

Board Meeting  
May 11, 2006

ROLL CALL

ESTABLISH BANKING SERVICES WITH MELLON BANK  
(PAYROLL, ACCOUNTS PAYABLE, STUDENT REFUND ACCOUNTS, AND  
BANKING RESOLUTION)

**Action:** Approve Resolution and Establishment of Bank Accounts with Mellon Bank, Pittsburgh, Pennsylvania, to Support Primary Disbursement Activities for the University

**Funding:** Institutional Funds

The University solicited proposals relating to banking services for the following disbursement activities:

University Payroll account to disburse payroll direct deposit items to University employees at all locations.

University Payables disbursement account for the general disbursement activity of the University.

Student Refunds account to make electronic payments of excess student financial aid refunds.

Funding account to facilitate the daily funding of disbursement activity from the other three accounts referenced above.

The University Disbursements request for proposal was distributed via the IPHE Procurement Bulletin. Responses were received from 12 vendors. University staff reviewed the responses and conducted interviews with four finalists. Mellon Bank

submitted the proposal that best met the University's established criteria and offered the most advantageous combination of economic and technological benefits. This provider will meet the University's current needs and will enable increased usage of technology, especially with respect to combating check fraud. The agreement offers cost savings versus the current provider and is renewable for additional fiscal years with a five percent maximum annual price increase. The University requested and received a Best and Final Offer from Mellon Bank that represents a \$2,000 annual savings over the original proposal price. The total first year cost is estimated to be \$72,000 compared with a current annual cost of approximately \$126,000.

The Vice President for Administration requests that authority be given to open bank accounts for the purpose described above with Mellon Bank, that the attached resolution be adopted, and that the Comptroller be authorized to renew this agreement on an annual basis subject to the availability of funds. The new accounts would become active on July 1, 2006, or as soon as all necessary documentation can be completed and filed. Upon conclusion of business in process with the current processor, the existing accounts will be closed.

Funds are available from the institutional funds operating budget of the University.

The board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The President of the University concurs.

## RESOLUTION

BE IT RESOLVED, That the Comptroller of the Board of Trustees of the University of Illinois ("University") is authorized, instructed and directed to open and keep bank accounts with Mellon Bank, N.A. ("Bank"), a national banking association located at Pittsburgh, Pennsylvania, in the name and for the use of the University, and to deposit in said Bank to the credit of the University from time to time, any and all moneys and checks, drafts, bills of exchange, interest coupons and other deposit items and until otherwise ordered said Bank be and hereby is authorized to make payment from the funds of the University on deposit with it upon and according to the check or direction of the University;

BE IT FURTHER RESOLVED, that the Comptroller of the Board of Trustees is authorized from time to time upon such terms and conditions as the Comptroller may deem advisable, to designate in writing to the Bank those officers, employees and other agents of the University authorized to sign any and all checks, drafts, and orders, including orders or directions in informal or letter form, against any funds or accounts at any time standing to the credit of the University with the Bank, and that the Bank is authorized to honor any and all individual order of any such person or persons signing the same, without further inquiry or regard to the authority of said person or persons or the use of the checks, drafts or orders or the proceeds thereof;

BE IT FURTHER RESOLVED, that the Bank as a designated depository of the University be and it (including its correspondent banks) is hereby requested, authorized and directed to honor checks, drafts and other orders for the payment of money drawn in the University's name, including those drawn to the individual order of any person or persons whose name or names appear thereon as signer or signers thereof, when bearing or purporting to bear the facsimile signatures, whether reproduced manually, mechanically or otherwise, of the Chair and the Secretary of the Board of Trustees, jointly, and the Bank shall be entitled to honor, and to charge the account of the University for, such checks, drafts or other orders for the payment of money, regardless of by whom or by what means the actual or purported facsimile signature or signatures thereon may have been affixed thereto, if such signature or signatures resemble the facsimile specimens of such signature(s) certified to or filed with the Bank by or on behalf of the University and if said documents are properly issued by the Board of Trustees of the University of Illinois, and if said documents are properly authenticated by the Bank through commercially reasonable positive pay anti-fraud services;

BE IT FURTHER RESOLVED, that the Comptroller of the Board of Trustees is authorized from time to time to designate in writing to the Bank those officers, employees and other agents of the University authorized to issue written, telephonic, electronic or oral instructions with respect to the transfer of funds of the University on deposit with the Bank (or otherwise transferable by the Bank), by wire or otherwise, without any written order for the payment of money being issued with respect to such transfer, and, for and on behalf of the University, to enter into such agreements with the Bank with respect to any such transfer(s) as such officer(s) in (his/her) (their) sole discretion deem(s) advisable.

BE IT FURTHER RESOLVED, that each of the foregoing resolutions shall also be understood to apply in full to any account, transaction or property at or with any facility or facilities or branch or branches of the Bank;

BE IT FURTHER RESOLVED, that each of the foregoing resolutions shall continue in force until express written notice of its rescission or modification has been received by the Bank.

CERTIFICATE OF AUTHORITY FOR CORPORATE DEPOSIT ACCOUNTS

Mellon Bank, N.A. of Pittsburgh, Pennsylvania

Account Numbers: 1  
2  
3  
4

I hereby certify to Mellon Bank, N.A., located in Pittsburgh, Pennsylvania, that I am Secretary of The Board of Trustees of the University of Illinois, a public corporation of the State of Illinois, and that the attached is a true copy of a resolution adopted by the Board of Trustees on May 11, 2006, and further that such resolution is in conformity with the charter and by-laws of the University of Illinois and in full force and effect on the date thereof.

In witness whereof, I have hereunto subscribed my name and affixed the seal of the University of Illinois this 11th day of May, 2006.

THE BOARD OF TRUSTEES OF  
THE UNIVERSITY OF ILLINOIS

Affix Corporate Seal

By: \_\_\_\_\_  
Michèle M. Thompson  
Secretary