

## POLICY STATEMENT

Agency funds may be established for outside activities that support or enhance the mission of the University and where there is mutual benefit in the University acting as fiscal agent for the principal. The University has little or no discretion over the use of the resources. The activities must directly or indirectly provide services or benefits to the University's students.

## REASON FOR POLICY

This Policy established the standards for the acceptance of agency funds received by the University, in accordance with Generally Accepted Accounting Principles.

## Policy Text

An agency fund may be established for a student club, organization, or activity that generates its own revenue from memberships, student fees, and other income. Membership dues or student fees cannot be ATU mandated. The use of an agency fund has the advantage of providing a student club or other entity with University banking, accounting, disbursing, purchasing, and gift acceptance services at no cost to the organization.

The following principles shall govern the establishment of an agency fund by the Office of Accounting:

- Disbursements of agency funds must be consistent with the mission of the University and in accordance with the 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.
- 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 Controller's office.
- Student clubs are prohibited from opening a bank account using the University's name or EIN for the deposit or disbursement of club funds.
- Accounts payable disbursements made with agency funds are subject to the University's normal processing deadlines for making such payments.
- The University does not exercise any direct fiscal control over the use of the funds in agency accounts; such control remains with the sponsoring entity.
- The student run organization is expected to expend the funds within three months of receipting the funds into their agency account.
- The student run organization must remain in good standing with campus life.
- The organization must have their paperwork annually updated with the current elected officers noted.
- Inactive balances should not be carried forward indefinitely. All accounts that have been dormant for one year will be transferred into the University Student Senate budget.

### Agency Fund Purchasing Policy

This policy provides guidance and an operating framework for the University to serve as fiscal agent for an associated organization. Agency funds are not Arkansas Tech University funds and cannot be used for University purchases or salaries and benefits.

There are several purposes for which these funds are NOT to be used, including:

- Any activity that puts students or the community at risk or in danger
- Any activity that is offensive to the community
- Damages to a house/venue being used
- Items that become a part of the University's infrastructure