

CASH-HANDLING PROCEDURES FOR SFA STUDENT ORGANIZATIONS

Definitions: An external bank account is an account serviced by a private bank and not SFA.

All student organizations must comply with the Student Organization Formation and Recognition Policy (F-14) and the provisions in it regarding bank accounts.

It is recommended that each organization maintaining an external account with any type of financial institution conform to the following provisions:

1. Register the name and account number of external bank accounts with the Office of Student Activities.
2. Obtain and maintain a taxpayer identification number for the organization.
3. Ensure that the name on the bank account and check stock does not contain Stephen F. Austin State University, SFASU, SFA or other variation that would imply Stephen F. Austin State University has any control over the bank account.
4. For non-tax-exempt organizations using an external bank account, establish only a single demand-deposit (i.e., checking) account.
5. For tax-exempt organizations, limit external bank accounts to two demand-deposit (i.e., checking) accounts at a single financial institution, one exclusively for membership dues transactions, if appropriate; the second for receipt of gifts and non-membership related transactions. Savings, money market or equivalent accounts in the same institution are permissible so long as: (a) the principal is not put at risk (e.g., an account must be insured); and (b) the funds are not invested for a fixed duration that would interfere with meeting the transfer requirements.
6. Donated funds to organizations with external bank accounts must be processed by the University or the SFASU Foundation according to the provisions of the donor and in accordance with the University Gift Reporting Policy (C-15).
7. Maintain a written record of authorized check signers. Such authorizations should be approved by the organization and the support groups governing board (if any); any changes to the list of authorized signers should be made on a timely basis. At no time should an SFA employee be listed as a signer.
8. Bank statements should be sent by the bank to an identified individual who is not an authorized check signer or who does not prepare checks for signature, and who is responsible for promptly reconciling the account each month.
9. Assure that the monthly bank reconciliation is reviewed on a timely basis by an individual who accepts ultimate responsibility for the organization's funds.
10. Establish written cash receipting and depositing procedures.
11. Require two signatures on all checks .
12. Insure that any debit cards provided by the bank are in the name of the organization and not an individual. When debit cards are issued, establish procedures to insure that the person making the charges does not reconcile the bank statement.