POLICY STATEMENT

Most agency funds held by the University are owned by various student clubs, the Associated Students of USF (ASUSF), and other organizations affiliated with the University. The University generally has little or no discretion over the use of agency funds, which are disbursed in accordance with the specific instructions of the fund owners. Although the University is not the owner of the funds, the purpose and use of the funds must be consistent with the mission of the University and applicable University policies governing allowable expenditures and disbursements.

Departments sponsoring student clubs may establish more restrictive procedures than those included in this Policy.

REASON FOR POLICY

This Policy establishes the standards for the acceptance and administration of agency funds received by the University, in accordance with Generally Accepted Accounting Principles and related Accounting Standards Codification statements.

WHO SHOULD READ THIS POLICY
Any employee who is responsible for the administration of agency funds; the members of the Leadership Team, as well as supervisors and Business Managers who supervise an employee with such responsibilities.

POLICY TEXT

An agency fund may be established for a student club, organization, or activity that generates its own revenue from memberships, student fees, or other income. An agency fund may also be established for a non-student organization or activity associated with the University such as a professional conference where the University is acting as the fiscal agent for an external entity, e.g., the Association of Jesuit Colleges and Universities.

The use of an agency fund has the advantage of providing a student club or other entity with University banking, accounting, disbursement, purchasing, and gift acceptance services at no cost to the organization. Before a student club or similar student organization may apply for an agency fund, it should be registered with the Office of Student Leadership and Engagement (SLE). Clubs not registered with SLE, however, may still apply for an agency fund if approved by the Business Manager of the department sponsoring the club.

The following principles shall govern the establishment of an agency fund by the Office of Accounting and Business Services (ABS):

- Disbursements of agency funds must be consistent with the mission of the University and in accordance with applicable University policies and procedures.
- An agency fund may not incur a deficit at the end of the fiscal year unless the sponsoring department agrees in advance to fund the deficit.
- An agency fund does not earn interest income and the University does not charge a fee for maintaining the fund.
- Any University salaries paid from an agency fund are subject to normal departmental assessments for employee benefits and payroll taxes and the withholding of employee income and employment taxes.
- If a student employee is paid from an agency fund, the wages are subject to the requirements set forth in the Student Employment Policy.
- The owner of an agency fund is prohibited from using the University’s name, logo, or any trademarks without prior written approval.
- An organization with an agency fund may not use the University’s federal or state employer identification numbers (EINs) for any purpose, unless approved in advance by the Director of Internal Audit and Tax Compliance.
- Charitable contributions of cash and checks solicited by a student club must be forwarded immediately to the Office of Development. See Gift Acceptance Policy.
- Student clubs are prohibited from opening a bank account using the University’s name or EIN for the deposit or disbursement of club funds.
- A student club may request that SLE or its sponsoring department obtain a University Purchasing Card for use by the department on behalf of the club. A purchasing card shall not be issued directly to a club member.
• Accounts payable disbursements made with agency funds are subject to the University’s normal processing deadlines for making such payments.
• If a student club is disbanded, the disbursement of any unexpended fund balance will require approval by the Business Manager of the sponsoring department.
• Permissible transactions associated with professional conference and continuing education activities include collection of registration fees and payment of related expenses such as facilities rental, hotel, travel, honoraria for outside speakers, and similar expenses.

Agency funds are not reported in the University’s financial statements except to recognize assets and liabilities associated with the funds.

PROCEDURES

Authorization
Assignment of Agency Fund Numbers
Deposit of Student Funds
Disbursement of Student Funds
Accounting for Agency Funds
Violations

RELATED INFORMATION

<table>
<thead>
<tr>
<th>Type</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>USF</td>
<td>Department Cash Handling Policy</td>
</tr>
<tr>
<td>USF</td>
<td>Gift Acceptance Policy</td>
</tr>
<tr>
<td>USF</td>
<td>Student Employment Policy</td>
</tr>
<tr>
<td>USF</td>
<td>Purchasing Card Policy</td>
</tr>
</tbody>
</table>

DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Fund</td>
<td>A fund established by the University to account for resources belonging to other parties. The University acts as a custodian, and resources are expended pursuant to the instructions of the fund owner. Because agency funds are held by the University in a fiduciary capacity, no University income or expense is recognized in connection with such funds. Only assets and liabilities are recorded in the accounting system.</td>
</tr>
<tr>
<td>Business Manager</td>
<td>A University employee designated by the President, Vice President, Vice Provost, or Dean who is the financial manager for the</td>
</tr>
</tbody>
</table>

3
University account(s) being used for the expense. This may include the President, Vice Presidents, Vice Provosts, or Deans.

