

Iowa State University

External Bank Account Application and Policy Acknowledgement

When making payments to research participants, there are circumstances where it is more appropriate and efficient to issue and/or deliver a check to the participant at the time of contact instead of providing compensation in the form of cash or instead of processing a voucher to receive a University check. In these limited situations, the department and researcher are required to make application to receive a separate, external bank account by completing this form.

This completed and signed form should be forward to Kathy Dobbs, Controller's Department, 1640 ASB. The contact person will be advised whether or not the application is approved. The Treasurers Office will also be notified of the application approval at that time and will work with the department to establish a checking account.

Contact Person:	Email:
Departmental Name & Address:	Phone Number:

BUSINESS PURPOSE FOR ACCOUNT

TIME FRAME OF USE FOR THE ACCOUNT

TOTAL DOLLAR AMOUNT OF CHECKS TO BE WRITTEN DURING THE LIFE OF THE ACCOUNT

MAXIMUM DOLLAR AMOUNT EXPECTED TO BE PAID TO EACH INDIVIDUAL

SIGNERS	
Name:	Contact Information:
Title:	Email:
	Work Phone:
Name:	Contact Information:
Title :	Email:
	Work Phone:
Name:	Contact Information:
Title:	Email:
	Work Phone:

RECONCILERS*	
Name:	Contact Information:
Title:	Email:
	Work Phone:
Name:	Contact Information:
Title:	Email:
	Work Phone:
Name:	Contact Information:
Title:	Email:
	Work Phone:

*** Can not be a Signer on the account**

Policy Acknowledgement Form Regarding External University Checking (Petty Cash) Accounts:

The departmental chair, researcher, primary check signer and primary checking account reconciler agree to the following policies regarding external university checking (petty cash) accounts:

- All funds belonging to Iowa State University must be deposited in the Iowa State University external bank checking account. The use of personal checking or other bank accounts for depositing University funds identified for an external university checking account is prohibited.
- University employees should not be dealing directly with any financial institution regarding the opening or closing of bank accounts. Only the University Treasurer or his/her delegates have the authority to enter into or modify banking agreements on behalf of Iowa State University.
- The Treasurer of the university will determine the financial institution where the checking account is to be established. The name of the account should be "Iowa State University--(Name of the Project)."
- The Treasurer of the university must be included as one of the authorized signatures on the account. The signatures must be updated as needed. Only current designated employees and the Treasurer can be signers for the account.
- The funds deposited to this bank account are only available for the requested purpose, bank charges, and cost of checks. The use of these funds for any other purpose would have to be authorized in advance of the disbursement(s).

- Replenishment of the petty cash funds deposited to the bank account should occur on a timely basis. The replenishment should follow the procedures identified in [Procedures for Replenishing Petty Cash Funds](#).
- When the need for the checking account no longer exists, the University Treasurer is to be notified of the intent to close the bank account. The need to retain an external checking account longer than indicated on the External Bank Account Application requires notification and approval of the University Treasurer. **All unused checks will be destroyed and a current bank reconciliation will be forwarded to Accounting (1640 ASB). It will be the responsibility of the employee to work with the Treasurer to formally close the account and appropriately transfer all funds remaining in the account back to the funding University account.**
- Occasionally, a check may remain outstanding for an extended period of time. If it is expected that the check will not be cashed by the subject (outstanding at least 180 days), the amount of the check(s) should appear as a credit on the next petty cash voucher submitted by the employee. The effect of the credit will be to reduce both the expenses charged against the university fund account and the amount of the replenishment. When a check is written off in this manner, it must be added back to the checkbook balance and eliminated from the outstanding check total used in reconciling the bank account.
- When a check must be reissued to a subject; (e.g., the original check was lost or possibly stolen), a stop payment notification must be initiated with the financial institution where the checking account is maintained. Such checks should not appear on any future replenishments of the account.
- Any interest earned on the account, net of bank fees, should be recorded to the Treasurer's temporary investment account (950-10-01, class 0094). If the funding source for the checking account is federal, contact the Sponsored Programs Accounting Office for the appropriate account number to credit.
- **In order to provide adequate separation of duties, the bank reconciliations should be prepared monthly by someone other than an authorized signer on the account. The department is responsible for reconciling both the checkbook balance to the bank balance and the bank balance to the amount of the petty cash advance. These reconciliations are due in the accounting office (1640 ASB) ten working days after receipt of the statement. Should you require any assistance with the reconciliation process, please contact Accounting at 4-5180.**

I understand that failure to follow any of the above policies will result in the closure of the account by the Iowa State University Treasurer.

Signature of Primary Signer: _____ Date: _____

Signature of Primary Reconciler: _____ Date: _____

PI Signature: _____ Date: _____

Signature of Departmental Chair: _____ Date: _____