I. Procedure Statement

The University of Wisconsin-Madison maintains a series of funds, including Contingent Checking Accounts, to assist in situations where use of the accounts payable process or a University Purchasing Card is not appropriate. Contingent Checking Accounts are used to pay authorized vendors by check when the purchasing card cannot be used and when the accounts payable process is not an option.

II. Who is Affected by this Procedure

This procedure applies to all Deans, Directors, Financial Officers, and staff associated with Contingent Checking Accounts.

III. Procedure

A. Opening Contingent Checking Account

The following steps represent the overall process for opening a Contingent 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 Contingent 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 Contingent Funds – Custodian.

7. Signers review and sign the MOU for Contingent Funds – Signer and provides it to the Custodian.

8. Reconciler reviews and signs the MOU for Contingent Funds – 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 reviews the documents and signs the necessary forms.

11. Dean/Director’s office keeps a copy of the forms for internal records.

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

13. Cash Management processes the opening request.

14. Cash Management will notify the department when the US Bank checking account is set up and funds are deposited.

15. The Custodian can check WISDM using account code 6167, on the balance sheet, to see if the request has been processed.

B. Maintaining Contingent Checking Account

The following steps represent the overall process for maintaining a Contingent 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 to Cash Management via inter-d mail or e-mail (cstdnfnd@bussvc.wisc.edu) and their Business Office within 30 days of month end.

2. Replenishments
   a. Reconciler obtains the expense log, invoices, and completes the Custodian Fund Accounting Form to replenish the Contingent 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, expense log, and invoices 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. Dean/Director’s office keeps a copy of the forms for internal records.
   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) for processing.
   g. Cash Management processes the replenishment request.

3. Other
   a. Any errors on the bank account are to be reported by the Reconciler within 30 days of month end to Cash Management via e-mail to cstdnfnd@bussvc.wisc.edu and your units' Business Office.
   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. Respond to Cash Management’s periodic review request.

C. Closing Contingent Checking Account
   The following steps represent the overall process for closing a Contingent Checking Account:
   1. Custodian completes the Custodian Fund Accounting Form and obtains the expense 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.
   4. Custodian routes the completed/signed Custodian Fund Accounting Form, expense log, and check shred confirmation to the Dean/Director’s office.
   5. Dean/Director’s office reviews documents and signs the Custodian Fund Accounting Form.
   6. Dean/Director’s office keeps a copy of the forms for internal records.
7. Dean/Director’s office sends the original forms via inter-d mail or e-mail to the Cash Management Office (cstdnfn@bussvc.wisc.edu).

8. Cash Management processes the closing request.

IV. Definitions

- Custodian – UW-Madison employee who is responsible for monitoring the bank account activity.
- 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 Contingent Funds
- Bank Account Reconciliation User Guide
- Bank Reconciliation Worksheet
- Custodian Fund Accounting Form
- Check Register Worksheet
- Check Shred Confirmation

VI. Revisions

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