Concur

The University's on-line system for payment requests, expense reimbursements, cash advance requests, and reporting.

**FOAPAL (or FOAP)**

The acronym representing each element of the University’s chart of accounts, i.e., Fund, Organization, Account, Program, Activity, and Location.

Sponsoring Department

The University department responsible for sponsoring the establishment of an agency fund requested by a student entity or other organization affiliated with the University. The department is the liaison between the entity and the University and is responsible for resolving any deficits related to the agency fund.

Student Club

A student organization established to promote a specific interest or activity such as academic, service, cultural, Greek, and similar activities whose stated purpose is consistent with the University's mission and values. SLE registers all student clubs and serves as the sponsoring department for their agency funds.

---

**ADDITIONAL CONTACTS**

<table>
<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Phone</th>
<th>Email/URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC</td>
<td>Desmond Dair</td>
<td>415.422.6732</td>
<td><a href="mailto:ddair@usfca.edu">ddair@usfca.edu</a></td>
</tr>
<tr>
<td>Assignment of New Funds</td>
<td>Ivy Efendioglu</td>
<td>415.422.2731</td>
<td><a href="mailto:ivy@usfca.edu">ivy@usfca.edu</a></td>
</tr>
<tr>
<td>Development Office</td>
<td>vacant</td>
<td>415.422.2552</td>
<td></td>
</tr>
<tr>
<td>Disbursement Services</td>
<td>Dennis Miller</td>
<td>415.422.2102</td>
<td><a href="mailto:millerd@usfca.edu">millerd@usfca.edu</a></td>
</tr>
<tr>
<td>Payment Requests</td>
<td>Disbursement Services</td>
<td>415.422.2387</td>
<td><a href="mailto:ap@usfca.edu">ap@usfca.edu</a></td>
</tr>
<tr>
<td>Purchasing Card</td>
<td>Disbursement Services</td>
<td>415.422.2102</td>
<td><a href="mailto:pcard@usfca.edu">pcard@usfca.edu</a></td>
</tr>
<tr>
<td>University Cashier</td>
<td>vacant</td>
<td>415.422.2579</td>
<td></td>
</tr>
<tr>
<td>SLE</td>
<td>Marci Nunez</td>
<td>415.422.7256</td>
<td><a href="mailto:manunez@usfca.edu">manunez@usfca.edu</a></td>
</tr>
<tr>
<td>Tax Compliance</td>
<td>Dominic Daher</td>
<td>415.422.5124</td>
<td><a href="mailto:dldaher@usfca.edu">dldaher@usfca.edu</a></td>
</tr>
</tbody>
</table>

**FORMS**

<table>
<thead>
<tr>
<th>Form</th>
<th>Use</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Student Club Fund Request</td>
<td>Used to establish an agency fund for a student club.</td>
<td>ABS</td>
</tr>
</tbody>
</table>
New Fund Request

Used to establish an agency fund for a non-student organization.

RESPONSIBILITIES

Student Club

- Requests that SLE or sponsoring department establish agency fund on behalf of club.
- Coordinates with its Business Manager regarding the deposit and disbursement of club funds, in accordance with this Policy and related University policies.
- Delivers charitable contributions of cash and checks immediately to the Development Office for processing.
- Reviews monthly transactions recorded in the University's accounting system for accuracy and completeness.

Sponsoring Department/Business Manager

- Approves New Student Club Fund Request or New Fund Request forms for submission to ABS.
- Identifies any restrictions applicable to source of funds.
- Records receipts of agency funds on the DDR for delivery to the University Cashier.
- Facilitates disbursements of agency funds using the most appropriate payment method.
- Makes accounting information regarding receipts and disbursements of agency fund transactions available to the fund owner on a monthly basis.

