

## Accounting Procedure for Agency Funds (Fund Type 81)

**AGENCY FUNDS** - Agency funds are used to account for the assets held by the university as an agent for individuals, private organizations, and other affiliates. Agency funds are purely custodial in nature, as Fiduciary Funds. G.A.A.P. Definition

**FIDUCIARY FUNDS** - Fiduciary funds are used to account for assets held by the university in a trustee capacity, or as an agent for others and that cannot be used to support the university's own programs. G.A.A.P. Definition

### OVERVIEW

By definition, agency funds account for resources held by the University as custodian or fiscal agent for faculty, staff members, and academic organizations. See examples of agency funds below:

- Faculty professional organizations - for professors with official positions within a professional organization.
- Fraternities & Sororities –for purchases of goods and services for fraternities & sororities.
- Other Affiliated Institutions - for independent organizations, Clubs, usually on campus, that are closely connected to the University such as alumni, and student publishing.

### HOW TO REQUEST A NEW AGENCY PROJECT

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A New Fund Request Form, must be completed by Campus Organization and forwarded to General Accounting for approval and signatures. This form must be accompanied by Agency Fund Request form, completed by either the Advisor/President/Treasurer, and signed by Director of Student Activities, an official letter from Office of Campus Organization and acknowledgement of training certificate. The activity must meet agency fund criteria for approval and set up.

#### ***Criteria for Approval of Agency Consistent with agency funds definition***

- Record deposits **only** to account code 2913 Deposits Held for Clubs
- Record disbursements **only** to account code 2913 Deposits Held for Clubs
- **Do not** record Deposits or Disbursements to Revenue or Expense accounts
- **No overdrafts allowed**
- Accounting will inactivate Fund Code when notified of deficit balances
- Accounting will reinstate Fund Code only to record deposits to cover deficit balances

***Agency Fund Management*** – The manager is responsible for reconciling the Fund and maintaining approval criteria. Accounting reviews agency funds on a quarterly basis for debit liabilities balances (these represent overdrafts of available funds). Managers of the fund in an overdraft position will be contacted by Accounting. **If Accounting is not notified within 5 working days by managers of plans to correct the deficit balance, the fund code will be inactivated.**

### **Create Agency Fund Code 8XXX**

- 1) Forward documents to General Accounting to complete New Fund Code Request
- 2) General Accounting creates new fund code in Banner 1-2 days.
  - a. Credit (liability 2913) account in agency fund code (86XX) Deposits
  - b. Debit (liability 2913) account in agency fund code (86XX) Disbursements
- 3) Request Access to Fund Code, if restricted, from System Administrator
- 4) Prepare H-Documents voucher for deposits to Club (Agency) Fund in Student Accounting
- 5) Prepare LC voucher for Student Accounting to process and forward to A/P for disbursements check.