

Investment Committee Memorandum
Board of Regents, State of Iowa

Subject: Modification of University Banking Relationship
Prepared by: Pamela M. Elliott
Date Submitted: December 1, 2004

Recommended Action:

Recommend the Board approve the requested University of Iowa banking relationship with Bank of America.

Executive Summary:

Iowa Code 12C.2 requires the Board of Regents to approve financial institutions that serve as depositories.

Regent Policy Manual 7.07(J) states that proposed changes to banking relationships shall be reviewed by the Investment Committee and approved by the Board. The University of Iowa is requesting Board approval to add the Bank of America -- Des Moines, to the list of financial institutions.

Background:

Each Regent institution periodically reviews its banking relationship needs. Some banking relationships, such as primary relationships, are bid on a competitive basis.

The University of Iowa is requesting that Bank of America – Des Moines be added to the list of approved financial institutions for purposes of establishing a bank account for retail lock box operations. Bank of America, partnering with Communications, Data Services of Des Moines, was the successful bidder for retail lock box services. The maximum account balance is estimated at under \$50,000,000.

Bank of America also has a presence in the state of Florida. In addition to on-going retail lock box activities, this account will also allow the University of Iowa to effectively carry out certain banking activities associated with the University of Iowa bowl game in Florida, which include utilizing a Bank of America location near the bowl activities to collect, deposit, and safeguard cash receipts.

**Board of Regents, State of Iowa
Financial Institutions
December 1, 2004**

	Maximum Deposit	Location of <u>Institution</u>	
		In Iowa	Outside Iowa
<u>UNIVERSITY OF IOWA</u>			
Wells Fargo Bank Iowa – Des Moines (DDA) ¹	\$75,000,000	X	
<u>Bank of America – Des Moines (DDA)²</u>	<u>50,000,000</u>	<u>X</u>	
US Bank Iowa – Cedar Rapids (DDA)	20,000,000	X	
US Bank – Iowa City (DDA)	20,000,000	X	
Iowa State Bank and Trust – Iowa City (DDA) ³	20,000,000	X	
Wells Fargo Bank Iowa – Atlantic ⁴		X	
Wells Fargo Bank – Minnesota ⁵			X
Wells Fargo Bank Ohio – Van Wert ⁶			X

¹ Includes various accounts required for bond issues, lockbox, and trust accounts for bond issues.

² Includes account for lockbox.

³ Includes trust fund for Auditorium Defeasance bond issue.

⁴ Controlled disbursement account.

⁵ ~~Trust fund for Human Biology Research Facility (HBRF) bonds and u~~Used for paying agent required by various bond resolutions, trust accounts for fund managers, and custodial accounts for University investments.

⁶ Controlled disbursement.