

**Contact: Andrea Anania**

**MODIFICATION OF BANKING RELATIONSHIPS**

**Recommended Action:** Consider recommending to the Board approval of the University of Iowa's request to add Hills Bank & Trust Company and University of Iowa Community Credit Union to its list of approved financial institutions as illustrated below.

**Executive Summary:** Iowa Code §12C.2 requires the Board of Regents to approve financial institutions that serve as depositories. Approval must be entered by written resolution or order into the Board's minutes, distinctly naming the approved depository, as well as specifying the maximum amount which may be kept on deposit.

Regent Policy Manual §7.08(J.2) requires that changes in investment relationships be reviewed by the Audit/Compliance and Investment Committee and be approved by the Board before institutions are permitted to use their services.

The University reports that:

- ◆ Hills Bank & Trust will address essential financial services in the event of disruption in operations and has offered a favorable return on liquidity balances as part of the University's continuity strategy.
- ◆ University of Iowa Community Credit Union (UICCU) will process payments of University bills and departmental deposits. UICCU was the successful bidder to partner with University ID Card Services to provide on-campus financial services to students, faculty, and staff. UICCU also owns and services all campus ATMs surcharge free.

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**University of Iowa Financial Institutions as of March, 2007**

	<u>Maximum Deposit</u>	<u>In Iowa</u>	<u>Outside Iowa</u>
Wells Fargo Bank – Iowa (DDA) <sup>1, 6, 7, 9</sup>	\$375,000,000	X	
Bank of America – Des Moines (DDA) <sup>1, 5</sup>	150,000,000	X	
<u>Hills Bank &amp; Trust Company – Iowa City</u> <sup>10</sup>	<u>20,000,000</u>	X	
Iowa State Bank and Trust – Iowa City (DDA) <sup>7</sup>	20,000,000	X	
<u>University of Iowa Community Credit Union</u> <sup>11</sup>	<u>20,000,000</u>	X	
US Bank Iowa – Cedar Rapids (DDA)	20,000,000	X	
US Bank – Iowa City (DDA)	20,000,000	X	
Wells Fargo Bank – Atlantic <sup>2</sup>		X	
Wells Fargo Bank – Minnesota <sup>4, 6, 8</sup>			X
Wells Fargo Bank – Van Wert, Ohio <sup>2</sup>			X

DDA = Demand Deposit Account.

1. Concentration.
2. Controlled Disbursement Account.
3. Credit Card Processor.
4. Custodial Accounts for University Investments.
5. Lockbox Included.

6. Paying Agent.
7. Trust Accounts for Bond Issues.
8. Trust Accounts for Fund Managers.
9. Various Accounts Required by Bond Issues.
10. Savings Account.
11. Departmental Deposits and Bill Payment Processor.