

MANAGING DEPARTMENTAL SUBORDINATE BANK ACCOUNTS

Monthly Lunch & Learn Series presented by the FAST Team

July 2023



UNIVERSITY OF
TORONTO

Financial Services

PRESENTER

RAMES PARAMSOTHY

SENIOR BUSINESS ANALYST (TRAINING)

Financial Advisory Services & Training (FAST)



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



WHAT IS A SUBORDINATE BANK ACCOUNT?

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 of 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

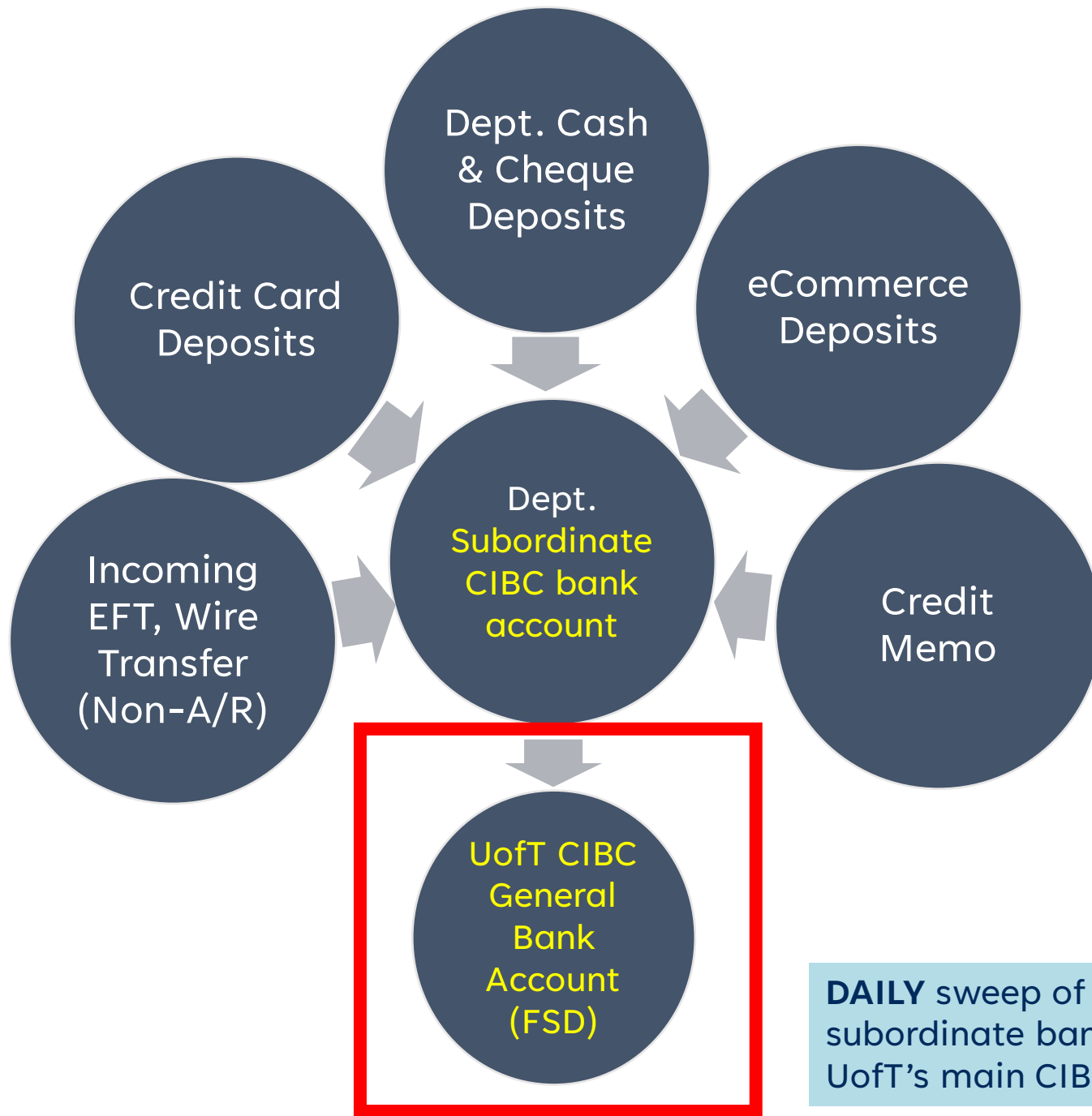


Is the deposit/receipt related to an A/R invoice? Find out before you deposit the money!

