

UNIVERSITY OF THE VIRGIN ISLANDSBOARD OF TRUSTEES CASH MANAGEMENT RESOLUTION

(Board of Trustees meeting, June 21, 1987)

Purpose

1. To centralize all major checking accounts at the Chase Manhattan Bank, N.A. for pooled cash management purposes.
2. To authorize the establishment of interest bearing statement savings accounts to receive the automatic transfer of idle cash from checking accounts for temporary investment purposes.

WHEREAS, the University wishes to maximize the temporary investment of idle cash to generate additional income for the institution, and

WHEREAS, Chase Manhattan Bank, N.A. has recently established a computer-based cash management system which facilitates the automatic daily transfer of cash between checking accounts and interest bearing statement savings accounts, and

WHEREAS, Chase Manhattan has agreed to maintain zero (0) balances in the University's checking accounts except for a compensating balance to be maintained in either the operating account or restricted funds account, and

WHEREAS, Chase Manhattan has agreed that statement savings accounts for the University will carry an interest rate comparable to the one million dollar, ninety (90) day certificate of deposit rate to be adjusted quarterly, and

WHEREAS, the institution can realize additional interest revenues of at least \$50,000 per year by adopting the proposed cash management arrangement with Chase Manhattan, N.A., and

WHEREAS, this arrangement will require the consolidation and pooling of the institution's cash resources and checking accounts at the Chase Manhattan Bank, N.A.

BE IT RESOLVED that the President and Vice-President for Business and Financial Affairs be and are hereby authorized to:

1. Transfer Endowment Funds from Citibank to Chase Bank by closing checking account 0-010293-02 at Citibank and opening a new checking account for Endowment Funds at Chase Bank.

2. Transfer to Chase Manhattan from Citibank checking account # 0-010293-014 containing Restricted funds, Loan Funds and Agency Funds and open individual checking accounts for each fund group, namely one checking account each for Restricted Funds, Loan Funds and Agency Funds.
3. Open six (6) new interest bearing statement savings accounts at Chase Bank to receive available cash from corresponding checking accounts for automatic investment:

Operating Funds
Payroll Funds
Endowment Funds
Student Loan Funds
Plant Funds
Agency Funds

BE IT FURTHER RESOLVED that all checking accounts and statement savings accounts authorized are to be administered in accordance with the Board of Trustees Bank Resolution adopted at its meeting on November 16, 1986.

CERTIFICATION BY SECRETARY

I, Arthur A. Richards, Secretary of the Board of Trustees of the University of the Virgin Islands, do hereby certify that the foregoing is an exact copy of a Resolution of the Board of Trustees as adopted at its meeting on June 21, 1987 and as recorded in the minutes of said meeting:

21 June 87
Date

Arthur A. Richards
Secretary of the Board of Trustees

UNIVERSITY OF THE VIRGIN ISLANDS

STATEMENT ON PROPOSED CASH MANAGEMENT PROGRAM

THE PRESENT SITUATION

CHECKING ACCOUNTS: The University currently maintains five (5) checking accounts, three in the Chase Bank and two in Citibank. The accounts at Chase are the operating account, the payroll account and the Plant Funds account. The accounts at Citibank are for the Endowment Funds and the Restricted Account including funds restricted by federal, local and private sources, as well as loan funds and agency funds.

CERTIFICATE OF DEPOSITS:

Certificates of Deposit are purchased for idle cash in each fund for periods ranging from Fifteen (15) days to Ninety (90) days based on cash requirements projections;

Certificates of deposits are purchased from the bank offering the best rate at the time.

OPERATING CASH ACCOUNT:

The operating account at Chase is the University's principal checking account. Most of the deposits and disbursements for the University are transacted through this account. This fund is reimbursed by other fund groups based on applicable disbursements. Funds over and above a compensating balance are invested in CD's.

PAYROLL ACCOUNT:

Funds are transferred from the Operating account to the Payroll account to meet payroll requirements. These funds are not now available for investment after they have been transferred.

PLANT FUNDS:

When cash projections indicate a temporary surplus of cash in the Plant funds, that surplus is invested in Certificates of Deposit.

RESTRICTED FUNDS
ACCOUNT:

Cash for restricted funds are kept in a checking account at Citibank. Most of these funds are from advances by the Federal Government for specific projects. Federal funds, which constitute the major portion of funds in the restricted checking account at Citibank, cannot be invested for the benefit of the University.

B. ELEMENTS OF THE PROPOSED CASH MANAGEMENT PROGRAM

1. Consolidation and pooling of cash funds in checking accounts centralized at Chase Manhattan Bank.
2. Individual checking accounts for each of the following fund groups:
 - Operating Funds
 - Payroll Funds
 - Restricted Funds
 - Endowment Funds
 - Student Loan Funds
 - Plant Funds
 - Agency Funds
3. Corresponding statement savings account for each checking account except the restricted account.
4. Use of Restricted funds as compensating balances for all checking accounts.
5. Zero (0) balances in all checking accounts except the restricted checking account.
6. Automatic daily transfers of all surplus cash from checking accounts to interest bearing statement savings accounts.
7. Automatic daily transfers of needed cash from statement savings accounts to cover cleared checks drawn on checking accounts.
8. Statement savings account to earn interest at a rate comparable to the one million dollar, Ninety (90) day certificate of deposit rate. This rate is to be adjusted on a quarterly basis.