

Texas A&M University-San Antonio

21.01.07.00.01 Agency Funds

Approved: May 29, 2012

Revised: May, 2014

Revised: March, 2016

Next Scheduled Review: March, 2021

Procedure Statement

This establishes the Procedures that Texas A&M University-San Antonio (A&M-San Antonio) will follow regarding agency funds.

Reason for Procedure

This Procedure provides guidance and an operating framework for the University to serve as fiscal agent for certain affiliated organizations and other entities as allowable by Texas A&M University System (System) Policy or Regulation. This Procedure is required to ensure understanding of the requirements relating to agency funds.

Official Procedure

1. TYPES OF ENTITIES OR EVENTS

1.1 A&M-San Antonio may accept deposits of agency funds from the following types of entities or events:

- 1.1.1 Student, faculty, staff, alumni, support and other affiliated organizations recognized by the University.
- 1.1.2 College work-study funds for external employers.
- 1.1.3 Professional organizations in which the member is a participant.
- 1.1.4 Organizations headquartered on the campus.
- 1.1.5 Conferences or events with the approval of the University President or designee.

1.2 A&M-San Antonio may agree to accept deposits from the above noted entities after

satisfactorily considering all of the following:

- 1.2.1 The purpose for the agency agreement must relate to activities dedicated to the mutual achievement of educational, research and public service goals;
- 1.2.2 For affiliated organizations seeking an agency account, the affiliated organizations must be recognized by the University as provided in University Rules and Procedures and be in compliance with such Rules and Procedures;
- 1.2.3 The goals are consistent with and supportive of the mission of the University;
- 1.2.4 The agreement is in the best interest of the University taking into consideration its fiscal, human resource, risk management, facilities management, budget, tax, legal, and treasury implications;
- 1.2.5 The establishment of an agency fund account is appropriate according to the accounting principles involved; and
- 1.2.6 Depending on the nature and extent of the services provided, the University may require a legal agreement governing the agency relationship.

2. APPLICATION AND AGREEMENT

- 2.1 The entity requesting establishment of an agency account will complete and submit the Application for Establishment of Agency Account form.
 - 2.1.1 This application must be filled out in its entirety, including any applicable signatures, in order to be considered for approval.
 - 2.1.2 In the case of student organizations, this will include the signature of the AVP for Student Engagement and Success or designee.
 - 2.1.3 By submitting a signed application, the entity agrees to reimburse A&M-San Antonio for any fees incurred from the holding of these funds.
 - 2.1.4 Additionally, the entity agrees that A&M-San Antonio may retain 100% of any interest earnings from invested agency funds, in lieu of being charged an administrative fee for this service.
 - 2.1.5 The University has sole discretion in denying an unaffiliated organization's application for any reason.

2.2 Upon approval of the application, the University agrees to hold funds for the entity in a separate account on the University's books and in the name of the entity. The entity will retain all rights to the deposited funds. Additionally, the University agrees to disburse funds from the agency account to the affiliated organization, or outside entity, according to University Rules, Procedures, and Guidelines for payment processing.

3. INTERNAL CONTROLS

3.1 A&M-San Antonio maintains internal controls for processing and custody of agency funds. Separate agency fund accounts are established for each depositor or organization detailing all transactions.

4. REIMBURSEMENTS

4.1 With the agreement of the depositor, A&M-San Antonio may be reimbursed for any expenses, including treasury fees incurred from the holding of these funds. A&M-San Antonio may retain interest earnings from invested agency funds per the terms of the agreement.

5. PAYMENTS

5.1 The funds shall be payable upon demand of the depositor unless otherwise agreed upon in writing by TAMU-SA and the depositor. The depositor may not withdraw funds in excess of the deposit balance.

6. SPECIAL RIGHTS OR PRIVILEGES

6.1 The deposit of agency funds does not entitle the depositor to special rights or privileges. For example, approval and establishment of an agency account does not:

6.1.1 Automatically entitle the entity to the use of any University services or facilities.

6.1.2 Entitle the entity to special credit rights or special recognition due to its affiliation with the University.

6.1.3 Place the entity under the University's tax-exempt umbrella.

6.1.4 Make the University liable for any of the entity's debts, liabilities or actions.

6.1.5 Grant the entity the right to use the University's payroll system.

6.1.6 Grant the entity the right to use the University's name, federal identification number,

logo or trade and service marks.

