Methodist University – Agency Accounts

What is an Agency Account?

Agency Accounts are those accounts established by the University for Non-University entities, such as fraternities and sororities, other student groups, faculty and staff projects, and outside organizations or activities. The activities of these entities are usually closely associated with or even related to the activities of the University, and these entities in fact directly or indirectly provide services or benefits to the University community, i.e., students, staff, and faculty. Nonetheless, the receipts and disbursements of funds coming from these entities are not reported as University income and expenditures, as these entities are not considered official units of the University. Typical Agency Accounts at the University include student-related organizations, such as fraternities and sororities, student clubs, residence hall clubs, workshops, etc.

As a registered student organization, your group is recognized by the University as an independent and separate organization from the University, and therefore Agency Accounts do not have access to the University's tax exempt status.

Student Organization/Agency funds are not University funds, but in their direct relationship to the University, are required by University policy to establish and maintain their banking activities with the Controller's Office through use of an Agency Account. The University provides basic accounting, monitoring and reporting functions for the benefit of the agency account.

Any student group that will raise money, and therefore spend money, is required to establish an Agency Account with the Controller's Office. The attached Agency Agreement is required to be updated semi-annually, in accordance with the changes that typically occur each semester with student-related groups . The Controller's Office will assign a unique Project Number to each Agency Account. This Project Number must be noted on all deposits, and all disbursements from Agency Accounts.

Deposits to Agency Accounts:

All funds raised and/or received by or for an Agency Account must be deposited in the Controller's Office. In accordance with University policy, all funds collected should be submitted as soon as possible, and any funds in excess of $100 are **required** to be deposited within 24 hours. Maintaining such funds as a change fund in a desk drawer is inappropriate. Collecting funds and disbursing straight from those funds is inappropriate. All receipts must be deposited to the Agency Account, and all disbursements must be expended from the Agency Account. Please note that loose coins must be rolled. Several agency accounts have similar names and functions. To ensure credit is applied to the proper agency account, deposits must indicate both the Project Name and Project Number.

Disbursements from Agency Accounts:

Disbursements from agency accounts are often requested by agency officers (often students) or the club's faculty/staff advisor. All disbursements should meet the approval of two club representatives (i.e. officers) and two University representatives (i.e. advisor and dean/vp). All disbursements must be supported by appropriate documentation, i.e. vendor invoices/ itemized receipts. To ensure disbursements are applied to the proper agency account, disbursement requests must indicate both the Project Name and Project Number.

Disbursement Approvals:

All disbursements should meet the approval of two club representatives (i.e. officers) and two University representatives (i.e. advisor and dean/vp). An agency purchase can require up to four levels of University approval, based on the dollar amount, and Agency Account involved. Certain Agency Accounts are "Academic", such as Accounting Clubs or Honor Socieities. Other Agency Accounts are "Non-Academic", such as residence hall clubs.

Academic Clubs require approval from the faculty/staff advisor and the Dean. If the purchase is $500 or more, the Associate V.P. for Academic Affairs is required, and if the purchase is $5,000 or more, the V.P. for Business Affairs is required.

Non-Academic Clubs require approval from the faculty/staff advisor and the respective V.P. If the purchase is $5,000 or more, the V.P. for Business Affairs is required.

Disbursement Methods:

Agency Account Officers, who are often students, are not issued P-cards, and do not have access to the MU Online Purchasing System. They may, therefore, use the Agency Disbursement Request Form to request funds for agency purchases. This form may be used to request use of a Methodist University Corporate Credit Card for purchases, or if purchases cannot be made by credit card, the form can also be used to request a check. This request form is available on the MU Business Affairs website at http://www.methodist.edu/facstaff/business_affairs.htm .

Student Credit Card Purchases – credit card purchases for student officers are limited to a maximum of $500 per request. The Agency Disbursement Request Form must be completed and fully approved prior to checking out the Card in Accounting, which is handled by Rhonda Harris, ext 7594. The card, and all itemized receipts must be returned to Accounting immediately after the purchase is made. The card is blocked after the requested charges are made to prevent further use. Requests to use the Corporate Credit Card for agency purchases over $500 must be made and purchased by the Faculty/Staff Advisor.

Student Check Purchases – requests for checks should only be made when the Corporate Credit Card cannot be used for purchases. Checks are issued on Tuesdays and Thursdays after 3:00 pm. The Agency Disbursement Request Form must be completed, fully approved, and submitted to Accounting no later than noon the day prior to Tuesday or Thursday. If funds are *advanced* to a student through a check request, supporting documentation must be turned in and any settling up of funds must be turned in no later than 10 days of the advance. Further disbursements from the Agency Account will be suspended until the required documentation is submitted.

Advisor Purchases - if the Agency Officer is unable to request funds, the faculty/staff advisor may use their University p-card. If the advisor does not have a University P-card, he may use the McNet Online Purchasing System to request a Corporate Card, Purchase Order or Check Request. (A check request is used by MU employees as a last resort only, when other methods cannot be used.) Faculty/Staff advisors are employees of the University and as such, should use the McNet System for purchases, rather than the Agency Disbursement Request Form.

Personal or Inappropriate Charges:

No personal or inappropriate charges are allowed on a University Credit Card. Upon card check-out students and staff must sign an acklnowedgement that if they make a personal or inappropriate charge, they will have to reimburse the University immediately, and will be denied further use of a University Credit Card. If they do not immediately reimburse the University for the personal or inappropriate charge, as an employee it may be deducted from their paycheck, or as a student, it may be charged to their student account.

Questions:

For questions regarding Agency Accounts, contact Rhonda Harris in the Controller's Office at extension 7594.

Methodist University Agency Account Agreement

In order to maintain current records and provide regular communication of policies and procedures regarding Agency Accounts, this agreement is issued to all Agency Account advisors each semester, in January and August, and is required to be on file in the Controller's Office for each Agency Account. This form must be complete and returned to the Controller's Office each semester prior to making requests for Agency Funds.

Agency Account Name: ____

Agency Account Project Number: ______________ (issued by Accounting after application is processed)

Is this agency funded by the University's Student Government Association (SGA) ☐ Yes ☐ No

I understand that an agency account is a separate entity from the University. <u>An agency account may not use the tax id number of the University for any purposes.</u>

Agency accounts do not have access to the University's tax exempt status. Donor contributions to agency accounts are not contributions to the University.

By establishing this Agency Account, I acknowledge that the Controller's Office will provide basic accounting functions, and that all funds will flow through the University Agency Account.

I have read, understand, and agree to abide by University Policies (as summarized on the attached page above) as they relate to the establishment, deposit, and disbursement of Agency Account funds.

Agency Officers			University Sponsors		
President	Sign	____________	MU Advisor	Sign	____________
	Print	____________		Print	____________
	Date	____________		Date	____________
V.P.	Sign	____________	MU V.P.	Sign	____________
	Print	____________		Print	____________
	Date	____________		Date	____________
Secretary	Sign	____________	SGA President	Sign	____________
	Print	____________	(if applicable)	Print	____________
	Date	____________		Date	____________
Treasurer	Sign	____________			
	Print	____________			
	Date	____________			