



FINANCES AND BANKING FOR STUDENTS ORGANIZATION/CLUB (SOC's)

Effective Date: 06/01/2013

Revised Date: 02/27/2015

Responsible Office: Controller's Office

I. Purpose/Objective

To regulate the process of applying for and utilizing a Student Organization/Club (SOC) agency bank account that protects not only the organization, but the university as well.

II. Statement of Policies

A. Student organizations/clubs (SOC's) are required by university policy to establish and maintain their banking activities with the Controller's Office through the use of an Agency Account. The University serves as an Agent for the benefit of the SOC and establishes a separate "Agency" banking account for depositing and disbursing funds owned by the individual SOC's. In addition, the Controller's office provides basic accounting, monitoring, and reporting functions for the benefit of the SOC's.

B. As a registered volunteer SOC, your group is recognized by the University as an independent and separate organization from the university and does not have access to the University's tax exempt status. Registered Student Organizations/Clubs may access certain University-controlled benefits and resources, such as facilities and Equipment. They may seek grant funding from the Student Government Association (SGA) and are accountable to the University for compliance with University policies, regulations, and rules.

C. Members of faculty, staff, or student organizations wishing to open an SOC Agency Account should adhere to the following:

1. An application for registration as a Student Organization/Club must be requested from the MU Student Involvement Center and must be submitted to that office.
2. The MU Student Involvement Center will review the application and ensure all of the required documentation is included before forwarding to the Controller's Office for creation of the account. Approval of the establishment of an account will be based on the following criteria:
 - a. The group's activities must be indirectly related to the mission of the University. Agency accounts are available for groups who are self-governed, and independent of the university.
 - b. The group must have an approved advisor who must be a faculty or professional staff member of the university.

2. Upon final approval by the Controller's Office the organization will be assigned a SOC Agency Account Project number. This number must be included on all future requests and forms.
- D. Agency accounts must update their account information each semester using the Student Organization/Club (SOC) Agreement Update Form. The Fall semester deadline is September 1st; the Spring semester deadline is February 1st. Organizations will not be eligible for SGA Grants or be able to disburse funds until the completed form is received by the MU Student Involvement Center. The primary purpose for this SOC Agency Account Agreement Form is to keep all departments apprised of any officer or advisor changes within the SOC in order to alleviate any delays with the approval process or funding of grants.
 - E. All forms necessary for the establishment and use of an agency account will be made available via the university website, the Student Involvement Center, and the Controller's Office.
 - F. The approval and establishment of an agency account **does not**:
 1. Place the organization under the university's tax exempt umbrella. Each organization is responsible for the preparation and filing of the IRS Form 990/990N (if applicable), or any other required forms.
 2. Make the university liable for unauthorized actions of the organizations.
 - G. SOC accounts may receive gifts from donors. However, not all gifts are tax-deductible. For a gift to be considered tax-deductible, it must be given to the University for the purpose of fulfilling its mission, rather than for the University to distribute to a specific beneficiary, association or student organization. Gifts made for specific individuals or associations, using the University as a conduit, are *not* considered charitable contributions to Methodist University, but belong to the individual or association, and are merely held by the University on behalf of the individual or association in an Agency Fund. The University cannot acknowledge such gifts as charitable contributions to the University. Agency Fund income and expenses are the responsibility of the individuals/groups, and are not income and expenses of the University.
 - H. All organizations are responsible for any financial obligations incurred by the organization and for any overdraft in their university account. In the event an account becomes overdrawn, any future requests for disbursements from the account will be denied until the overdraft is corrected. All other expenditures will be processed, unless prohibited by law or any applicable university regulation.

III. Agency Account Activity Guidelines

Agency account activity includes but is not limited to account inquiries, the distribution of funds, deposits, and changes to account information.

A. Account Inquiries

1. All organization advisors have access to agency account information via the MU Portal. Student officers should make any balance inquiries directly to their advisors.
2. In the rare instance that the advisor is not available, an organization officer may inquire in person in the Controller's office. This individual must be listed on the most current Agency Account Agreement Form and have the club name and project code.

