



Trusteed Funds

Purpose

This policy describes the processes for establishing and administering trustee funds held by Stephen F. Austin State University (SFA).

Persons Affected

Authorized representatives of institutionally associated groups or entities sanctioned by SFA, as well as SFA employees who are responsible for the management or safekeeping of funds and bank accounts, are affected by this policy.

Definition

Trusteed funds: Funds held by SFA as custodian or fiscal agent for the benefit of institutionally associated groups or entities that support or enhance the mission of the university.

Policy

Trusteed funds are deposited with the university for safekeeping and can be used or withdrawn by the trustee fund's authorized representatives at will. All trustee 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 a trustee fund or to terminate an existing trustee fund.

Examples of trustee funds include but are not limited to:

- 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 trustee funds with university funds, which may be deposited in financial institutions as approved in accordance with The University of Texas System (UTS) Board of Regents' *Rules and Regulations* and UTS policies. Trustee funds will not receive allocated interest nor be assessed administrative fees, except for identifiable bank charges directly related to a specific trustee fund. Trustee funds deposited in financial institutions will be managed at the same level of safekeeping as university funds. Should authorized representatives of an trustee fund wish to conduct an independent audit, they may do so by obtaining their own auditor at their own expense.

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

Procedures



A. Trusteed Fund Establishment and Disbursements

A request to establish a trusteed fund is made using procedural guidelines established by the office of financial reporting. Receipts deposited to trusteed funds are not considered gifts to the university.

Disbursements from a trusteed fund are guided by procedures established by and published on the office of financial reporting website.

B. Negative Balances in Trusteed Fund Prohibited

Trusteed funds are not permitted to carry negative balances. Therefore, the university may assess an institutional fine each month a trusteed fund has a negative balance. Requests for a disbursement from a trusteed fund will not be processed if the trusteed fund has a negative balance.

C. Transfers

Transfers between trusteed funds and other fund groups are prohibited. Trusteed funds may be assessed charges from another fund through an interdepartmental transfer provided the trusteed account representatives agree to the assessed charges and sufficient funds are available in the account.

D. Dormant Trusteed Funds

Trusteed 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 trusteed fund after it has been closed, the trusteed fund's authorized representative should contact the office of financial reporting to have the university reinstate those funds into the trusteed fund and release it to the appropriate representative.

Related Statues or Regulations, Rules, Policies, or Standards

Regents' *Rules and Regulations*, Rule 10501, Delegation to Act on Behalf of the Board

UTS 167 Banking Services Policy

SFA HOP 05-201 Direct Pay Disbursements

Responsible Executive

Vice President for Finance and Administration

Forms



Request to Establish an Agency Account
Purchase Voucher
Request for Disbursement from an Agency Fund

Revision History

September 1, 2023 (original)