MANAGING DEPARTMENTAL SUBORDINATE BANK ACCOUNTS

Monthly Lunch & Learn Series presented by the FAST Team
July 2023
AGENDA

• What is a Subordinate Bank Account?
• Advantages of using a Subordinate Bank Account
• How to open a Subordinate Bank Account
• What can be deposited into a Departmental Subordinate Bank Account?
• Clearing balances in Subordinate Bank Accounts
• Reconciling Subordinate Bank Accounts
• Who to Contact for Support
A **subordinate bank account** (i.e. rapid trans account) is a CIBC corporate bank account unique to a department but linked to the University’s main CIBC bank account.

It enables departments who receive deposits regularly to manage their deposits in a transparent, secure and efficient manner.
ADVANTAGES OF SUBORDINATE BANK ACCOUNT

- Drop off/deposit **cash/cheque directly at a CIBC branch** (i.e. no need to drop off at Cashier’s Office)
- Secure, online access to monitor departmental banking activities
- Real-time view of all deposits
- Easily reconcile deposits in online CIBC portal to FIS deposits
- Minimal cost (ONLY for hardware token)
ACCEPTABLE DEPOSITS IN A SUBORDINATE BANK ACCOUNT

Deposits that are **NOT related to Accounts Receivable (A/R) invoices** can be deposited into a department’s CIBC bank account.

Allowable forms of deposits:

- Debit/credit card payments via POS/merchant account (e.g., Moneris)
- Cash and cheques
- Incoming wire transfers
- Payments through tele-deposit and e-commerce solutions

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**Is the deposit/receipt related to an A/R invoice? Find out before you deposit the money!**

If you receive payments/deposits/recoveries related to A/R invoices, send them directly to the Accounts Receivable Administrator (Nataliya Iordakiyeva) OR provide the customer with the unique A/R bank account information on the AR invoice form.
DAILY sweep of balances in subordinate bank accounts into UofT’s main CIBC account.
Some considerations prior to opening a subordinate bank account:

• Do you receive a high frequency of deposits?
• Do you have a merchant account (i.e. debit/credit facility)? If so, a subordinate bank account is mandatory.

To open a subordinate bank account, supply the following information to banking.fsd@utoronto.ca:

• The bank transit number and address of the branch to which you intend to deposit your money. The local bank branch will provide this information.

• The department’s intended use of the subordinate bank account. Indicate the number/frequency of deposits and expected value.

• The contact information (i.e., name, address, phone #, email) of the person responsible for the bank account, and assigned on-line access.

• Approval from the Dean, Principal, Director or Chair.

Visit the Banking Services page to learn more.
DEPARTMENTAL RESPONSIBILITIES OVER SUBORDINATE BANK ACCOUNTS

It is important to be aware of a department’s responsibilities when choosing to open and manage a subordinate CIBC bank account.

This includes:

• Depositing funds directly at any CIBC branch.
• Recording deposits in FIS that are consistent with the amount deposited at the bank.
• Once processed in FIS, send a copy of the direct deposit form, with the bank deposit slip (or account statement), and any other supporting documentation to the Cashier’s Office.
• Within the CIBC Online portal, verify that the deposits have been credited to your account.
• Reconcile deposits in your CIBC bank account and the direct deposit cash receipts recorded in FIS regularly.
• Safeguard all online access to your subordinate bank account.
• Notify Financial Services of any changes to the department's subordinate bank account.
RECORDING THE DEPOSIT

Regardless of the method of the deposit, it must be recorded accurately in both:

1. Subordinate bank account
2. FIS

Depositing funds in the subordinate account will not record the revenue/recovery against any FIS accounts.

Processing the deposit in FIS ensures that the funds will be reflected and available to be spent in the Funds Center or FC/Fund.

Click here to learn more about responsibilities associated with Subordinate Bank Accounts.
BUSINESS PROCESS FOR RECORDING DIRECT DEPOSITS IN FIS

1. Prepare the deposit to be sent to the bank. **EXCEPTION:** Cheques in foreign currency must be sent to the Cashier’s Office.

2. Complete the **Direct Bank Deposit** form.

3. Process the deposit in **FIS**, and note the 30-series system generated document number on the deposit form.

4. Send the completed Direct Deposit form, and the online account statement/bank deposit slip with the bank stamp to the Cashier’s Office through Campus Mail OR via email to Debbie Carter (**debora.carter@utoronto.ca**).

