



AGENCY FUNDS

Policy

Responsible Executive: Vice President of
Administration and Finance

Responsible Office: Financial Services

Originally Issued:

Revised:

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I. Policy Statement

University of Louisiana at Lafayette's policy on Agency Funds governs the process for the establishment, management, and use of agency funds.

II. Purpose of Policy

The purpose of this policy is to define agency fund accounts and to outline the procedures for establishing, managing, and accounting for agency funds.

III. Applicability

This policy is applicable to all departments, staff, faculty, and student organizations who wish to establish an agency fund account at the University.

IV. Definitions

- ✦ **Agency Funds:** funds held by the University acting as a custodian or fiscal agent for a student organization or faculty / staff organization.
- ✦ **Agency Fund Account:** the University account agency funds are held in, account number beginning with 08xx.
- ✦ **Organization:** the student or faculty / staff group whose funds are accounted for in the agency fund account.

- ✦ **Advisor:** the individual, normally a University faculty or staff member, designated to guide the student organization with the general administration of the organization
- ✦ **General Restricted Account:** a University account where department funds are held in, account number beginning with Gxxx. These funds are University funds, therefore are public funds and are subject to the University and State policy and procedures concerning the deposit and disbursement of those funds.

V. Policy Procedure

1. General Information

- a. Agency funds are funds held by the University acting as a custodian; the University of Louisiana at Lafayette is temporarily holding these funds and has no claim to them. The funds are deposited with the University for safekeeping, to be expended or withdrawn by the depositor at will. These funds may be held on behalf of student organizations and faculty / staff organizations.
- b. Agency fund accounts typically involve only the receipt and remittance of funds. These funds are not part of the University; thus revenues, expenses, gains, and losses are not included in the financial statements; only the assets and liabilities are reported.
- c. The ongoing process of evaluating agency fund accounts must be in place to ensure the accuracy of the University's accounting and reporting of agency funds.
- d. Agency funds are comprised of dues, fees, and registrations assessed to the members of the organization or group and donations or revenues from fund-raising activities conducted by the students / members of the organization or group.
- e. The organization / group must have elected officers (i.e. President, Treasurer, etc.) who are **solely** responsible for the receipt, deposit, and expenditure of those funds.
 - ✦ According to the Louisiana Attorney General's Opinion 94-167, in order for the University to not be liable or responsible for funds generated by the student organization, the faculty / staff advisor (or any University employee) must not exercise control over the funds of the student organization.
 - ✦ **The faculty / staff advisor is strictly prohibited from depositing any funds and signing any checks for or on behalf of the student organization.**
 - ✦ The organization / group is required to have at least two individuals listed on the account. These individuals will have access to the account to make deposits, withdraw funds, or make changes to the account.
- f. The approval and establishment of a University Agency Fund Account does not:
 - ✦ Place the Organization under the University's tax-exempt umbrella; student organizations must obtain their own tax id number and tax-exempt status.
 - ✦ Make the University liable or responsible for any of the Organization's debts, liabilities, or actions.

- ✦ Allow the Organization the right to use the University’s name, logo, or trade and service marks (see examples below):

NOT ALLOWABLE

University of Louisiana at Lafayette Admin
and Finance Club

ULL Human Resources Coffee Club / Fund

University of Louisiana Alpha Omega

ALLOWABLE

Administration and Finance Club

Human Resources Coffee Club / Fund

Alpha Omega, University of Louisiana at
Lafayette Chapter

- ✦ Continue indefinitely; organizations must comply and adhere to all University policies as well as applicable laws and regulations; the University has the right to close an agency fund account at its discretion after providing reasonable notice to the Organization.

2. Request and Approval to Establish a University Agency Fund Account

- In order to request a Student Organization Agency Fund Account with the University, the student organization / group and their Advisor must complete the “Student Organization Fund Request,” obtain the required approval signatures, and submit it to the Office of Student Affairs for approval. If approved, the Office of Student Affairs will submit it to the Comptroller’s Office for final approval and the agency fund account will be assigned an account number (08xx), which will be used by the Organization when depositing / withdrawing funds.

- ✦ The “Student Organization Fund Request” form is available on the Office of Financial Services website: <http://financialservices.louisiana.edu/> or by contacting the Funds Handling Compliance Accountant at angie.smith@louisiana.edu or 337-482-1395.

- If any of the following conditions are met upon establishing an account for the student organization, the funds are considered University funds and a general restricted account will be set up (account beginning with Gxxx). The organization will be subject to University and State policy and procedures concerning the deposit and disbursement of those funds.

- ✦ Any account in which a University faculty / staff member is designated as an authorized signer on behalf of the student organization.
- ✦ Any account in which the University’s name is used, *University of Louisiana at Lafayette xxx Club*.
- ✦ Any account in which the University’s tax identification number is used.
- ✦ Any account in which the funds are comprised of fund-raising activities on be-half of the University of Louisiana at Lafayette.

3. Agency Fund Deposits and Account Balances

- University funds (public funds) must never be deposited into an agency fund account.
- Agency funds are subject to Federal and State laws.
- These fund accounts will not earn interest nor be assessed administrative fees, except for directly related bank charges (i.e. a check deposited with insufficient funds).
- Agency fund accounts are subject to review by the University’s Office of Administration and Finance, Comptroller’s Office, Internal Audit, and Louisiana Legislative Auditors Office.

- e. Agency fund accounts must always have a positive cash balance. If the account has a negative cash balance, the organization will be assessed a fee equivalent to the returned check fee charged by the University's Departmental Cashiers and the account will be closed.
- f. Agency fund accounts with no activity within a one (1) year period will be closed and the funds will be returned to the organization or to the University's general fund.

4. Disbursement / Withdrawal of Funds from an Agency Fund Account

- a. Disbursement / withdrawal requests will not be processed against an agency fund account with a negative cash position. According to the Louisiana Constitution, Article 7, Section 14(A), public funds shall not be loaned, pledged, or donated to or for any person, association, or corporation, public, or private.
- b. In order to withdraw funds from an agency fund account, the organization / group must complete an "Agency Fund Withdrawal Request" in its entirety, obtain all required signatures, and submit it to the Departmental Cashiers located in Martin Hall, Room #117.
 - ✦ Organizations / groups must allow at least ten (10) business days for checking processing.

5. Changes to an Agency Fund Account

- a. In order to make changes (account name (organization / group name), advisor change, officer change, authorized signers, etc.) or to close an existing agency fund account, written approval from the Office of the Comptroller must be obtained. An "Agency Fund Change Request" must be obtained, completed and returned to the Funds Handling Compliance Accountant.

6. Additional Information

- a. Additional information and forms can be obtained from the Office of Financial Services website: <http://financialservices.louisiana.edu/>

VI. Enforcement

This policy is enforced by the Office of Administration and Finance and the Office of Student Affairs.

VII. Policy Management

Upon adoption, (the Office of Operational Review or Administration and Finance) shall be responsible for the management of this Policy which shall include maintaining the original policy document in an official repository, disseminating this Policy, and posting this Policy on the Official University Policy Website.

VIII. Exclusions

N/A