Custodian Funds – Replenishable Checking Account Procedure
Procedure #: 200.1
Rev.: 0
Effective Date: June 29, 2018

Related Policy: 200: Custodian Funds Policy
Functional Owner: Cash Management, Business Services
Contact: Custodian Funds Mailbox: cstdnfnd@bussvc.wisc.edu

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I. Procedure Statement

The University of Wisconsin-Madison conducts research studies that are 1 year or longer and the research participants are compensated with payment by check. Replenishable Bank Accounts are used for these research participant studies.

II. Who is Affected by this Procedure

This procedure applies to all Deans, Directors, Financial Officers, and staff involved with research participant studies that provide payments by check to research participants.

III. Procedure

A. Opening Replenishable Checking Account

The following steps represent the overall process for opening a Replenishable Checking Account:

1. Custodian obtains the NR Number from the NR Number Generator. The NR Number from the NR Number Generator is required on some of the necessary forms for opening a Replenishable Checking Account.

2. Custodian composes a Letter of Justification explaining the purpose of the study and how it is linked to the project.
3. Custodian completes the following forms and obtains the necessary departmental approvals:
   a. Custodian Fund Request Form
   b. Custodian Fund Agreement Form
   c. Custodian Fund Budget Form
   d. New Bank Account Form
   e. Check Order Form
   f. Bank Account Website Access Form (US Bank SinglePoint)
4. Custodian e-mails the Cash Management Office (cstdnfnd@bussvc.wisc.edu) to obtain a US Bank Authorized Signature Form. Custodian then provides the Signers with the US Bank Authorized Signature Form.
5. Signers sign the US Bank Authorized Signature Form and provides it to the Custodian.
6. Custodian reviews and signs the Memorandum of Understanding (MOU) for Replenishable Checking Account – Custodian.
7. Signers review and sign the MOU for Replenishable Checking Account – Signer and provides it to the Custodian.
8. Reconciler reviews and signs the MOU for Replenishable Checking Account – Reconciler and provides it to the Custodian.
9. Custodian routes the Letter of Justification and signed forms to the Dean/Director’s office.
10. Dean/Director’s office verifies that the Custodian needs a Replenishable Checking Account by verifying that:
    a. The research study will be for 1 year or longer.
    b. The research study has an Institutional Review Board (IRB) Number or self-certification paperwork showing that no IRB approval or certification is necessary.
    c. Each payment to a research participant will be $249 or less.
    d. The payment(s) to the research participants will be made by check.
    e. At least 10 checks will be written per month.
11. Dean/Director’s office verifies accurate funding information.
12. Dean/Director’s office reviews the documentation and signs the necessary forms.
13. Dean/Director’s office keeps a copy of the forms for internal records.
14. Dean/Director’s office sends the original forms to via inter-d mail or e-mail to the Cash Management Office (cstdnfnd@bussvc.wisc.edu).
15. Cash Management processes the request.
16. Cash Management will notify the department and Dean/Director’s office when the US Bank checking account is set up and checks are ordered.
17. The Custodian can check WISDM using account code 6167, on the balance sheet, to see if the request has been processed. On the Transaction Search page in WISDM, ensure the Show Balance Account checkbox is checked.

B. Maintaining Replenishable Checking Account

The following steps represent the overall process of maintaining a Replenishable Checking Account:

1. Reconciliations
   a. Reconciler completes and documents monthly bank reconciliations between the US Bank SinglePoint bank statement and the check register on the Bank Reconciliation Worksheet within 30 days of month end.
   b. Reconciler submits the monthly bank reconciliation and check register via e-mail to Cash Management (cstdnfnd@bussvc.wisc.edu) and their Dean’s/Business Office within 30 days of month end.

2. Replenishments
   a. Reconciler obtains the research participant log, without HIPAA or sensitive information, and completes the Custodian Fund Accounting Form to replenish the Replenishable Checking Account at least every 90 days, based on activity.
   b. Reconciler obtains necessary departmental approvals for the Custodian Fund Accounting Form.
   c. Custodian routes the completed/signed Custodian Fund Accounting Form, along with the research participant log, reconciliation(s), bank statement(s), list of outstanding check(s), and stop payment report from US Bank SinglePoint to the Dean/Director’s office for review and approval.
   d. Dean/Director’s office reviews the documents and signs the Custodian Fund Accounting Form.
   e. Department keeps a copy of the forms for internal records. Department is the official record holder.
   f. Dean/Director’s office sends the original forms via inter-d mail or e-mail to the Cash Management Office (cstdnfnd@bussvc.wisc.edu).
   g. Cash Management processes the replenishment request.

3. Other
   a. Any errors on the bank account are to be reported by the Reconciler via e-mail to Cash Management (cstdnfnd@bussvc.wisc.edu) and their Dean’s/Business Office within 30 days of month end.
   b. Reconciler is to ensure stop payments are placed for 24 months on all checks older than 90 days old by using US Bank SinglePoint.
c. Notify the Dean/Director’s office and Cash Management when there is a change in Custodian, Reconciler, and/or Signers and prepare applicable Custodian Fund forms.

d. Respond to Cash Management’s periodic review request.

C. Closing Replenishable Checking Account

The following steps represent the overall process of closing a Replenishable Checking Account:

1. Custodian completes the Custodian Fund Accounting Form and obtains the research participant log.

2. Custodian obtains the necessary departmental approvals for the Custodian Fund Accounting Form.

3. The remaining checks are shredded by two individuals and the Check Shred Confirmation statement is signed by both individuals and provided to the Custodian.

4. Custodian routes the completed/signed Custodian Fund Accounting Form, research participant log, and check shred confirmation to the Dean/Director’s office.

5. Dean/Director’s office reviews the documents and signs the Custodian Fund Accounting Form.

6. Dean/Director’s office keeps a copy of the documents for internal records.

7. Dean/Director’s office sends the original documents via inter-d mail or e-mail to the Cash Management Office (cstdnfnd@bussvc.wisc.edu).

8. Cash Management process the closing request.

IV. Definitions

- Custodian – UW-Madison employee who is responsible for monitoring the cash advance for research participant studies.
- Signer – UW-Madison employee responsible for writing and signing checks to the appropriate recipient and responsible for ensuring all checks are logged and accounted for.
- Reconciler – UW-Madison employee who is responsible for performing and submitting monthly reconciliations.

V. Related References

- 200: Custodian Funds Policy
- NR Number Generator
- Custodian Fund Request Form
- Custodian Fund Agreement Form
- Custodian Fund Budget Form
- New Bank Account Form
- Check Order Form
- Bank Account Website Access Form (US Bank SinglePoint)
• MOUs for Research Participant Studies
• Bank Account Reconciliation User Guide
• Bank Reconciliation Worksheet
• Custodian Fund Accounting Form
• Check Register Worksheet
• Research Participant Log
• Check Shred Confirmation

VI. Revisions

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