Vanderbilt University Banking Relationships

The Bank of New York Mellon

The Bank of New York Mellon houses: (i) the various Vanderbilt University and Medical Center lockbox accounts, (ii) accounts used to initiate ACHs (primarily for accounts payable and payroll direct deposit), (iii) one to initiate wire transfers for miscellaneous wires requested by university and medical center departments, and (iv) accounts related to university and medical center federal student loans, tuition payments, and athletics. (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 Mellon accounts) are deposited daily (“zero-balance”) into either Mellon account 000-5266 (the “University Mellon Master Account”), or the Vanderbilt University Medical Center (“VUMC”) Master Mellon account 9044860. Cash requirements of other bank accounts (SunTrust disbursements and other Mellon activity) are funded by the University Mellon Master account. All funding transfers out of the University Mellon Master Account are initiated via wires or interbank transfers on BNY Mellon’s TreasuryEdge website. Note that all cash management transfers are handled through the University Mellon Master Account (i.e. disbursements funding is never wired directly from the depository institution). Any excess balance (as designated by senior management and Treasury) in the Mellon master 000-5266 account is invested via BNY Mellon’s Liquidity Direct web portal into one of two Fidelity U.S. Treasury Fund(s)—FISXX or FSIXX.

Non-repetitive wire requests from various university departments (i.e. Athletics, Disbursements, Office of Investments, Real Estate, and VUMC Finance) are initiated from Mellon via on-line processing through Mellon’s TreasuryEdge web platform.

EFT activity summary:

- Incoming lockbox items (hospital and clinic boxes have the heaviest volume)
- Miscellaneous wire transfers IN for other departments (i.e. DAR, Office of Investments, medical research, various university departments including the Center for Technology Transfer and Commercialization royalties)
- Wire transfers OUT to SunTrust account to fund daily checks paid
- ACH transfers OUT for A/P and Payroll
- Miscellaneous wire transfers OUT as requested by university and medical center departments
- Wire transfers IN/OUT from/to operating reserve and gift/reserve accounts at JP Morgan Chase Bank, Credit Suisse/Pershing LLC (custody account), and Wells Fargo Bank
- Daily sweep into Fidelity Treasury Funds via Mellon Liquidity Direct
**SunTrust (Disbursement Accounts)**

The check disbursement bank accounts (university and VUMC payroll, university and VUMC demand check, and university and VUMC accounts payable) are domiciled at SunTrust bank. To identify and prevent check fraud, all disbursement accounts use “Positive Pay”. Vanderbilt Disbursements Department transmits check records to SunTrust as checks are written. SunTrust matches check records to checks paid against Vanderbilt’s disbursements accounts to identify exceptions. Each day, the treasury cash management team initiates a repetitive wire transfer from the University Mellon Master Account for the total current day’s checks cleared/paid as reported by SunTrust. No wires or ACHs (Automated Clearing House) originate from the SunTrust operating disbursement accounts.

EFT activity summary:
- Wire transfers IN from BNY Mellon for disbursement funding
- No ACH or wire activity OUT

**SunTrust (Depository Accounts)**

Effective July 1, 2013, the university initiated a transition of depository banking services from First Tennessee to SunTrust Bank. This depository service includes cash, coin, and currency collected at various cashier sites on campus, including those collected at the Medical Center, and deposits from off-campus clinics 100 percent-owned by VUMC. The currency is picked up by secured armored car carrier (Loomis as of February 2014) from various sites on campus and delivered to SunTrust’s Nashville outsourced (Brinks) bank vault for deposit on the same day. An automatic, repetitive daily wire transfer is initiated next-day from the SunTrust master account to the Mellon master account based on the current available cash position in the SunTrust master account. Only bank accounts established for Vanderbilt real-estate properties have checks associated with the bank account; 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 setup to reject unauthorized ACH debit transactions. ACH debit transactions are authorized by Treasury staff (Trey Beasley or Ryan Johnson) using SunTrust’s “Online ACH Control” web-based tool.
EFT activity summary:

- Automatic wire transfer OUT to BNY Mellon master account for current available cash position in SunTrust master account.
- No wire transfers IN except (i) to periodically fund ACH “pull” accounts referenced below, and (ii) in conjunction with Development & Alumni Relations (“DAR”) incoming gift/stock sales activity in the DAR sub-account.
- ACH activity in “Vanderbilt Dining d/b/a Taste of Nashville” account as Vanderbilt Dining Services has contracted with OCA/Cbord as a third-party manager of its Commodore Card program; Cbord is restricted to a maximum of $150,000 per ACH “pull.” This account does not zero-balance up to the SunTrust master account. (See separate Policy Document governing this account.)
- ACH activity in “Vanderbilt University American Red Cross ACH” account as the university entered into a renewal contract for surgical blood with the American Red Cross in October 2008; that contract stipulates payment via an ACH “pull” for the university to realize various cost savings under the contract. This account does not zero-balance up to the SunTrust master account. American Red Cross is restricted to a maximum of $1,500,000 per ACH “pull.”
- ACH activity in “Vanderbilt University CCO Off-Campus Program” account for Commodore Card-related program activity at 100 Oaks. This account does not zero-balance up to the SunTrust master account. Off-Campus Advantage is limited to $15,000.00 per ACH “pull.”
- ACH activity in “Mail Services” account for the university’s post office. This account does not zero-balance up to the SunTrust master account. “Pulls” are by the U.S. Postal Service, Neopost USA, and Pitney Bowes for various mail-related supply payments. The ACH “pull” is restricted is $30,000 per transaction for each of the three companies previously mentioned.
- ACH activity in “Concur Funding” account for the university’s travel card program. This account does not zero-balance up to the Master. “Pulls” are by Concur Expense Solutions and the maximum ACH debit per transaction is $3,000,000.
- ACH activity in “Patient Refunds” account for Vanderbilt University Medical Center’s patient refund account. This account does not zero-balance up to the SunTrust master account. “Pulls” are by Comdata, Inc. and the maximum ACH debit per transaction is $50,000.
Establishing New Bank Accounts

The governing university document for opening new bank accounts can be found at the “Delegation of Authority” 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 university bank account needs to be established, please first notify either Trey Beasley or Ryan Johnson in Treasury.

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

Last update: 5/19/2015