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Agency, Foundation, and University Fund Management

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I. REASON FOR THIS POLICY

Financial accounts must be managed responsibly within the confines of the State of South Dakota and South Dakota Board of Regents regulations.

II. STATEMENT OF POLICY

Agency Funds

Agency funds are funds held by the University of South Dakota (USD), where USD is functioning as the custodian or fiscal agent. The money is deposited for safekeeping and can be used or withdrawn by the depositor at will, subject to USD procedures and timeframes. These funds may be held on behalf of students, faculty or staff, as long as there is some mutual benefit derived from the organization’s association with the University. A USD employee or student representative must be the responsible person on the account.

An agency fund is subject to the same procedures and regulations in place for all other USD accounts for the purpose of depositing and withdrawing funds. Expenditure of the funds will also adhere to the same procedures, but will not be restricted by state expenditure rules and limitations. Purchases made from the accounts are subject to sales tax.

Income generated by a student or faculty organization is to be deposited into an agency fund with the University whenever a university department or USD official plays a significant role in

directing the finances of the organization. If an organization receives any funding from a Student Association, other revenues generated by the organization must be in an agency account.

At no time may an agency fund be in a deficit.

Foundation Funds

Gifts or donations that are intended for the support of activities at USD or for the benefit of its programs or students must be processed through the USD Foundation. The foundation is then able to issue a gift receipt to the donor for tax purposes.

Gifts or donations may be completely discretionary or may be directed to a specific activity or event. Gifts and donations are distinguishable from grants and contracts in that they do not involve a formal agreement in which the University agrees to conduct or perform specific work, require the preparation of detailed reports or obligate the University in any way.

All other funds that are intended for the support of activities at USD, or for the benefit of programs or students and are not considered gifts or donations, must be deposited with the University unless specifically granted to the foundation.

University Funds

In general, all funds received by any individual, department or student group associated with the University from activities which can be interpreted as a University function are to be deposited with the University Business Office. A University function is one where there are indications in promotional literature or elsewhere that the University or one of its departments is the sponsor. No individual, department or student group is to establish a bank account for the deposit of these funds.

III. DEFINITIONS

AGENCY FUNDS - funds held by USD, where USD is functioning as the custodian or fiscal agent.

FOUNDATION FUNDS - gifts or donations that are intended for the support of activities at USD, or for the benefit of its programs or students, and must be processed through the USD Foundation.

GIFT OR DONATION – The act of making a contribution.

UNIVERSITY FUNDS - all funds received by an individual, department or student group associated with the University from activities which can be interpreted as a University function.

IV. PROCEDURES

Agency Funds

To open an agency fund, a written request with the following information must be provided:

1. Full name of the agency or organization
2. Purpose or activity of the organization
3. Source of revenues and types of expenditures that will be made from the account
4. Organization's affiliation with USD
5. Name and signature of the USD employee or student representative who will be responsible for the account.

Foundation Funds

Foundation funds will be expended directly by the Foundation on behalf of USD, or USD will be reimbursed after the expenses have been processed through USD's accounts. The expense can be made on USD's accounts only if it is within State rules and regulations. Departments must make the request for reimbursement from the Foundation and provide any required documentation. Whenever the funds are expended through USD's books, the expense and revenue should be recorded to a local account. The subsidiary ledger revenue account code should be 500915.

University Departments

1. All income generated by a department shall be deposited with the University. This requirement would include any conferences, camps or activities sponsored or directed by the department.
2. Gifts to the University received by one of the departments or an official of USD, whether for general purposes or for the use of a particular department, are to be processed through the appropriate Foundation office. The foundation is then able to issue a gift receipt to the donor for tax purposes.
3. Departments must have approval from the Comptroller to receipt in university funds.

Student/Faculty Organizations

1. Income generated by a student or faculty organization is to be deposited into an agency account at the University whenever a university department or USD official plays a significant role in directing the finances of the organization. If an organization receives any funding from the student association, other revenues generated by the organization must be in an agency account.

Income generated by a student or faculty group where no USD official or department plays a significant role in directing the finances of the organization may be, but are not required, to be deposited with the University into an agency account.

V. RELATED DOCUMENTS, FORMS AND TOOLS

Not Applicable