B. Distribution of Funds

1. Disbursements from SOC agency accounts must be requested by a group officer or the organization's faculty/staff advisor. All disbursements must meet the approval of two club representatives (i.e. officers) and two University representatives (i.e. advisor and dean/VP).
2. To ensure disbursements are applied to the proper agency account, disbursement requests must indicate both the SOC Name and Project number.
3. The approval process requirements are as follows:
 - a. Academic Clubs – Approval is required from the faculty/staff advisor and the Dean. If the purchase is \$3,000.00 or more, the VP for Academic Affairs approval is also required. Purchases of \$5,000 or more require the additional approval of the VP for Business Affairs.
 - b. Non-Academic Clubs – Approval is required from the faculty/staff advisor and the respective VP. If the purchase is \$5,000 or more, the VP for Business Affairs must approve the request as well.
4. The disbursement methods available to SOC's through their agency accounts include:
 - a. Advisor Purchases – Advisors are permitted to use their university P-cards to make purchases. However, if the advisor does not have a university P-card, they must use the MU Net Online Purchasing System to request a Corporate Card or Check Request. A check request is used by MU employees only as a last resort, when other methods cannot be used.
 - b. Student Credit Card Purchases – Credit card purchases may be made by the SOC treasurer and are limited to a maximum of \$500.00 per request. The SOC Agency Account Disbursement Request Form must be completed and fully approved prior to checking out the card through the Corporate Card Administrator, Edna Sanchez, ext 7349. The card, and all itemized receipts must be returned to the Corporate Card Administrator 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 \$500.00 must be made and purchased by the Faculty/Staff Advisor.
 - c. Student Check Purchases – Requests for checks should only be made only when the Corporate Credit Card cannot be used for purchases. Checks are issued on Tuesdays and Thursdays after 3:00 pm. The SOC Agency Disbursement Request Form must be completed, fully approved, and submitted to the Controller's office no later than noon the day prior to Tuesday or Thursday. Receipts must be submitted no later than ten (10) days after a check has been issued. If funds are advanced to a student through a check request, supporting documentation as well as any remaining funds must be submitted no later than ten (10) days following the advance. Further disbursements from the Account will be suspended until the required documentation is submitted.

C. Deposits

1. In accordance with University policy, all funds collected should be submitted as soon as possible, and any funds in excess of \$100.00 are required to be deposited within 24 hours. Maintaining such funds as change funds in a desk drawer is inappropriate. Collecting funds and disbursing straight from those funds is inappropriate. Such actions, which are in direct violation of university policy, may subject your organization/club to revocation of status as a recognized SOC.
2. All funds raised and/or received for an Agency Account must be deposited in the **Business Office**. All deposits must be accompanied by a Project Deposit Slip; these are available in the Business Office, or can be found online on the MU Website.
3. To ensure credit is applied to the proper SOC agency account, deposit slips must indicate both the SOC Name and Project Number.
4. Please note that loose coins must be rolled.

D. Changes to Account Information:

1. Organizations must submit a new Student Organization/Club (SOC) Agreement Update Form if any information should change. This may include but is not limited to, a change in officers, a change in advisors, or a change in organization name.
2. Inquiries, disbursements, or grant allocations will not be permitted without a current Student Organization/Club (SOC) Agreement Update Form.

IV. Account Terminations, Account Holds, and Grant Expirations

SOC Agency accounts may be terminated or placed on hold for any of the following reasons:

- A. Accounts with no financial activity, including deposits or disbursements during the last two fiscal years shall be inactivated. Any remaining funds will be disbursed to the approved organization requested on the initial application form. In the event an organization has not been specified, all remaining funds will revert to the SGA fund.
- B. Accounts that do not have a current Student Organization/Club (SOC) Agreement Update Form on file will be placed on hold. When placed on hold, organizations will not be able to disburse funds or receive any SGA funding.
- C. Account's that are over-drafted will be placed on hold and will be unable to disburse additional funds until the account regains a positive balance. The account is subject to termination if the overdraft remains unpaid for more than 90 days. Should the account be terminated, the organization will be required to reapply for a new agency account.
- D. At the end of each fiscal year an audit of SOC agency account balances will be conducted to ensure that SGA Grants are being fully utilized. Any organization with a balance in excess of \$25.00, with funding stemming solely from SGA Grants, will have the full balance returned to the SGA fund. SGA grant funds must be used in the year awarded. SGA grant funds may not be aggregated for spending in future years.
- E. All Agency accounts that receive SGA grants will have their expenses (including P-cards), audited monthly. This is to ensure that expenses are in line with the purpose given in their SGA grant request. Should funds be used in a manner inconsistent with the SGA guidelines

of the grant award, the account will be subject to being placed on hold, and funds may need to be reimbursed.

V. Closing an Account

To close an unused account, either the advisor or dean on record must submit a written request to the Controller’s Office. Any remaining funds will be disbursed to the organization requested on the initial application form. If a beneficiary organization is not specified, any remaining funds will revert back to the SGA fund.

I have read the policies and procedures governing the use of SOC Agency Account program and fully acknowledge my responsibility to adhere to such policies and procedures.

Club Advisor Name

Club Advisor Signature

Agency Account Name & Project Number

Date