

Agency Accounts

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Purpose

Agency accounts consist of those funds held in trust by the Associated Students, Incorporated on behalf of approved campus clubs, organizations, and activities. These monies are not under the budgetary nor programmatic control of the Associated Students, Incorporated. For the most part, agency accounts represent funds held on behalf of approved student organizations. The purpose of ASI's policy on agency accounting is to avoid exposing the corporation to financial risks concerning the accountability over agency account funds and other agency property.

Policy Statement

It is the policy of the Associated Students, Incorporated to utilize agency accounts to account for funds held in trust on behalf of approved campus clubs, organizations, and activities. All such funds shall be reflected on ASI's Statement of Financial Position as a liability account called "Fund Held for Others." ASI shall exercise no budgetary or programmatic control over the use of funds held in agency accounts, and therefore shall assume no liability for activities funded through the use of these funds.

Who Should Know This Policy

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> Budget Area Administrators | <input checked="" type="checkbox"/> Elected/Appointed Officers | <input checked="" type="checkbox"/> Grant Recipients |
| <input type="checkbox"/> Management Personnel | <input checked="" type="checkbox"/> Program Advisors | <input type="checkbox"/> Staff |
| <input type="checkbox"/> Supervisors | <input type="checkbox"/> Volunteers | |

Definitions

For purposes of this policy, the terms used are defined as follows:

| Term | Definition |
|-------------------------|---|
| Agency account | Money held by ASI in a trustee capacity for campus clubs and organizations. The money therein is raised by groups through fund raising activities not included as part of an ASI grant. Purchases and activities financed through agency accounts are not under the budgetary nor programmatic control of the ASI; nonetheless, the ASI does have a fiduciary obligation. |
| Associated Student Fees | The mandatory student body membership fees collected by the university on behalf of the Associated Students |
| Fund held for others | A balance sheet entry reflecting the total amount of funds held in trust by ASI for campus clubs and organizations. |
| Hold harmless | To absolve ASI from any responsibility for damage or other liability arising from the use of funds held in an agency account |
| Inactive account | An agency account for which there have been no transactions for one fiscal year |
| Indemnify | To reimburse ASI for losses suffered because of an organization's acts or default in connection with use of funds held in an agency account. |

Regulations

1.0 Agreement for Agency Accounting Services

All agency accounts must have on file with the ASI Business Office and renew annually a completed "Application and Agreement for Agency Accounting Services". This agreement shall set forth the services provided and compensation due for the maintenance of Agency Accounts, as

well as establish the limitations of the Associated Students, Incorporated liability for activities sponsored through the use of these funds. The establishment of agency accounts on behalf of university administrative and academic units shall be subject to the approval of the Division of Student Services.

Accounting services shall be provided in a manner consistent with the ASI policies and procedures, the CSU Trustees Manual of Policy and Procedure for Auxiliary Organizations, California Code of Regulations Title V, the Education Code and all applicable State, Trustees, University, and generally accepted accounting principles.

1.1 Signature Authority

All ASI agency accounts must have a minimum of one organization representative and one advisor authorized to sign on each account. There shall be a maximum of two organization representatives authorized on each account.

All student signatories on student organization accounts must be concurrently enrolled in classes at CSULB and a registered officer listed on the group's Organization Registration Card issued through the Office of Student Life and Development. The organization's Student Life and Development advisor shall serve as the approving signatory on the account.

1.2 Schedule of Charges

Accounts may be charged for services at a rate approved by the Board of Control and Senate.

2.0 Deposits to Agency Accounts

Deposits to agency accounts shall be made at the ASI Business Office Service Counter during posted operating hours. The ASI Business Office will issue a cash receipt to the organization upon deposit of funds.

2.1 Donations and Contributions

Solicitation, acceptance, and deposit of donations and contributions over \$500 are governed by university administrative procedures. The solicitation and acceptance of such gifts by all university entities must be coordinated with the Division of University Development. The deposit of all cash gifts of \$3,000 or more must be initially made to the 49er Foundation. Funds will be subsequently transferred to the ASI Business Office and posted to the organization's agency account.

2.2 Revenues Generated through Use of Associated Student Fees

All revenues generated by activities supported either in full or in part by the use of Associated Student fees must be deposited to and administered by the ASI Business Office. If the revenue represents realization of a budgetary commitment, the funds shall be deposited to an ASI budget account. Otherwise, all deposits shall be made to an organization's agency account.

