

405. Deposit of University Funds

All University funds available for deposit, as determined under the policies, objectives, and requirements of Board Rule 404 - Investment Management Policy - (except for imprest funds permitted upon the condition set out below) shall be deposited in a bank or other depository upon compliance with the following conditions:

- I. The Board shall approve, by resolution, in the format set forth in Attachment A, the bank or other depository as a depository for University funds. Such approval may be withdrawn by the Board at any time and for any reason, and, if it does so, any funds remaining on deposit with that depository shall be paid immediately to the University. As long as the approval of the Board continues, subsequent or additional approval shall not be necessary upon the opening of any additional accounts in the same depository by any campus or other division of the University as long as the specific account is approved or authorized by the Board as provided in Section III below.
- II. Prior to the Board approval as set out in Section I above, the proposed depository shall provide evidence of its designation by the Alabama State Treasurer as a qualified public depository under the Security for Alabama Funds Enhancement Act. Because such designation shall apply to all accounts and funds of the University, regardless of source, held by the depository, only one such offer of evidence shall be required even though subsequent and additional accounts are opened (upon the approval of the Board as required in Section III below); except that, from time to time, as requested by the Board, the depository may be required to provide evidence of its continuing designation as a qualified public depository.
- III. The Board shall approve, by resolution in the format set forth in Attachment A, the specific account, including as a minimum the following:
 - A. Approval of the opening, designation, purpose, and nature of the account.
 - B. Designation of and authorization to the individuals who shall have the authority and responsibility for the opening and closing of the account, for making deposits in and withdrawals from the account, and for otherwise supervising and managing the account.
 - C. Approval of any mechanical or facsimile system for authentication or execution of checks, drafts, or other documents.
 - D. Approval of any other particular or unique terms or features of the account.

No proposed account shall be approved by the Board unless it has previously approved (or contemporaneously approves) the proposed depository as a depository under the provisions of Section I of this Rule and unless the proposed depository has

provided (or contemporaneously provides) the documentation required under Section II of this Rule.

The Chancellor and the Presidents are authorized to establish imprest funds in an amount not to exceed \$15,000 per fund, as they shall deem to be necessary or advisable in the operation of their respective organizations. These imprest funds shall be subject to any other restrictions imposed by the Board or state law, provided that such funds shall be exempt from the requirements of this Rule.

The Chancellor and Presidents or their chief financial officers shall be responsible for the enforcement of this Rule for their respective operations.

(Adopted December 1, 1979 as Rule 421; amended April 21, 1995; renumbered December 5, 1997; amended February 15, 2001; September 14, 2012.)

Attachment A to Board Rule 405

APPROVAL OF DEPOSITORY AND AUTHORIZATION TO OPEN AN ACCOUNT -- RESOLUTION

WHEREAS, the (insert the name of the component of the University, such as "Office of the Chancellor") desires to create, maintain, and establish an account of the nature hereinafter described with (insert the name of the proposed depository such as the "Citizen's Exchange Commercial Bank of the Southeast") for the deposit of certain funds under its control, as hereinafter described; and,

WHEREAS, the proposed depository has provided evidence of its designation by the Alabama State Treasurer as a qualified public depository under the Security for Alabama Funds Enhancement Act, as required by Board Rule 405; has agreed to provide evidence of its continued designation as a qualified public depository under the Security for Alabama Funds Enhancement Act, upon the request of the Chancellor, or his or her designee; has agreed to serve as a depository for University funds; and has further agreed to the establishment and maintenance of the hereinafter described account for the purposes and upon the terms and conditions hereinafter set out; and,

(If the depository has previously been approved by the Board or the Executive Committee as a depository for University funds, whether for that component or any other component, then in lieu of the immediately above paragraph, insert the following:)

WHEREAS, the depository has previously been approved as a depository for University funds by resolution of (insert "The Board of Trustees of The University of Alabama" or "the Executive Committee of The Board of Trustees of The University of Alabama" as appropriate) and, as such approved depository, agrees to and accepts the creation, maintenance, and administration of the hereinafter described account upon the terms and conditions hereinafter specified.

NOW, THEREFORE, BE IT RESOLVED by (insert either "The Board of Trustees of The University of Alabama" hereinafter referred to as the Board or the "Executive Committee of The Board of Trustees of The University of Alabama" as appropriate) that the (insert the name of the depository) is hereby approved as a depository for the funds of the University in such accounts or account as shall be approved by the Board from time to time by resolution. This approval of the depository may be withdrawn by the Board at any time and for any reason, and if it does so, any funds remaining on deposit with the depository shall be paid immediately to the University. Provided however, that as long as the approval of the Board continues, subsequent or additional approval of the depository shall not be necessary upon the opening of additional accounts by any component of the University as long as the specific account is approved or authorized by the Board by resolution.

(If the depository has previously been approved by the Board or the Executive Committee as a depository for University funds, then the above paragraph shall be omitted.)

BE IT (FURTHER) RESOLVED that the (insert "The Board of Trustees" or "Executive Committee" as appropriate) does hereby authorize the opening, establishment, maintenance, and administration of the following designated account with the approved depository for the following purpose and upon the following terms and conditions:

1. (Insert the name or designation of the account and the reason for opening the account and its purpose or nature, if not explained by its purpose.)

2. (Designate the names of those individuals who shall have the authority and responsibility for the account and specifically charge and direct the named individuals with the authority and responsibility for the opening and closing of the account, for making deposits in and withdrawals from the account, and for otherwise supervising and managing the account, to the extent that those authorizations and responsibilities shall be appropriate to the particular kind or nature of account opened.)

3. (Insert authorization for the manner by which checks, drafts, or any other document necessary for the operation and maintenance of the account shall be executed, authenticated, or endorsed, including authorization for any mechanical or facsimile system for accomplishing the same.)

4. (Insert all other terms and conditions by which the account shall be operated and governed, including any particular or unique terms or features of the account established by the component and the approved depository. If a separate depository agreement governing the account has been submitted by the approved depository or the component, it should be attached as an exhibit and its execution authorized by this resolution at this point.)

BE IT FURTHER RESOLVED that the authorization for this account may be withdrawn by the Board at any time and for any reason. Provided, however, that until the approved depository receives written or oral notice of the termination by the Board of this authorization from any of its members, its Secretary, Chancellor, President of the appropriate campus, or any of the individuals designated above as having the authority and responsibility for the maintenance of said account, then the provisions of this resolution shall remain in full force and effect. However, upon receipt of such notice, any funds remaining on deposit shall be immediately paid to the University.