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**1. Purpose.** To set forth regulations and procedures for the accounting and fiscal control of agency accounts.

**2. Definitions.** For the purpose of these regulations the following definitions apply:

**2.1 “Advisor”** means the faculty member or administrator, who is at least a .75 FTE Employee, responsible for approving all agency account expenditures of a Student Organization.

**2.2 “Agency Accounts”** means a segregated account within the Agency Fund for depositing an organization’s funds.

**2.3 “Cash, Money, Funds”** all mean coins, paper currency, checks, money orders, debit and credit card authorizations, and certificates of deposit.

**2.4 “Organizations”** means University-related organizations such as, but not limited to, registered Student Organizations, Employee organizations, and third parties who deposit funds with the University for various purposes.

**2.5 “Responsible Department”** means the Department designated on the application for agency account.

### **3. General**

**3.1 Banner Fund.** Agency accounts are recorded in Banner fund 800000. To help classify agency accounts by type, six categories have been established:

- Non-student organizations (Banner accounts 290xxx);
- 3<sup>rd</sup> party deposits (291xxx);
- Student Organizations – Law School (292xxx);
- Student Organizations – Greeks and honoraries (293xxx);
- Student Organizations – other (294xxx); and,
- Temporary class accounts (295xxx).

**3.2 Use of Funds Restriction.** Funds deposited in agency accounts shall be used only for activities consistent with or in support of the University’s mission.

**3.2.1 Failure to follow this rule may result in the University closing the account.** The balance in the account will be returned to the organization when the account is closed. Any deficit in the account shall be reimbursed by the organization and/or the responsible Department.

**3.3 Administrative Fee.** The University reserves the right to charge a fee for administration of any or all agency accounts.

**3.3.1 The appropriate individual(s) shall be notified before the charge** is made to the account.

**3.4 Alternate Funding Requirement.** An alternate source of University funding is required for all agency accounts. Should an agency account become overdrawn, the deficit shall be reimbursed from one or more of the following sources, listed in priority order:

- Deposits from organization dues, student government allocations, fundraising activities;
- Deposits from special contributions made by organization members;
- Transfers from a University special contribution or other restricted fund, the restrictions on which allow such a transfer; and,
- Charges to the responsible Department's General Fund budget.

**3.5 Approval Requirement.** Approval is required by authorized officers for all transactions chargeable to an organization's agency account. The advisor's signature is also required when it is a Student Organization account. Financial commitments made by a member without appropriate approval are the member's personal obligation.

**3.6 Bank Account Restriction.** No University-related organizations eligible to establish an agency account shall utilize outside bank accounts. This maintains appropriate integrity and accountability for the organization's funds.

**3.6.1 All deposits shall be processed through** the Business Office, Morgan Hall, Room 205.

**3.6.2 All disbursements shall be processed through** Accounts Payable.

**3.6.3 Revocation of registered Student Organization status** may occur if an outside bank account is utilized.

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#### **4. Establishing an Agency Account—Registered Student Organizations.**

**4.1 Application Form and Procedure.** Registered Student Organizations apply for an agency account by submitting a completed “Application for Agency Account – Registered Student Organization” form. The form is available on the Finance Office website.

**4.1.1 The organization submits the completed form** to the office of Student Activities and Greek Life. By signing, the officers and advisor:

- Acknowledge acceptance of the financial responsibilities of the organization and the responsible Department; and,
- Authorize the University to close the agency account under certain circumstances (See Section 12 below).

**4.1.2 The Director of Student Activities and Greek Life** or designee shall:

- Determine if the Student Organization is registered;
- Approve or deny the application as appropriate;
- If approved, forward the application to the Controller/Director of Accounting; and,
- If denied, communicate the reason to the applicant.

**4.1.3 The Controller/Director of Accounting shall:**

- Review the application and approve or deny as appropriate;
- If approved, direct the account be established and the organization officers and advisor be notified of the Banner account code; and,
- If denied, communicate the reason to the applicant.

**4.2 Application Re-submission.** When deficiencies identified on the application may be and are remedied, the organization may re-submit the application.

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## **5. Establishing an Agency Account—Other Organizations.**

**5.1 Application Form and Procedure.** Other organizations apply for an agency account by submitting a completed “Application for Agency Account—Other Organization” form. A copy of this form is available on the Finance Office website.

**5.1.1 The organization submits the completed form** to the applicable Vice President or Major Academic Unit Dean. By signing, the Employee:

- Acknowledges acceptance of the financial responsibilities of the organization, the Employee, and the responsible Department; and,
- Authorizes the University to close the agency account under certain circumstances (See Section 12 below).

**5.1.2 The Vice President or Major Academic Unit Dean shall:**

- Review the application to determine if approval is appropriate;
- If appropriate, approve, sign, and forward the form to the Controller/Director of Accounting; and,
- If denied, communicate the reason to the applicant.

**5.1.3 The Controller/Director of Accounting shall:**

- Review the application and approve or disapprove;
- If approved, direct the account be established and the responsible Employee be notified of the Banner account code; and,
- If denied, communicate the reason to the applicant.

