

	<b>GA-512</b>
	<b>Agency Funds</b>
	Prepared By: General Accounting
	Approved By: Brian Laffey
	Effective Date: 09/01/2012

<p><b>Purpose</b></p> <p>The university may act as the fiscal agent for outside agencies that support or enhance the university mission and goals.</p>
<p><b>Policy</b></p> <p>The university may act as the fiscal agent for principal organizations and record the funds received as a liability. Agency funds will be established for outside activity that support or enhance the mission of the University and where there is a mutual benefit in the University acting as the fiscal agent</p>
<p><b>Definitions</b></p> <p><b><u>Agency Fund</u></b> – a fund established by the Controller’s Office to record the administration of monies for which the University acts as the fiscal agent. Agency funds are assigned to the 8 fund series in Banner.</p> <p><b><u>Funds</u></b> – cash (cash, check, electronic fund transfer), financial assets (equity or bonds) and contributions received for the student organizations.</p> <p><b><u>Agent</u></b> – for the purposes of this policy, Illinois Institute of Technology is always the agent.</p> <p><b><u>Principal Organization</u></b> – a professional or scientific organization in which faculty or staff are officers or editors; a student, external entity or employee sponsoring entity that authorizes the University to act as its agent.</p> <p><b><u>Sponsor</u></b> – University faculty or staff employee authorized by the principal to act on its behalf and assumes responsibility for the proper administration and monitoring of the agency fund.</p>
<p><b>Procedures</b></p> <ol style="list-style-type: none"> <li>I. Establishing an Agency Fund <ol style="list-style-type: none"> <li>a. Sponsor is required to submit New Fund Request to Controller’s Office</li> <li>b. New Fund Request form is required to list the Principal Organization, Funding Source, Sponsor and approval by a Vice President to establish a new agency fund.</li> <li>c. Controller’s Office will establish new agency fund in the eight fund range and deposit or transfer funding into the new funds.</li> </ol> </li> <li>II. Agency Fund Services provided by the University <ol style="list-style-type: none"> <li>a. Cash Receipt and disbursing services through the Controller’s Office</li> <li>b. Use of University Procard assigned to the Sponsor.</li> </ol> </li> </ol>

- c. Use of University facilities approved by Facilities Management.
- III. Terms and Conditions of Agency Funds
- a. Monies accepted for deposit in agency funds are not considered tax-deductible gifts to the University.
  - b. Agency funds must have a positive fund balance at all times. The Controller’s Office may enforce this provision by not processing a disbursement that will create or increase a negative fund balance.
  - c. The principal organization and sponsor must adhere to applicable federal, state and local laws.
  - d. All non-payroll disbursements require the appropriate purchasing authorization. The principal organization and sponsor is required to follow University purchasing, travel and accounts payable policies.
  - e. Sponsor may access agency fund balance utilizing Banner Self Service or AnalyticsWare Business Intelligence tool.
  - f. The agency fund is required to be closed at the completion project or activity. Any fund balance remaining will be transferred back to the principal organization or general agency fund balance for redistribution.
  - g. All compensation to faculty, staff or students must be made through the University payroll system.

**Guidelines**

Guideline intentionally left blank

**References**

GA-505 Chart of Accounts Policy:

[http://www.iit.edu/policy\\_procedures/general/ga\\_505\\_chart\\_of\\_accounts\\_policy.pdf](http://www.iit.edu/policy_procedures/general/ga_505_chart_of_accounts_policy.pdf)

Purchasing Policy:

[http://www.iit.edu/policy\\_procedures/purchasing/pur\\_200\\_overarching\\_purchasing\\_policy.pdf](http://www.iit.edu/policy_procedures/purchasing/pur_200_overarching_purchasing_policy.pdf)

Accounts Payable Processing Payments Policy:

[http://www.iit.edu/policy\\_procedures/accounts\\_payable/ap\\_101\\_processing\\_payments.pdf](http://www.iit.edu/policy_procedures/accounts_payable/ap_101_processing_payments.pdf)

**Responsibilities**

**Controller’s Office** – establishment of agency funds and processing of revenues and expense transactions, and deployment of agency fund reporting.

**Sponsor**– responsibility for the proper administration and monitoring of the agency fund.

**Required Forms**

**New Fund Request:** [http://www.iit.edu/policy\\_procedures/forms/ga\\_new\\_fund\\_request.xls](http://www.iit.edu/policy_procedures/forms/ga_new_fund_request.xls)