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**.

Take the [Accounts Receivable e-learning course](#) to learn more.





PROCESS FOR SUBORDINATE BANK ACCOUNTS



DAILY sweep of balances in subordinate bank accounts into UofT's main CIBC account.

[Click here to learn more](#) about bank account information for Wire Transfer for **A/R Invoices**.



OPENING A SUBORDINATE BANK 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.



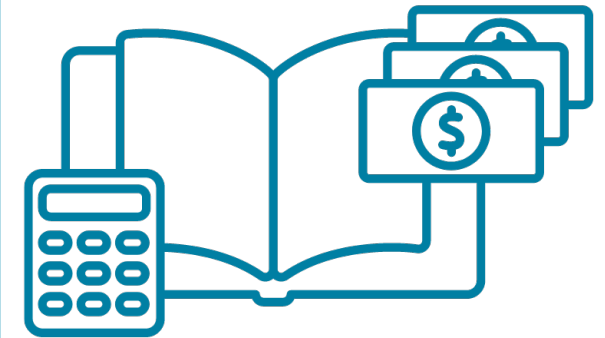
RECORDING THE DEPOSIT

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.

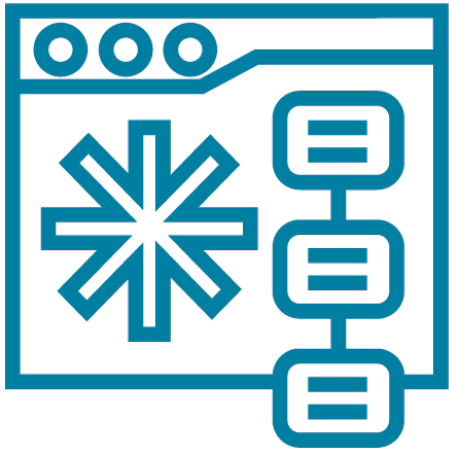
Processing the deposit in FIS ensures that the funds will be reflected and available to be spent in the Funds Center or FC/Fund.



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.
1. Complete the [Direct Bank Deposit](#) form.
2. [Process the deposit in FIS](#), and note the 30-series system generated document number on the deposit form.
3. 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

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

UNIVERSITY OF TORONTO
Submit To: Cashiers Office
Financial Services Department
Finance Division
215 Huron Street

CANADIAN BANKING REPORT-DIRECT BANK DEPOSITS ONLY

Document Date: Jul 24, 2023
 Posting Date: Jul 24, 2023
 Document Type: SF
 Company Code: UOFT

BALANCED Currency: CAD

Document #: [Redacted]

DEBIT POSTKEY	G/L ACCOUNT	DIRECT CASH, CHEQUES DEPOSIT	AMOUNT	BUSINESS AREA	ASSIGNMENT (DEPT NAME & PHONE #)	TEXT FIELD REQUIRED TRANSIT # (5 DIGITS) AND ACCOUNT # (7 DIGITS) & DATE
40	350006	CIBC-Cash/Chq/Wire & EFT Deposit	\$1,000.00	1000	FAST 8-4675	01234-5678910 - CASH - JULY 2023
		Add Item				
DEBIT POSTKEY	G/L ACCOUNT	DIRECT CREDIT CARD DEPOSIT MERCHANT DESCRIPTION	AMOUNT	BUSINESS AREA	ASSIGNMENT (DEPT NAME & PHONE #)	TEXT FIELD REQUIRED - * NOTE * MERCHANT # CC TYPE DATE
40	350006	Moneris - Debit Deposit	\$500.00	1000	FAST 8-4675	41235466787 - DC - JULY 2023 X
40	350006	Moneris - MC Deposit	\$500.00	1000	FAST 8-4675	930078787678 - AX - JULY 2023 X
Total Debits:			2,000.00			

