Agency Funds

Original Implementation: January 20, 1998
Last Revision: July 26, 2016

Agency funds are held by the university as custodian or fiscal agent for the benefit of institutionally associated groups or entities that support or enhance the mission of the university. The money is deposited with the university for safekeeping, to be used or withdrawn by the agency fund's authorized representatives at will. All agency funds must be related to the mission of the university. There should be a mutual benefit in having the university act as fiscal agent for the funds. The university, at its sole discretion, will determine whether or not to establish an agency fund or to terminate an existing agency fund.

Examples of agency funds include:

- Employee, student or alumni organizations or clubs sanctioned by the university
- Conferences offered by an outside organization and administered by the university
- Scholarships and loans where the recipients are chosen by an external agency and the funding is given to the university to distribute

The university reserves the right to commingle agency funds with university funds, which may be deposited in financial institutions approved by the Board of Regents as university depositories. Agency funds will not earn interest or be assessed administrative fees, except for identifiable bank charges directly related to a specific agency fund. If an agency fund is overspent, a penalty may be assessed by the controller's office. See below. Agency funds deposited in financial institutions will be managed at the same level of safekeeping as university funds. Should authorized representatives of an agency fund wish to conduct an independent audit, they may do so by obtaining their own auditor at their own expense.

The agency fund and its authorized representatives must adhere to applicable federal, state and local laws. Agency funds are subject to review by university and state officials as well as anyone legally authorized to do so.

Agency Fund Establishment and Disbursements

A request to establish an agency fund is made using procedural guidelines in the controller's office. Receipts deposited to agency funds are not considered tax-deductible gifts to the university.

Disbursements from an agency fund are guided by procedures established by and published on the controller's website.

Negative Balances in Agency Fund Prohibited

Agency funds established for the benefit of non-university entities are not permitted to carry negative balances. Therefore, the university may assess a $25 institutional fine each month an agency fund has a negative balance. Requests for a disbursement from an agency fund will not be processed if the agency fund has a negative balance.

Transfers

Transfers between agency funds and other fund groups are prohibited. Agency funds may be assessed charges from another fund through an interdepartmental transfer provided the agency account representatives agree to the assessed charges.

Dormant Agency Funds

Agency funds that have not had any activity in three years will be closed after efforts to contact the agency account representatives have been made. In instances where there is a legitimate claim to an outstanding balance of the agency fund after it has been closed, the agency fund's authorized representative should contact the controller's office to have the university reinstate those funds back into the agency fund and release it to the appropriate representative.

Cross References: Establishing a New Departmental Account: Fund – Organization – Program (FOP) (3.12); Purchase Voucher (17.20)

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Controller

Forms: Establishing a New Departmental Account (Fund-Org-Program) for Non-Grant Accounts; Purchase Voucher; Request for Disbursement from an Agency Fund

Board Committee Assignment: Finance and Audit