Office of Accounting and Business Services

- Ensures agency funds are established in accordance with this Policy.
- Assigns Fund Codes, as appropriate, in response to New Student Club Fund Request or New Fund Request forms approved by Business Manager.
- Processes DDRs delivered by sponsoring department to the University Cashier.
- Ensures that all expenditures are made in accordance with applicable University policies.
- Records agency fund transactions in the accounting system and ensures that any fund deficits are charged to the sponsoring department.

Office of Development

- Ensures that gifts of cash or checks received by student club are properly recorded and acknowledged, in accordance with the Gift Acceptance Policy.

President, Presidents, Vice Provosts, and Deans

- Ensures that employees within his or her division are in compliance with this Policy.

FREQUENTLY ASKED QUESTIONS

(N/A)
REVISION HISTORY

- 08/25/2106 - Revised to clarify that an agency fund may be established to record the income and expenses of professional conferences administered by the University on behalf of an external entity.
- 06/21/2016 - First publication of Policy.

APPENDICES

(N/A)
AUTHORIZATION
The establishment of an agency fund requires prior written approval from the Office of Accounting and Business Services (ABS). In order to request an agency fund for a student club or similar organization, SLE or the sponsoring department must submit a New Student Club Fund Request form to ABS. Business Managers should use the New Fund Request form to request ABS approval of an agency fund for a non-student organization.

ASSIGNMENT OF AGENCY FUND NUMBERS
All agency funds approved by ABS should be assigned a new a 9-series Fund Code, including funds held by the University for professional conferences. This number will be used to record the entity’s funds deposited with the University and the disbursement of those funds.

DEPOSITS OF AGENCY FUNDS
All cash and checks, except for donations, collected by a student club with an agency fund should be delivered promptly to the Business Manager (or his or her designee) of the department sponsoring the club. The sponsoring department will then deliver the funds to the University Cashier with a completed Departmental Deposit Record (DDR), in accordance with the procedures contained in the Department Cash Handling Policy.

Donations of cash and checks received by a student club must be forwarded immediately to the Development Office, which will record and acknowledge the donations. Gifts of checks must be made payable to the “University of San Francisco.” See Gift Acceptance Policy.

DISBURSEMENTS OF AGENCY FUNDS
Disbursements of agency funds held by a student club must be coordinated with SLE or the Business Manager of the department sponsoring the club. In general, the following methods of payment are available for making such disbursements:

- **Purchasing Card** – A student club may request that SLE or its sponsoring department obtain a Purchasing Card for use by SLE or the department on behalf of the club. If a Purchasing Card is approved, SLE or the department holding the card remains responsible for reconciling all Purchasing Card charges made through the Concur system. See Purchasing Card Policy.

- **Payment Request** – A student club may request that SLE or its sponsoring department initiate a Payment Request through the Concur system. A payment will be issued on behalf of the club within 10 business days after Disbursement Services receives a properly approved Payment Request.

- **Purchase Order** - The Purchase Order process may also be used to initiate purchases, payments, and take full advantage of discounted pricing offered by the University's preferred vendors. To initiate a Purchase Order, a student club must request that SLE or its sponsoring department submit a Purchase Requisition to Purchasing Services. Whenever possible, small
orders of similar items should be grouped together to help reduce the costs of negotiating and placing orders, and associated overhead cost.

Out-of-Pocket Reimbursements

A student who incurs out-of-pocket expenses in conducting club business may request reimbursement from the club’s sponsoring department. The sponsoring department will then initiate a non-employee Payment Request through the Concur system in order to reimburse the student. See Department Cash Handling Policy.

ACCOUNTING FOR AGENCY FUNDS
Information regarding receipts and disbursements of agency funds recorded in the University’s accounting system is made available to the fund owners by the sponsoring department. Sponsoring departments should provide this information to their student clubs on a monthly basis for review.

VIOLATIONS
A violation of any portion of this Policy may result in the closure of an agency fund and loss of associated banking and accounting services provided by ABS. In addition, an employee found to be in violation of this Policy may be subject to disciplinary action, up to and including termination of employment and/or legal action.