**5.2 Application Re-submission.** When deficiencies identified on the application may be and are remedied, the organization may re-submit the application.

## **6. Establishing an Agency Account—Third Parties**

**6.1 Third Party Examples.** Third parties include, but are not limited to:

- Individuals depositing funds to be used as tuition for a Student; and,
- Groups of individuals depositing funds for a specific University-related purpose.

**6.2 Application Form and Procedure.** Third parties apply for an agency account by:

- Submitting a completed “Application for Agency Account–Other Organization” form; or,
- Sending a memorandum to the Controller/Director of Accounting containing the same information as the application form.

**6.2.1 The requester shall also provide** information about the purpose of the account.

**6.2.2 The Controller/Director of Accounting shall review** the information and determine the appropriate method of accounting for the funds. The Controller/Director may approve or deny, and if denied may determine a restricted fund account is more appropriate than an agency account.

**6.2.3 The Controller/Director of Accounting shall, when appropriate, consult with the Financial Aid office regarding** compliance with Title IV.

## **7. Signature Authorization.**

**7.1 Signature Authorization Card.** Organizations are required to ensure a current completed “Signature Authorization Card” is on file in the Accounts Payable office to identify individuals authorized to:

- Make account withdrawals; and,
- Make changes to other organizational information on file such as, but not limited to, the advisor, and responsible Department.

**7.1.1 The card shall be updated when** the organization’s authorized signers change.

**7.1.2 Two authorized signers are required,** three are recommended.

**7.1.3 The advisor is required to be** an authorized signer for Student Organizations.

**7.1.4 The Controller/Director of Accounting recommends** at least two organization officers be authorized signers.

**7.2 Special Authorization Requirement.** Any disbursements payable to or on behalf of an authorized signer must be approved by another authorized signer.

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**8. Fundraising Activities.** Fundraising activities are normally subject to collection of sales tax. Activities subject to sales tax include, but are not limited to, car washes, merchandise sales, and ticket sales.

**8.1 The appropriate officer of the organization shall contact and consult with** the Director of Business Services and the Controller/Director of Accounting well in advance of a fundraising activity. Topics shall include, but not necessarily be limited to:

- Obtaining permission to conduct retail sales;
- Ticket reporting;
- Scheduling facilities; and,
- Collecting and remitting sales taxes.

**9. Deposits.** Regardless of the source, funds shall be deposited in the Business Office as required by the cash collections regulations contained in this manual. (See Subject L. Cash Collections and Cash Funds.)

**10. Tax Identification Number Restriction.** No organization may utilize the University's tax identification number for any purpose without prior consent of the Controller/Director of Accounting.

**11. Purchasing Transactions.** Organizations are required to follow all purchasing and reimbursement policies and regulations contained in this manual. (See Subject R. Purchasing and Financial Obligations and Subject J. Travel.)

**11.1 Tax Payment Requirement.** The University's exemption from paying sales tax does not apply to organizations with agency accounts. Unless the organization itself qualifies for tax exemption, it must pay sales tax on purchases.

**11.2 Purchasing Commitments Responsibility.** An organization is responsible for payment of all its financial obligations. An organization's merchant or credit account shall be in the name of the organization, not in the University's name.

**11.3 Payment for Services Rendered.** Organizations may pay individuals or entities for services rendered. These payments may not be processed through the University's payroll system.

**11.3.1 The use of IRS Form 1099 may be required for payment to service providers.** Contact the Controller/Director of Accounting when payments are expected to exceed \$600 in a calendar year.

**11.3.2 No Employee shall be compensated** from an agency account for services performed within the scope of the individual's responsibility as an Employee.



**11.4 Employing Speakers and Performers.** Contact the Directors of Purchasing and of Accounting before final scheduling and financial arrangements are made with speakers or performers.

**11.4.1 The Director of Purchasing shall review** any applicable contracts or agreements.

**11.4.2 The Controller/Director of Accounting will determine the procedure for** making payment. The organization shall submit supporting documentation and payment voucher to Accounts Payable. If the speaker or performer:

- Is an individual, obtain the Social Security number and include it with the supporting documentation;
- Is an un-incorporated entity, obtain the Social Security number or tax identification number; or,
- Is a corporation, obtain adequate documentation from the entity about its corporate status and tax identification number.

## **12. Records and Reporting.**

**12.1 Records.** The Finance Office shall maintain records of transactions in agency accounts. However, each organization is also responsible for maintaining detailed accounting records.

**12.2 Reporting.** After the end of each month, the Finance Office shall send a statement of account (Banner report FGRGLTA) to the organization. Any questions or corrections relating to the monthly statement of account should be addressed to the Finance Office.

**13. Closing an Agency Account.** The three circumstances under which an account would be closed are:

- There is no continuing need for the account;
- The organization transfers the money in the account to the University. The transfer request shall be approved by at least two of the organization's officers; and for Student Organization accounts, one approval shall be that of the advisor; and,
- The account is dormant for 18 months or more. An account is dormant when no transactions have occurred for 18 months and the Finance Office has not been informed by the account holder to keep it open. The account balance will be transferred to the University as income and the account will be closed.

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