2.3 Revenues Generated Independently of ASI Support

In accordance with CSU system-wide policy, all revenues generated independently of ASI support by student organizations must be deposited and administered on campus in either an ASI agency account or a CSULB Foundation account.

2.4 Associated Student Fees

At no time shall ASI fees be transferred to an agency account. At no time shall revenues generated as fulfillment of a budgetary commitment be transferred to an agency account, unless it can be demonstrated that the deposit was made in error to the ASI account. Determination will be made based on the source of funds deposited.

3.0 Use of Agency Funds

3.1 Use of Cash Contribution Revenue

Cash contribution revenue shall be used in a manner consistent with the intent and restrictions placed on the contribution by the donor. The Division of University Development shall advise the ASI Development Office of any such restrictions. The ASI Business Office shall be responsible for assuring compliance with the donor's intent and restrictions.

3.2 Use of Other Generated Revenue

All other revenue for which restrictions have not been indicated shall be treated by the Business Office as agency funds. By this definition, such funds shall not under the budgetary and programmatic control of the ASI and may be used for purposes otherwise prohibited by ASI policy, provided they are not otherwise prohibited by university or system-wide policy.

3.3 Prohibited Use of Agency Funds

Agency funds may not be used to open or maintain off-campus or other unauthorized bank accounts. Accordingly, checks drawn on an agency account will never be made payable to the organization or any of its officers. However, a check may be made payable to an officer if the payment represents a reimbursement for legitimate and documented organization expenses.

4.0 Purchasing

Due to the fiduciary nature of the agency accounting relationship, the methods employed for the expenditure of funds from an ASI Agency account shall be the same as those utilized for the expenditure of ASI funds (refer to ASI's Policy on Procurement). The documentation necessary for disbursement of agency funds shall be consistent with these procedures with the exception of competitive bidding requirements. Competitive bidding requirements shall not be applicable to agency accounts unless otherwise required by the organization establishing the account.

4.1 Purchasing Restrictions

Except as otherwise prohibited by university policy, the purchasing provisions of ASI's Policy on Student Organization Grants shall not be applicable to agency accounts.

4.2 Over Expenditure of Agency Accounts

The ASI Business Office shall not process any requests for expenditure on an agency account at the point of depletion of funds. Any expenditure which causes an agency account to become overdrawn will constitute a financial obligation due the Associated Students, Incorporated. ASI shall initiate standard collection procedures against the authorized signatories on the agency account until such time as the overdraft is corrected.

5.0 Survey of Inactive Accounts

If for one fiscal year there are no transactions on an agency account, the balance in the agency account will be transferred to a suspense account. Notification of impending transfers will be issued to the last known authorized signatories of the agency account one month prior to the transfer. Failure to respond to the notice will result in the transfer.

Funds will be held in the suspense account for a period not to exceed two years, after which they will be transferred to the Agency Account for Student Life and Development – Student Organization Support.

6.0 Tax Status of Agency Account Holders

The acceptance and performance of an agency accounting agreement does not express the conference of tax exempt status upon the organization creating the account.

7.0 Liability for Activities Funded from Agency Accounts

To the extent that the Associated Students, Incorporated has no budgetary and programmatic control over the use of funds held in agency accounts, the organization creating the account:

- 1) Shall indemnify and hold harmless the Associated Students, Incorporated, its officers, agents and employees from any and all losses, costs, damages of any nature or description whatsoever, accruing or resulting to the organization in connection with any and all activities sponsored in part or in whole through the use of funds held by the ASI
- 2) Indemnify and hold harmless the Associated Students, Incorporated, its officers, agents, and employees from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damages by the organization, its officers, agents, and employees in the performance of any and all activities sponsored in part or in whole through the use of funds held with the ASI.

8.0 Closure of Agency Accounts

Agency accounts may be closed and agreements terminated upon delivery of written notice thereof. ASI will remit the account balance within seven business days. Remittance of agency account balances will be made by check payable to the CSULB Research Foundation, 49er Foundation, or California State University, Long Beach. This is to ensure that the funds are not deposited to an unauthorized bank account.

Forms

The following forms are to be used in the execution of this policy.

| Form Name | Purpose | Responsible Office | Approved By | Timeline for Submission |
|--|--|---------------------|---|---|
| Application and Agreement for Agency Accounting Services | To establish and agency account with the ASI Business Office and indicate acceptance of the term and conditions of agency account services | ASI Business Office | ASI Director of Administrative Services | Submit at least 72 hours before initial deposit to account and renew annually |