



Procedure Title:
Agency Account Guidelines

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This procedure item applies to:
State-Operated Campuses

Category:
Financial
Related Entities

Responsible Office:
[University Controller](#)

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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.

Process

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. Application of Guidelines

To the extent that authorized Campus-related organizations act as custodial and/or fiscal agents for agency funds as described in Section A above, they must be bound to comply with these guidelines. These guidelines shall not apply to the Research Foundation in the context of its administration of the State University's funding for sponsored research and other sponsored programs pursuant to an agreement with the State University of New York in accordance with Chapter 50 of the Laws of 1977.

D. Agency Funds: Activities and Services

Appropriate Agency Funds Activities – Campus-related organizations may act as a fiscal agent for strictly pass-through activities where the revenues and expenses are properly reported by the third party organization for which the fiscal services are being provided. Examples of appropriate agency account activities are:

1. Clinical Practice Management Plans (CPMP)

Clinical practice plan activities are authorized by the collective bargaining agreements between the State and the United University Professions. The policies of the State University Board of Trustees contain a codification of the understanding reached in that agreement. Consistent with the policies, each practice plan establishes procedures for the conduct of its business. The governing board of a practice plan, at its option, may utilize any fiduciary custodian to provide banking and other financial services essential to conducting the financial affairs of the practice plan. The use of agency accounts by the governing board is an appropriate practice where the revenue and expense activity is properly reported by the CPMP.

2. Student Activity Fees

State University policy requires that these fees be turned over to a Campus-related organization to act as an independent fiscal agent to provide financial, business, and accounting services. The revenue and expense activity is properly reported in the respective student government association financial statements.

3. Other Student-related Activities (honor societies, booster clubs, student clubs, bake sales, raffles, etc.). These funds should be associated with a specific club, society or student organization.

Agency accounts are the appropriate method to account in a fiduciary capacity for such student-related activities. The revenues and expenses should be reported by the respective society, club or oversight body.

4. International/Overseas Academic Programs

An agency account can be used to administer pass-through funds received from students relating to travel, room and board, and other program fees for students studying abroad. However, any tuition payments due

to the State University for credit instruction must be deposited in the State University Income Fund. Agency accounts may be used for faculty travel abroad when the student program fee charges are used to support the faculty member's travel cost and must follow the procedures for study abroad programs outlined in SUNY Procedure 7010 *Study Abroad Programs: Financial Procedures*.

5. Conferences

Conferences are formal events sponsored by an outside organization (i.e., a third party, and not conducted by campus department personnel) that are normally of short duration, and are not offered for academic credit. Conferences may be held on campus or off (recreational center, hotel, etc.). The registration fee income for such conferences, and direct conference expenses such as hosting, honoraria for outside speakers, and travel reimbursements, are activities appropriate for handling through agency accounts. Uses of campus facilities by such conferences are subject to appropriate permit requirements and subject to campus facilities use fees that must be deposited in an IFR account. Conferences that are sponsored by the campus (i.e., conducted by campus/department personnel) must be administered through an IFR.

6. Child Care Centers

Transactions in support of childcare activities conducted by legally-separate entities operating under contract with the campus cannot be handled through State accounts. Generally, these funds should be maintained by the Child Care Center. However, in certain cases such funds, if called for by local circumstances, may be administered through an agency account.

7. Chief Administrative Officer (CAO) Fund

As outlined in SUNY Procedure 9960 *Chief Administrative Officer Fund Requirements*, each CAO Fund must be held in a corresponding campus agency account or Campus-related Foundation agency account.

Inappropriate Agency Funds Activities – The following are examples of activities or functions from which the associated revenues and expenses are not appropriately administered through agency funds:

1. Scholarship Funds for Specific Students

All third-party payments for scholarship awards designated for specific students should be handled through the campus Bursar or Student Accounts Office. Other third-party scholarship awards should normally be received and administered as endowment, special purpose, or loan funds by the Campus-related Foundation.

2. Orientation Programs

Funds received for orientation programs must be administered through an IFR account and not an agency account. Funds received for the purposes of non-student orientation related expenses (e.g., parents, siblings, and other guests) and are administered by a Campus-related organization (e.g., Auxiliary Service Corporation) may be deposited in a designated account of the Campus-related organization and properly accounted for by that organization for the designated purpose. Agency accounts should not be used unless a specific event of the orientation program is sponsored by a non-related third party and is clearly articulated as part of the orientation program.

3. Intercollegiate Athletics

Intercollegiate athletics generally receive funding from student fees. Intercollegiate athletic expenditures will be made from State appropriations and IFR accounts. Funds in support of intercollegiate athletics

from all sources (e.g., applicable student fees, gate receipts) must be deposited in an IFR account.

4. Instruction, Certificate and Continuing Education Programs

All funds related to instructional activities (e.g., courses for professionals looking to obtain a license in a particular field; maintaining certification requirements; or satisfy continuing education job requirements) must be accounted for in the Tuition Income Offset or an IFR account.

5. Program Funds Received From Campus-related Organizations

Program support represents the amount of funding that is earmarked and approved in the Campus-related foundation or Auxiliary Service Corporation annual budget by its Board and campus president to be used by the campus for its programs and activities. All funds designated by Campus-related organizations as program funds must not be deposited in, administered by, or disbursed from agency accounts. 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.

