Summary

The State University of New York (“State University”) uses agency accounts to receive, hold, and disburse funds on behalf of students, faculty, staff members, or appropriately recognized organizations. Agency accounts are to be used by a Campus-related organization for strictly pass-through activities where the revenues and expenses are reported by a non-related third party (i.e., not the State University or the Campus-related organization administering the agency account). Agency accounts exist because there is a relationship between the State University and the activity from which the funds are derived. Agency accounts are not to be used to receive, hold or disburse New York State (State) or State University funds. State University funds are derived from state appropriations, tuition and fees, and any other funds administered through the use of State University facilities, the direct activities of faculty or staff, or from departments, institutes, and programs of the State University. State University funds must be administered in an Income Fund Reimbursable (IFR) account. Furthermore, all funds intended for use by the State University from donors and funds provided by Campus-related organizations (e.g., program donations from foundations and auxiliary services corporations) shall not be deposited in, administered by, and disbursed from an agency account. Rather, these funds are administered by, and disbursed from a designated operating account of the Campus-related organization or be transferred to the campus and appropriately accounted for by the campus in a State operating fund.

Policy

A. Agency Funds

Agency funds are maintained by Campus-related organizations which have an established relationship with the State University. Agency funds are resources held by a Campus-related organization in a custodial or fiscal agent capacity for the benefit of individual students, faculty or staff members, or appropriately recognized organizations and are not funds of the Campus-related organization itself. The Campus-related organization has
a fiduciary responsibility to ensure the funds are maintained and used in accordance with the approved purpose.

Agency funds must not be maintained for any activity which involves the deposit of funds of the State or other revenue which in accordance with State Finance Law must be deposited in a State University account.

B. Campus-related Organizations

The Campus-related organizations that are authorized to administer agency accounts are:

1. The Research Foundation for The State University of New York (the “Research Foundation”)
2. Auxiliary Services Corporations / Faculty Student Associations
3. Campus-related Foundations

C. Administration of Agency Accounts

Campus-related organizations that are authorized to administer agency funds must comply with the administrative procedures outlined in the agency account guidelines. Comprehensive written policies and procedures for the administration of agency accounts should be maintained which, at a minimum, address the establishment of agency accounts; procurement and disbursement of agency funds; and agency fund cash receipt controls. Organizations should establish adequate internal controls over the cash receipt and disbursement processes to ensure all funds are adequately safeguarded, receipts are credited to the appropriate agency account, and disbursements are properly authorized and in accordance with the agency account agreement.

D. Reporting and Audit

Agency funds are included in the annual audit of the Campus-related organization conducted by an independent CPA firm. In conjunction with the issuance of the annual audited financial statements, a required supplementary schedule of agency account activity should accompany the financial statements. The supplemental schedule should reflect, at a minimum, the beginning and ending agency account liability balance and revenue and expense activity for each agency account administered by the Campus-related organization. This required supplemental schedule must be referenced in the auditors’ opinion that it is fairly presented in relation to the audited financial statements. The supplemental schedule will be subject to periodic audit by the State University Auditor to ensure adequate internal controls are in place for the administration of agency funds, and adherence to the administrative requirements outlined in the agency account guidelines. The Campus-related organization must provide reports to the campus chief administrative officer or designee, and upon request to the vice chancellor and chief financial officer or designee to help ensure compliance with these guidelines.

The books and records, financial and program activities, and operating results of the agency accounts are subject to periodic audits by the State University Auditor and, to the extent allowed by law, outside regulatory bodies.

Definitions

There are no definitions relevant to this policy.

Other Related Information

In support of this policy, the following links and/or references to additional resources for related information are
Auxiliary Services Corporations' Administrative Guidelines

Auxiliary Services Corporations Guidelines

Foundations Guidelines

Procedures

Agency Account Guidelines

Student Activity Fee Programs - Mandatory, Fiscal and Accounting Procedures for Intercollegiate Athletics, Fiscal & Accounting Procedures

Chief Administrative Officer Fund Requirements

Third Party Payment of Program Costs

Fees, Rentals, and Other Charges

Forms

NYS Department of Taxation and Finance Sales Tax Forms

Authority

Where applicable, this section contains links and/or references to the authority governing this procedure:

Internal Revenue Code exemption form taxes

Office of the University Controller Accounting Requirements.

History

This section contains links and/or references to the authority governing this policy:

In June 1987, the State University Board of Trustees authorized the Chancellor or designee to establish the following guidelines for the administration of agency funds. These guidelines shall govern those procedures for agency funds administration established by the Board of Trustees in its approval of the Auxiliary Services Corporation Guidelines.

These guidelines were subsequently amended in July 2003 to further clarify the principles and expectations the State University with respect to the management of agency accounts by Campus-related organizations.

Appendices

There are no appendices relevant to this policy.