

COLGATE UNIVERSITY

Finance and Administration

Finance and Administration Policy - Wire Transfers

June 18, 2015

Wire Transfer Policy

Wire transfers are an order transmitted electronically from one bank to another to pay or credit money to a payee designated by the payor. These transfers take place within the same day as when the request is presented to the bank. A wire transfer of funds will only be utilized in payment of a University obligation when the situation necessitates immediate funding. Wire transfer payments are the most costly payment method. As a result, the University reserves the right to process the payment with a less expensive method such as electronic ACH or paper check.

Wire transfers can only be initiated and approved by authorized university employees on file at the bank as a signatory.

There are three main types of wire transfers that occur at the university. The following is a description of the different types of wire transfers and the procedures that relate to each.

Accounts Payable

Accounts payable wires are transfers of funds to an outside entity. Wire transfer requests originate from within the university, are charged to a university cost center and are authorized by a Colgate employee that has authority over a university cost center.

For security purposes, wire transfer requests must be submitted through the completion of the Domestic Wire Transfer Payment Form or the International Wire Payment Form. Payment instructions must be typed and signed by the financial manager of the university cost center (fund or org) being charged. The original wire transfer request form, along with supporting documentation, should be submitted to the Office of Accounting & Control. Once received, a phone call to the financial manager will be initiated by the Office of Accounting & Control to verify the authenticity of the request.

Please note that copies of the original wire transfer request form or email requests for wire transfer payments will not be allowed under any circumstances.

Departments must plan in advance as far as possible when initiating wire transfer requests. All requests will be approved by the Controller and requests of \$10,000 or more will also require the approval of the Vice President for Finance and Administration.

All documentation should be submitted to the Office of Accounting and Control at least 3 business days before the payment is to be disbursed to allow for timely payment. However, the Controller and Vice President for Finance and Administration may expedite a wire in emergency situations if, at their discretion, failure to make timely payment would be detrimental to the university.

No exceptions or deviations from this policy will be allowed.

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Endowment and Life Income Gifts

Transfers of funds related to endowment investments occur on a regular basis. In general, there are two different types of endowment wire transfers. The first involves transfers to existing investment managers. A capital call request is issued to the university's endowment custodian and the university Investment Office from the investment manager. The custodian initiates a wire transfer within the custody system which generates a request to the Office of Accounting & Control who then reviews and approves the wire. The funds are then transferred on the appropriate call date.

Initial calls for new investments and non-recurring calls for hedge funds are entered in the custody system by an authorized university employee in the Investment Office. This entry initiates a request for review and approval to the Office of Accounting & Control who confirms the wire details to the instructions provided by the Investment Office. Once the accuracy of the information is confirmed, the wire transfer is approved and released.

Finally, wires are sometimes required when donors make life income gifts to Colgate. When a donor makes a gift to Colgate, a university employee deposits the check in to a designated university bank account created specifically for life income gifts. A bank transfer request form is then submitted to the Office of Accounting & Control once the check clears. The Office of Accounting & Control then approves and initiates the transfer of funds to the life income custodian.

Internal Transfers

Wire transfers are made as part of the university's ongoing cash management. When necessary, the Office of Accounting & Control will transfer funds between university owned bank accounts to achieve a higher yield on its funds or shift balances to fund operational expenses. No prior approval is required for these types of transfers. However, only authorized university signatories on file at the bank may initiate and approve a wire.