6. Course-related Consumable Supplies

Agency accounts should not be used to charge students for the provision of consumable supplies for use in credit-bearing courses. Where purchases of supplies and equipment by students for credit-bearing courses are necessary, these purchases should be made by the student at the campus store or other appropriate commercial outlet.

7. Personal Service Payments to State University Employees

Personal service payments to State University employees should not be made directly from agency accounts but should be processed instead through the appropriate State University payroll mechanisms.

8. Utilities and Rental Charges

The campus may charge Campus-related organizations and other entities for utilities and the use of the facilities. The revenue derived from these activities may not be accounted for in an agency account. Rather, it must be accounted for in an IFR account.

9. Sports Camps and Clinics

All sports camps and clinic activity sponsored by the campus using State facilities and employees should be administered through an IFR account.

10. Service Centers

State University departments that collect revenue from the sale of goods and services, such as psychological counseling services, lab services, speech and hearing clinics, and athletic training should be administered through an IFR account.

E. Administration of Agency Accounts

Campus-related organizations that are authorized to administer agency funds must comply with the following administrative procedures:

1. The Campus-related organization must develop and maintain up-to-date comprehensive written policies and procedures for the administration of agency accounts. They should address the establishment of agency accounts; procurement and disbursement of agency funds, including travel reimbursements; agency

fund cash receipt controls; investment of agency funds; and inactive accounts. Furthermore, the Campus-related organization should establish adequate internal controls over the cash receipt and disbursement processes to help safeguard the agency funds.

2. A formal application process must be used to establish any new accounts, culminating with the approval of the Campus President or designee. The application should include the name and purpose of the account, source of funds, allowable types of expenditures, and authorized signatories.
3. Upon approval of the account application, a formal agreement regarding the administration of the account must be established between the Campus-related organization (fiscal agent) and the campus faculty, staff, students or appropriately recognized organization that is requesting fiscal agent services. The agreement should, at minimum, address the following items:
 - a. Definition of services to be provided
 - b. Responsibilities of both parties
 - c. Definition of types of allowable disbursements
 - d. Authorization signatures for disbursements
 - e. Administrative/management fees and other costs
 - f. Limitations on the types of investments allowed
 - g. Interest earnings allocation, if any
 - h. Monthly reporting requirements
 - i. A process to review and/or close inactive accounts after a specified time frame
 - j. Dispute resolution process
 - k. Procedure for annual review to amend the agreement, as necessary
4. A reasonable administrative/management fee may be collected by the Campus-related organization.
5. As part of its fiduciary responsibilities, the Campus-related organization administering an agency account must develop an understanding of the objectives and purposes of the account. Further, the fiscal agent is to be more than a depository and disbursing agent for the organization who owns the agency account. They must 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. In performing these fiduciary responsibilities they should:
 - a. Provide receipts to the agency account holders upon the receipt of any funds.
 - b. Require the use of standard agency account disbursement forms that describes the purpose of the expenditure and includes the signature of an authorized account signor and a supervisor \hat{c} cannot be the same individual
 - c. Verify signatures on disbursement requests to those authorized in the agency account agreement.
 - d. Verify that the disbursement meets the intent of the agency account, from which the funds are being disbursed.
 - e. Require disbursement requests be accompanied with adequate supporting documentation, including original receipts and invoices, to allow for sound judgment when processing disbursements.
 - f. Require the signature of a designated individual in the campus finance/business office for reimbursements (e.g., travel) over a specified dollar amount (campus / Campus-related organization threshold) that are made to the authorized account signatory.
6. Monthly reports of activities should be prepared and provided to each agency account holder. These reports should be reconciled monthly by the account owner, with any discrepancies addressed in a timely manner.
7. Reconciliation of agency account balances to monthly bank statements must be performed in a timely manner and verified by an individual independent of the reconciliation process.

8. Agency funds may not be commingled with operating funds in the accounting system of the Campus-related organization. However, agency account funds may be combined or commingled for banking and investment purposes.
9. In the event agency account balances are combined, detailed accounting records must be maintained to ensure the appropriate balances associated with each agency account.
10. Agency accounts should not be used for depositing monies belonging to the State (the State has an ownership and equitable title in the funds) either as general revenues or as revenues accountable through an IFR account, nor should such monies be utilized for the purposes of the Campus-related organization.
11. For agency accounts that are inactive for longer than one year the Campus-related organization should follow-up with the account owner to determine whether the account should remain open or be closed. Accounts closed due to inactivity may be re-established by completing a new account application. Campuses may move unexpended balances to an administrative agency account or an IFR overseen by the campus business officer.

F. 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.

G. Exemptions

Exemptions from all or a part of these guidelines must be specifically approved by the vice chancellor and chief financial officer or designee.

Forms

NYS Department of Taxation and Finance Sales Tax Forms

Related Procedures

In support of this procedure, links and/or references to the following related State University Procedures are included:

[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](#)

Other Related Information

In support of this procedure, the following links and/or references to additional resources for related information are included:

[Auxiliary Services Corporations' Administrative Guidelines](#)

[Auxiliary Services Corporations Guidelines](#)

[Foundations Guidelines](#)

Authority

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

Internal Revenue Code exemption from taxes

Office of the University Controller Accounting Requirements

History

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

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 procedure.