4. File a copy of the deposit form in accordance with the **U of T File Plan**.

**Watch this simulation** to learn how to process direct deposit receipts in FIS.
## COMPLETING THE DIRECT DEPOSIT FORM

### CANADIAN BANKING REPORT-DIRECT BANK DEPOSITS ONLY

<table>
<thead>
<tr>
<th>DEBIT POSTKEY</th>
<th>G/L ACCOUNT</th>
<th>DIRECT CASH, CHEQUES DEPOSIT</th>
<th>AMOUNT</th>
<th>BUSINESS AREA</th>
<th>ASSIGNMENT (DEPT NAME &amp; PHONE #)</th>
<th>TEXT FIELD REQUIRED</th>
<th>TRANSDATE (5 DIGITS) AND ACCOUNT # (7 DIGITS) &amp; DATE</th>
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</thead>
<tbody>
<tr>
<td>40</td>
<td>350006</td>
<td>CBC-Cash/Cheq/Wire &amp; EFT Deposit</td>
<td>$1,000.00</td>
<td>1000</td>
<td>FAST 8-4675</td>
<td>01234-5678910 - CASH - JULY 2023</td>
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<tr>
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<td>Moneris - Deposit</td>
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<td>1000</td>
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<td>41235466787 - DC - JULY 2023</td>
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<td>FAST 8-4675</td>
<td>930078787678 - AX - JULY 2023</td>
<td></td>
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</tbody>
</table>

**Total Debits:** 2,000.00

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Ensure you include your departmental branch, transit and subordinate bank account number in the **Text field** on the Direct Deposit form for FSD to reconcile.

**Example:**

Transit, branch, account + deposit type + Date

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Read this article to learn more about the information required on the Direct Bank Deposit form.

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If you have e-commerce/debit card facilities, include merchant account number (i.e. Moneris account #).

**Example:** Merchant # + deposit type (e.g. AX = American Express) + Date
Have you ever wondered why the balance in your department’s CIBC bank account is $0? Every day, the balance in a department’s CIBC account gets transferred/swept into the University’s main CIBC bank account.

**NOTE:** When reconciling department subordinate bank accounts with FIS, you can view the history of all deposits credited to the accounts in the CIBC online banking - Transaction search report.
An important departmental responsibility with subordinate bank accounts is reconciling deposits in the account with what is recorded in FIS on a regular basis. This ensures that **all deposits are recorded accurately** as well as enable departments to investigate differences immediately.

### What does reconciliation look like?

1. Run FIS reports to review all deposits (i.e. 30xxxxxxxx SF documents) posted your Funds Centers or FC/Funds.
   
   **Recommend Report:** ZFIR079 – FI Postings Line Items report

2. From the CIBC online portal, run, download and review the **Transaction search report** to for the matching deposits for the period.

3. Compare the FIS deposit posting to the transaction report in CIBC.

**IMPORTANT:** If your department has a POS system, and a corresponding merchant account (e.g., Moneris/Global), then also reconcile the deposits recorded in the merchant account to the CIBC account.
### CIBC Online Portal – Transaction Search Report

<table>
<thead>
<tr>
<th>Transaction Date</th>
<th>Description</th>
<th>Account Name</th>
<th>Amount</th>
<th>IS DD or FD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 19, 2023</td>
<td>DEBIT MEMO</td>
<td>Faculty of FIS</td>
<td>CAD 2.00</td>
<td>DR</td>
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<td>CAD 1.00</td>
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### FIS DIRECT DEPOSIT POSTING

#### FIS Direct Deposit Posting

<table>
<thead>
<tr>
<th>Document Number</th>
<th>Description</th>
<th>Amount</th>
<th>IS DD or FD</th>
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</thead>
<tbody>
<tr>
<td>0004400031</td>
<td>Photocopy cop machine</td>
<td>442.48</td>
<td>DR</td>
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<tr>
<td>757910</td>
<td></td>
<td></td>
<td></td>
</tr>
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</table>

#### Display Document: Data Entry View

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Key</th>
<th>Amount</th>
<th>CoC</th>
<th>Tax</th>
<th>Bank</th>
<th>Cash</th>
<th>Draft</th>
<th>Orig.</th>
<th>Reversal</th>
</tr>
</thead>
<tbody>
<tr>
<td>123456</td>
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<td>442.48</td>
<td></td>
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<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
THE ROLE OF FINANCIAL SERVICES AND CIBC

FINANCIAL SERVICES

- Provide advice to departments on their responsibilities and feasibility of a direct deposit arrangement
- Approve appropriate arrangements for subordinate bank accounts
- Notify CIBC of the name of the department and address of the branch most convenient for the department
- Notify the department of its account number and ID number
- Validate that the deposits on the direct deposit forms sent by the department match what has cleared into the University’s main bank account.

CIBC

- Notifies the departments “home” branch (i.e. local/nearest branch) of the department’s name which will be depositing at that branch
- Provides departments with bank deposit slips
THANK YOU!