

Agency Fund Procedures

I. Procedure Statement

Centenary College's procedure on Agency Funds governs the process for the establishment, management, and use of agency funds.

II. Purpose of Procedure

The purpose of this procedure is to define agency fund accounts and to outline the procedures for establishing, managing, and accounting for agency funds.

III. Applicability

This procedure is applicable to all departments, staff, faculty, and student organizations who wish to establish an agency fund account at the College.

IV. Definitions

Agency Funds: funds held by the College acting as a custodian or fiscal agent for a student organization or faculty / staff organization.

Agency Fund Account: the College account agency funds are held in fund numbers beginning with 8.

Organization: the student or faculty / staff group whose funds are accounted for in the agency fund account.

Advisor: the individual, normally a College faculty or staff member, designated to guide the student organization with the general administration of the organization

V. Procedure

1. General Information

- a. Agency funds are funds held by the College acting as a custodian; Centenary College is temporarily holding these funds and has no claim to them. The funds are deposited with the College for safekeeping, to be expended or withdrawn by the depositor at will. These funds may be held on behalf of student organizations and faculty / staff organizations.
- b. Agency fund accounts typically involve only the receipt and remittance of funds. These funds are not part of the College; thus revenues, expenses,

gains, and losses are not included in the financial statements; only the assets and liabilities are reported.

- c. The ongoing process of evaluating agency fund accounts must be in place to ensure the accuracy of the College's accounting and reporting of agency funds.
- d. Agency funds are comprised of dues, fees, and registrations assessed to the members of the organization or group and donations or revenues from fund-raising activities conducted by the students / members of the organization or group.
- e. The organization / group is solely responsible for these funds. In accordance with Louisiana Attorney General Opinion Number 94-167, May 10, 1994, it is the opinion of the Attorney General that the issue of whether the College would be liable or responsible for funds generated by student groups depends upon the control exercised over said funds by the faculty or staff advisor. If the advisor is responsible and/or has any control over the receipt, deposit and/or expenditure of said funds, the College could be held responsible for an accounting thereof. As such, the funds should be deposited in an agency account. However, if the student organization, through its duly appointed and/or elected officers (e.g., treasurer) is solely responsible for the receipt, deposit and/or expenditure of its funds, it is unlikely that the University would incur any responsibility for same.
- f. The approval and establishment of a College Agency Fund Account does not:

Make the College liable or responsible for any of the Organization's debts, liabilities, or actions.

Continue indefinitely; organizations must comply and adhere to all College policies as well as applicable laws and regulations; the College has the right to close an agency fund account at its discretion after providing reasonable notice to the Organization.

Automatically entitle the organization to the use of any College services, other than the normal administration of funds as it relates to cash receipt and disbursement services.

2. Request and Approval to Establish a College Agency Fund Account

- a. In order to request a Student Organization Agency Fund Account with the College, the student organization / group and their Advisor must complete the “Agency Fund Request “ form, obtain the required approval signatures, and submit it to the Office of Student Development for approval. If approved, the Office of Student Development will submit it to the Office of the Vice President of Finance and Administration for final approval and the agency fund will be assigned a fund number by the Controller, which will be used by the Organization when depositing / withdrawing funds.

The “Agency Fund Request” form is available on the College’s website: www.centenary.edu/ or by contacting Senior Accountant Alan Davidson in the Business office at adavidson@centenary.edu.

- b. The organization will be subject to College and State procedure and procedures concerning the deposit and disbursement of funds.

3. Agency Fund Deposits and Account Balances

- a. College funds (public funds) must never be deposited into an agency fund account.
- b. Agency funds are subject to Federal and State laws.
- c. These fund accounts will not earn interest nor be assessed administrative fees.
- d. Agency fund accounts are subject to review by the College’s Business Office.
- e. Agency fund accounts should maintain a positive balance.
- f. Agency fund accounts with no activity within a two (2) year period will be closed and the funds will be transferred to other student organizations.

4. Disbursement / Withdrawal of Funds from an Agency Fund Account

- a. Disbursement / withdrawal requests will not be processed against an agency fund account with a negative balance. If an agency fund has a deficit at the end of the fiscal year, a campus department (faculty/staff advisor department) will cover the deficit balance at the end of the fiscal year.
- b. In order to withdraw funds from an agency fund account, the organization / group must complete an “Accounts Payable Check Request”, obtain all

required signatures(organization's advisor, president, and/or treasurer), and submit it to Accounts Payable located in the Business Office.

Organizations / groups must allow at least ten (10) business days for check processing.

5. Changes to an Agency Fund Account

- a. In order to make changes (account name, organization / group name, advisor change, authorized approvers, etc.) or to close an existing agency fund account, a revised "Agency Fund Request" form must be completed..