

APPROVAL OF EXCLUSIVE BRANCH FINANCIAL INSTITUTION

A Recommendation

1. **Division and Department:** Finance and Administration and Student Affairs and Enrollment Management Divisions, Treasury Management, Controller's Office, and Oakland Center

2. **Introduction:** In an effort to maximize on-campus consumer banking opportunities, ID card functionality, and support of Oakland University (University) initiatives, proposals from Credit Union One, Fifth/Third Bank, Huntington Bank, Michigan State University Federal Credit Union (MSUFCU), and PNC Bank have been evaluated. After a careful and thorough review, analysis compared to the current branch financial institution relationship and systems, extensive interviews, and reference checks, the MSUFCU is recommended to be the University's exclusive on-campus branch financial institution.

The ten-year MSUFCU proposal includes the establishment of an "Oakland University Credit Union" branch in the Oakland Center, a minimum of four automated teller machines on campus, one-card solution for the University's ID card, the renaming of the existing Michigan State University Federal Credit Union at 3265 Five Points Drive in Auburn Hills to the "Oakland University Credit Union", programs and services designed to provide financial education to the University's faculty, staff, students and alumni, affinity card, a minimum of two interns, sponsorship of University events, a \$1 million payment upon execution of the agreement, and \$250,000 annually for ten years, with the potential for an extension of up to five years.

3. **Previous Board Action:** On March 2, 2005, the Board of Trustees (Board) authorized an exclusive seven-year lease with Credit Union One for an on-campus branch, automated teller machines, and University ID card program support.

4. **Budget Implications:** The proposal includes royalty payments of \$1,000,000 upfront and \$250,000 annually for a ten-year lease of space in the Oakland Center, for a total cash inflow of \$3,500,000.

5. **Educational Implications:** The proceeds from this agreement will be used to support Academic and Athletic initiatives.

6. **Personnel Implications:** None.

**Approval of Exclusive Branch Financial Institution
Oakland University
Board of Trustees Formal Session
June 26, 2013
Page 2**

7. **University Reviews/Approvals:** This recommendation was formulated by the Assistant Vice President for Finance, Assistant Vice President and Controller, and Director of the Oakland Center, and reviewed by the Vice President for Finance and Administration, Interim Vice President for Student Affairs and Enrollment Management, President, Board Chair and Vice Chair.

8. **Recommendation:**

RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration to negotiate and execute agreements and resolutions necessary to establish the Michigan State University Federal Credit Union as Oakland University's exclusive on-campus branch financial institution; and, be it further

RESOLVED, that all agreements and resolutions be reviewed and approved by the Office of the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and University policies and regulations, and conform to legal standards and policies of the Vice President for Legal Affairs and General Counsel.

9. **Attachments:** None

Submitted to the President
on 6/20/13, 2013 by



John W. Beaghan
Vice President for Finance and Administration
and Treasurer to the Board of Trustees



Glenn McIntosh
Interim Vice President for Student Affairs
And Enrollment Management

Recommended on 6/24, 2013
to the Board of Trustees for Approval by



Gary D. Russi
President