***[HOSPITAL NAME]***

**ADMINISTRATIVE POLICY**

CATEGORY: Finance **CODE: B-14**

SUBJECT: Managing Bank Accounts **EFFECTIVE:**

**COORDINATOR: Business Manager**

Funds related to the operating of a hospital should be kept in a reputable banking institution within a reasonable proximity to the hospital location to carry out regular business transactions. Separate accounts may be established if needed for special purposes such as foreign currency funds or board designated funds. The opening of a bank account in the name of *[Hospital Name]* requires Board of Directors approval.

The activity of each account should be reconciled on a monthly basis in accordance with Policy B-10 and Procedure B-10.1.

Opening a new bank account requires the following steps:

1. Requests to open a bank account from the Board of Directors will include:
2. The reason for opening the bank account (checking, savings, etc.)
3. The names of the individuals who are authorized to access the account.
4. The names of the mandated minimum of two signatories.
5. The source of income into the account
6. Any limits or restrictions on the account, such as an extra signature required if the withdrawal exceeds a certain amount.
7. When an individual whose name is on the account leaves the organization, administration will immediately remove the name from the account.
8. The adding/changing of an individual’s name to an account requires a Board of Directors action.
9. Annually, the Business Manager will present to the Board of Directors the names of all bank accounts, the purpose of the account and the names of the individual who have access to the account.

APPROVED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

DATE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_