



## Policy # 52003

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### AGENCY ACCOUNTS

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**Effective Date:** June 19, 2009

**Reviewed Date:** March 15 2022

**Responsible Office:** Controller's Office

**Division:** Finance

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#### I. PURPOSE/OBJECTIVE

To regulate the process of applying for and utilizing an agency account to not only protect the organization, but the university as well.

#### II. STATEMENT OF POLICY

Agency funds account for resources held by institutions as custodians or fiscal agents for students, faculty, staff members and organizations. The policies set forth employ some generally accepted accounting principles that allow for the safekeeping of funds and seek to reduce the occurrences of misuse. Organizations that choose to hold their funds in a university account will be held to the same accounting standards as university regulated funds. Grambling State University will be referred to as "the university" from this point forward. Members of faculty and staff or student organizations wishing to open an agency account should adhere to the following:

- A. An application and signature form must be submitted to the Controller's Office.
- B. The Controller's Office will review the application form and signature card for completeness. Approval of the establishment of an account will be based on the following criteria:
  1. The stated purpose or activity of the organization, as indicated on the application form, must have a direct relationship to the university's education, research or public service programs, and must benefit the faculty, staff, and students.
  2. An officer or director of the faculty/staff organization must be a faculty or staff member of the university.
- C. Student organizations are not required to have an agency account.
- D. Faculty/Staff account holders must renew their account information at the start of each fiscal year using the Account Acknowledgement Form.
- E. All student organizations must renew their account information each semester using the Agency Account Acknowledgement Form. The Spring Semester deadline is March 15<sup>th</sup> and the Fall Semester deadline is October 15<sup>th</sup>.
- F. All forms necessary for the establishment and use of an agency account will be made available via the university website, the Controller's Office, and the Student Organizations Council Office.

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- G. The approval and establishment of an agency account does not:
    - 1. Automatically entitle the organization to the use of all university services.
    - 2. Place the organization under the university's tax exempt umbrella. Each organization is liable for their own taxes and reporting of gifts and donations made to their organization.
    - 3. Make the university liable for any of the organization's actions.
    - 4. Grant the organization the right to use the university's payroll system.
  - H. All organizations and their officers are responsible for any financial obligations incurred by the organizations and for any overdraft in their university account. All other authorized expenditures will be processed, unless prohibited by law or applicable university regulations.
  - I. The university will not be obligated to process authorized expenditures if there are not sufficient funds in the student organization's account.
  - J. Accounts that are funded through student tuition payments or other state regulated payments should reside in a single account, not to be co-mingled with funds received from other sources (i.e. charitable donations, fundraising events, etc.)

### **III. AGENCY ACCOUNT ACTIVITY GUIDELINES**

Agency account activity includes but is not limited to account inquiries, the distribution of funds, deposits, and changes to account information.

#### **A. Account Inquiries**

- 1. Account inquiries include but are not limited to, current balance statements, detailed transaction summaries, and copies of approved documents. Inquiries will be accepted from an authorized signer via email, postal mail, or by visiting the Controller's Office and presenting a picture identification card.
- 2. Account inquiries will not be accepted over the phone.
- 3. Individuals requesting account information must present the account name and account code.

#### **B. Distribution of Funds**

- 1. Funds can only be distributed from an account via Purchase Requisition or Funds Transfer Request. (See Agency Accounts – Procedures).
- 2. All funds are issued in the form of a check. Cash may not be withdrawn directly from an account.
- 3. Any requests for funds must be submitted to the Controller's Office at least seven business days prior to their due date to allow for processing. The Controller's Office will only deviate from the set check request schedule for one of the following:
  - i. If the Controller's Office has been at-fault in the check request process causing an organization to miss a deadline; or
  - ii. In extreme emergency situations (to be determined by the Controller).

C. Deposits

1. The Controller's Office will not accept deposits on behalf of an agency account.
2. Deposits must be made at the cashier's window located in Long Jones Hall.

D. Changes to Account Information

1. Account holders must submit a new Account Acknowledgment Form if any information should change. This may include but is not limited to, a change in officers, new contact information, additional signers, etc.
2. Account activity (i.e. inquiries, purchases, etc.) will not be permitted without a current Account Acknowledgement Form on file with the Controller's Office.

- E. At the request of an authorized signer, account holders may receive a monthly activity statement via email (see Agency Accounts – Procedures).

**IV. ACCOUNT HOLDS, ACCOUNT TERMINATION, AND REINSTATEMENT**

Agency accounts may be terminated or placed on hold for any of the reasons that follow. A.

Accounts that have not had activity that includes a deposit or expenditure in the last three fiscal years shall be terminated.

- B. Accounts that do not have a current Account Acknowledgement Form on file will be placed on hold.

- C. Any account experiencing an overdraft, will be terminated immediately. A financial hold will be placed on the account of the current officers of the organization for the insufficient amount. This hold will take effect immediately following the occurrence of the overdraft and remain in effect until the amount is paid. Any organization with an overdraft in effect will not be allowed to open new accounts.

1. Student Organizations

- i. If the overdraft remains unpaid, the hold will remain in effect for future registrations
- ii. Organizations with overdrawn amounts in effect for more than one academic semester will not be allowed to open future accounts.

2. Faculty/Staff Organizations

- i. If the overdraft remains unpaid for more than 30 days, the overdrawn amount will be deducted from the account officer's payroll check.
- ii. Organizations with overdrawn amounts that remain unpaid for more than 30 days will not be allowed to open future accounts.

- iii. Should the authorized signers on an account end their employment with the university and a current Account Acknowledgement form is not on file, that account shall be terminated.

D. Accounts may be reinstated using the appropriate form, which is made available to all parties (see II.A.6. of this document).

**V. CLOSING AN ACCOUNT**

To close an unneeded account, an authorized signer on the account must send a written request to the Controller's Office. An authorized signer must sign this request. To have any remaining balance refunded, attach a Purchase Requisition to the request.

**VI. REVISION/REVISED HISTORY**