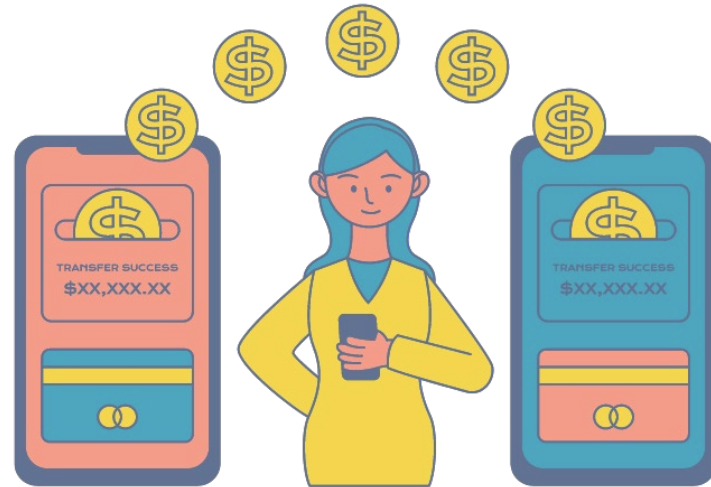
[Read this article](#) to learn more about the information required on the Direct Bank Deposit form.



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

CLEARING BALANCES IN SUBORDINATE BANK ACCOUNTS



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** .

RECONCILING SUBORDINATE BANK ACCOUNTS



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. 30xxxxxxx 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.

RECONCILE DEPOSITS BETWEEN CIBC ONLINE PORTAL AND FIS

CIBC Online Portal – Transaction Search Report

CIBC Transaction search report Page 1 of 3

Company name: UNIVERSITY OF TORONTO

Search results

Ledger date	Value date	Account number	Account name	Currency	Amount	DR or CR
Jan 19, 2023	Jan 19, 2023	005089969508	Faculty of FIS	CAD	500.00	CR
MISC PAYMENT VSA DEP12045076 ROYAL BANK CENTRAL CARD CENTRE						
Jan 19, 2023	Jan 19, 2023	005089969508	Faculty of FIS	CAD	500.00	DR
DEBIT MEMO						
Jan 17, 2023	Jan 17, 2023	005089969508	Faculty of FIS	CAD	2,000.00	DR
DEBIT MEMO						
Jan 17, 2023	Jan 17, 2023	005089969508	Faculty of FIS	CAD	2,000.00	CR
MISC PAYMENT VSA DEP12045076 ROYAL BANK CENTRAL CARD CENTRE						
Jan 16, 2023	Jan 16, 2023	005089969508	Faculty of FIS	CAD	1,500.00	CR
MISC PAYMENT MC DEP 12045076 ROYAL BANK CENTRAL CARD CENTRE						
Jan 16, 2023	Jan 16, 2023	005089969508	Faculty of FIS	CAD	1,500.00	DR
DEBIT MEMO						
Jan 16, 2023	Jan 16, 2023	005089969508	Faculty of FIS	CAD	1,000.00	DR
DEBIT MEMO						

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FIS DIRECT DEPOSIT POSTING

FI Postings: Line Items by Document Number (w/ addnl fids)

26.07.2023 22:47:03

Document Number	Account	Description	Amount	CoCd	Tx	BusA	Cost Ctr	Order	Funds Ctr	and Commitmt	Item	EntryVw	Assignment	Text	Earmarked	Item
3000456034	757010	Photocopy:coin machine	442.48-	29440					109600	EXT-INC-PHOTOCPY	Copier revenue, Dec	19.01.2023	19.01.2023	PAI		
	757010		442.48-													
			442.48-													

Display Document: Data Entry View

Data Entry View

Document Type: SF SF:Dept'l deposits

Document Number: 3000456034

Document Date: 19.01.2023

Reference: COPIER REVENUE

Currency: CAD

Doc. Header Text: Copier Revenue Dec

Fiscal Year: 2024

Posting Date: 19.01.2023

Period: 3

Cross-Comp.No.

Calculate tax:

Reversal doc.

Item	Account Description	Key	Amount	CoCd	Tx	BusA	Cost Ctr	Order	Funds Ctr	and Commitmt	Item	EntryVw	Assignment	Text	Earmarked	Item
1	757010 Photocopy:coin mach.	50	442.48-	UOFT	R1	1000	29440		109600	EXT-INC-PHOTOCPY	30004560342024	Copier revenue, Dec				
2	350006 Direct Dep in Trans	40	500.00			1000				CASHINTRNS	FIS, 8-4675	005089969508 - CASH - DEC/JAN 2023				
3	260013 HST:Payable on Sales	50	57.52-		R1	1000			101286	TAXES	20230717					

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!