are authorized and directed to honor checks, drafts or other orders for the payment of money drawn on these institutions. This includes those payable to the individual order of any person or persons whose names appear thereon as signer or signers thereof, when bearing or purporting to bear the actual or facsimile signatures of the persons holding the following positions: President and Vice President for Administration and Finance.

The above depositories shall honor and charge this institution for such checks, drafts, or other orders, regardless of by whom or by what means the actual, purported or facsimile signatures may have been affixed. Such signatures must resemble the actual or duly certified facsimile signatures on file with the above depositories.

- C. The University shall establish with one of its primary banks, a commercial checking account for the University Purchase Order with Check (P.O.W.C.). The primary bank is authorized and directed to honor checks, drafts, or other orders for the payment of money drawn on the primary bank, with checks, drafts, or other orders for the payment of money drawn on this account not to exceed \$250 per item. The check shall bear the actual signature of one of the following: President; Vice President for Academic Affairs; Vice President for Administration and Finance; Vice President for Student Affairs; Vice President for University Advancement and Marketing; or the Account Managers designated individually by said officers.
- D. A current written list of Account Managers signed by the authorized official shall be filed with the office of the Vice President for Administration and Finance and made available to the primary bank by the Vice President for Administration and Finance.
- E. All Primary Banks, Citizens Bank in Flint, and any money-market funds utilized by the University are authorized and directed to honor approved orders for payment through electronic payment methods, which includes, but is not limited to the use of credit cards, ACH (Automated Clearing House) payments, and EFT (Electronic Fund Transfers). The above depositories shall honor and charge the institution for these payment orders.

#### **IV. USE OF MONEY MARKET MUTUAL FUNDS**

In addition to use of primary banks as indicated above, a money-fund may be used when conditions make this advantageous in the judgment of the President or his/her designee. A money-fund, meeting the following qualifications, may be selected by the President or his/her designee. Total assets of the fund at the time an account is established shall be \$50 million or more.



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