6.1.7 Continue indefinitely. Agency status is contingent on adherence to all University policies and contractual agreements, as well as applicable laws. The University, furthermore, has the right to close an agency account at its discretion consistent with contractual agreements between the entity and the University, and after providing reasonable notice to the entity.

7. REPORTING AND ACCOUNTING

7.1 Deposits made into the established agency account must be processed in the Student Business Services office. The name and account number must be provided to the cashier when the deposit is made. The entity must keep track of its own revenues and expenses aside from the University's accounting management system. As a measure of security, these two separate units should be able to reconcile entries as needed, and/or required. Expenses should not exceed revenues at any point in time.

7.2 When expenses are incurred, the original invoices must be approved and attached to a Business Expense Form and forwarded to the Accounting Services department in a timely manner. The form must be approved by the appropriate number of approved signers. In the case of student organizations, the AVP for Student Engagement and Success will need to authorize.

7.3 If the vendor or payee is new to the University's accounting management system, then a W-9 Form must be obtained, completed and submitted. If the vendor prefers direct deposit, a Vendor Direct Deposit Authorization Form must also be submitted. Direct Deposit Authorization forms are available from the Accounting Services department. A voided check must be included when submitting the completed form. Alternatively, the form can be taken to the vendor's financial institution to complete and certify Section 3 of the form. The completed form can be mailed to the address provided at the bottom portion of the form, faxed directly to Accounting Services at (210) 784-2056, emailed to accountspayable@tamusa.edu or delivered personally to the Accounting Services department.

7.4 The requestor must verify that all goods have been received, and that the amounts and quantities of items purchased or services rendered are accurately reflected on the invoice before submitting to Accounting Services.

7.4.1 The University is not responsible for any verification of goods or services provided or rendered to the student organization by the vendor.

- 7.4.2 Additionally, the University is not responsible for maintaining any agreements or contracts between the requesting entity and the vendor.
- 7.4.3 Requesting entity must maintain and track all revenues and expenses directly connected to their account. The entity may verify balances through Accounting Services at any time. Balances will only be given to the official representatives that are on file.
- 7.4.4 The requesting entity must keep copies of any type of documentation that is submitted to Accounting Services.
- 7.4.5 Accounting Services will issue payment that includes payment of state taxes already included on the invoice unless the organization provides a non-tax exemption status certificate.
- 7.5 If a University student is to be reimbursed for any type of expenses incurred on behalf of a student organization, the same vendor guidelines apply.
- 7.5.1 As a reminder, a W-9 Form must be in place and the student must have an active social security number in order for Accounting Services to issue payment.
- 7.5.2 All original receipts must be taped down to an 8½ x 11 sheet of paper with an explanation of expenses incurred.
- 7.5.3 The supporting documentation must be accompanied by a Business Expense Form.
- 7.6 Payment will be issued within a week of having received the completed documentation with all required approvals. The requesting entity is responsible for any type of late fees payable to any vendor that are associated with the payment of invoices or for any goods or services rendered and billed directly to the entity.
- 7.7 If at any time the names of the authorized approvers change, the entity must immediately provide the updated information (including phone numbers and email addresses of new approvers) to Accounting Services.
- 7.7.1 The Department of Student Engagement and Success is responsible for updating the information on student organizations with the University's Accounting Services department.

8. PAYROLL

8.1 A&M-San Antonio will not process payroll directly from agency funds.

Related Statutes, Policies, or Requirements

System Policy [60.01 Relationships with Affiliated Organizations](#)

System Regulation [60.01.01 Association with Affiliated Organizations](#)

System Regulation [21.01.01 Financial Accounting and Reporting](#)

System Regulation [21.01.07 Agency Funds](#)

Forms

[Application to Establish Agency Fund](#)

[Accounting Services – Business Expense Form](#)

[Vendor Direct Deposit Authorization Form](#)

[W-9 Form](#)

Contact Office

Business Affairs, Accounting Services (210) 784-2011
