

## BANKING RELATIONSHIPS



### **The Bank of New York Mellon**

The Bank of New York Mellon (BNYM) houses the following accounts for Vanderbilt University:

- Accounts used to initiate ACHs (primarily for accounts payable and payroll direct deposit)
- An account to initiate wire transfers for miscellaneous wires requested by university departments
- An account to receive and initiate payments from/to Vanderbilt University Medical Center
- Various accounts related to university federal student loans, tuition payments, and federal grant payments

The Bank of New York Mellon also serves as the university's issuing and paying agent for its commercial paper issuance.

Excess cash from deposits into other bank accounts (SunTrust and other BNYM accounts, aka *zero-balance* accounts) are deposited daily into a BNYM master bank account. Cash requirements of other bank accounts (SunTrust disbursements and other BNYM activity) are funded by the BNYM master bank account. All funding transfers out of the BNYM master account are initiated via wires or interbank transfers on BNYM *TreasuryEdge* website. Note that all cash management transfers are handled through the BNYM master account (i.e. disbursements funding is never wired directly from the depository institution). Any excess balance (as designated by Treasury) in the BNYM master account is invested via BNYM's *Liquidity Direct* web portal into one of two Fidelity U.S. Treasury funds - FISXX or FSIXX.

Non-repetitive wire requests from various university departments (i.e. Athletics, Disbursements, Office of Investments, Real Estate, OCGA, etc.) are initiated from BNYM via on-line processing through BNYM's *TreasuryEdge* web platform.

#### *Electronic Funds Transfer (EFT) activity summary:*

- Miscellaneous incoming wire transfers for other departments (i.e. DAR, Office of Investments, research, and various university departments including the Center for Technology Transfer and Commercialization royalties)
- Daily outgoing wire transfers to SunTrust master funding account to fund checks paid
- Outgoing ACH transfers for accounts payable and payroll
- Miscellaneous requested outgoing wire transfers
- Wire transfers to/from VUMC via a separate BNYM zero-balance account
- Other incoming/outgoing wire transfers related to UST securities and CP investments to/from operating accounts at JP Morgan Chase Bank, William Blair/Fidelity, and Wells Fargo Bank
- Daily sweep into Fidelity Treasury funds via BNYM *Liquidity Direct* portal



## SUNTRUST SunTrust (Disbursement Accounts)

The check disbursement bank accounts (university payroll, check requests, and accounts payable) are domiciled at SunTrust bank. To identify and prevent check fraud, all disbursement accounts use *Positive Pay* methodology. Vanderbilt University's Purchasing & Payment Services (PPS) department transmits check records to SunTrust as checks are written. SunTrust matches check records to checks paid against Vanderbilt University's PPS accounts to identify exceptions. Each day, Treasury initiates a repetitive wire transfer from the BNYM master account for the total current day's checks cleared/paid as reported by SunTrust. With the exception of foreign exchange transactions initiated by PPS in the university check request account, no wires or ACHs (Automated Clearing House) originate from the SunTrust operating disbursement accounts.

### *EFT activity summary:*

- Incoming wire transfers from BNYM for disbursements funding
- Other than PPS-originated foreign exchange payments, no ACH or outgoing wire activity



## SUNTRUST SunTrust (Depository Accounts)

SunTrust Bank provides the depository banking services for Vanderbilt University. This depository services include checks and currency (bills and coins) collected at the cashier's office from various Vanderbilt University departments (e.g., Athletics, Dining, etc.). The currency is picked up by secured armored car carrier and delivered to SunTrust's Nashville outsourced bank vault for deposit the following morning. An automatic, repetitive daily wire transfer is initiated the following day from the SunTrust master account to the BNYM master account based on the current available cash position in the SunTrust master account. Only bank accounts established for Vanderbilt University Real Estate properties have checks associated with these deposit bank accounts. Real estate checks are issued by the commercial and residential property managers.

As a fraud control tool, all SunTrust operating accounts (zero balance accounts and non-zero balance accounts) are set up to reject unauthorized ACH debit transactions. ACH debit transactions are only authorized by Treasury staff using SunTrust's *Online ACH Control* web-based tool.

### *EFT activity summary:*

- Automatic outgoing wire transfer to BNYM master account for current available cash position in SunTrust master account
- No incoming wire transfers except:
  - To periodically fund ACH *pull* accounts referenced below
  - In conjunction with Development & Alumni Relations incoming gift/stock sales activity in their sub-account
- ACH activity in *Vanderbilt Dining DBA Taste of Nashville* account as Vanderbilt University's Dining Services have contracted with the third-party manager of its *Commodore Card* program; this account does not zero-balance to the SunTrust master account
- ACH activity in *Vanderbilt University CCO Off-Campus Program* account for Commodore Card-related program activity at 100 Oaks location. This account does not zero-balance to the SunTrust master account
- ACH activity in *Mail Services* account for Vanderbilt University's post office. This account does not zero-balance to the SunTrust master account. The United States Postal Service, Neopost USA, and Pitney Bowes are authorized to pull funds for various mail-related supply payments
- ACH activity in *Concur Funding* account for Vanderbilt University's travel card program. This account does not zero-balance to the SunTrust master account. *Concur Expense Solutions* is authorized to pull funds for travel expenses reimbursements

## **Other Banking Relationships**

Vanderbilt University maintains other strategic banking relationships for services such as lines of credit (Wells Fargo, JPMorgan Chase Bank, and US Bank), payment cards (US Bank), working capital operating and investments accounts (William Blair/Fidelity, Wells Fargo), and the university's global operations (Vanderbilt Global Holdings via HSBC).

## **Establishing New Bank Accounts**

The governing Vanderbilt University's document for opening new bank accounts can be found at the *Delegation of Authority Policy* link below:

<https://finance.vanderbilt.edu/delegations/>

Only the Vice Chancellor for Finance and Chief Financial Officer and the Vice Chancellor for Investments may approve the establishment of new bank accounts (foreign and domestic). If a new bank account needs to be established, please notify Trey Beasley (615-343-1870) or Ausra Speer (615-322-7896) in Treasury.

The use of PayPal accounts to receive money for university purposes is not permitted. This is considered a banking relationship, and, according to the *Delegation of Authority Policy* document referenced above, authority to establish banking relationships is limited to the aforementioned individuals.

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