

## **Information**

Agency Programs

## **Effective**

May 1 2010

## **Applicability**

This policy applies to the University Community administrators faculty staff and students

## **Administrative Authority**

Vice President for Finance and Chief Financial Officer

## **Responsible Unit**

Controller's Office

University Accounting and Financial Reporting

Service Complex, Louisville, KY 40292

502-852-6164

[controll@louisville.edu](mailto:controll@louisville.edu)

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## **History**

Revision Date(s): October 1, 2016; February 6, 2020

Reviewed Date(s): October 1, 2016; February 6, 2020

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## **Categories**

## **Statement:**

An agency fund program may be established by faculty/staff/student organizations, professional associations, and other affiliated entities (sponsor or agency) whose collaborative work with the University serves mutual interests. All agency fund programs must be approved by the Controller's Office.

## **Related Information:**

Agency fund programs account for activities or services performed or administered by the sponsor or agency that supplement and are consistent with the mission of the University. Ownership of agency funds is retained by the sponsor or agency and unused funds are to be returned to the sponsor or agency. The University acts as a banker for these funds and its responsibility to a sponsor or agency under this policy is limited to acting as the fiscal agent.

### Guidelines for accepting, administering, and accounting for an Agency Fund Program

- University funds may not be deposited in an agency fund program.
- Student organizations/groups must be a Student Affairs recognized student organization (RSO).
- The sponsor or agency are to keep the Controller's Office informed of changes in contact person(s), University advisor(s), and responsible person(s).
- Agency fund programs are subject to federal and state laws. The sponsor may impose additional limitations.
- University cash may not be loaned to agency fund activities. Sponsors must provide for cash needs in advance.
- Expenditures will not be processed against an agency program in a deficit cash position.
- An agency program that will be disbursing funds to an individual who is not a United States citizen may have special reporting requirements that the sponsor agrees to meet.
- An agency fund program does not earn interest income and fees are not charged for program maintenance.
- Checks from agency fund programs are processed in accordance with the University Accounts Payable disbursement schedule.

### Closing an Agency Fund Program

Agency fund program closure requires written notice from the sponsor or agency or responsible person and approval by the Controller's Office. The Controller's Office reserves the right to close an agency fund program if sponsor or agency is no longer associated with the University or use of the agency fund program is found to be in violation of University policies and procedures.

If there is no activity for a period of two years the Controller's Office will contact the

responsible person to see if the program needs to be closed and remaining funds returned to sponsor or agency. If responsible person cannot be located all funds will be placed in a holding program pending information from the sponsor or agency as to distribution of funds.

After five years if the sponsor or agency cannot be located or it is found that the sponsor or agency no longer exists, all funds will be transferred to and become University miscellaneous income. Remaining funds must be returned to the sponsor if at all possible.

## **Reasoning:**

To define agency fund programs and to outline the guidelines for accepting, administering, and accounting for agency fund programs.

## **Definitions:**

Agency fund program: A program which records funds held by the University as custodian or fiscal agent for a sponsor or agency or a University-related organization.

Sponsor or Agency: The individual or group whose funds are accounted for in the agency fund program.

Responsible person or persons: The person (normally a University employee or employees) designated to authorize expenditures and manage the program in accordance with state and University rules, regulations, and procedures.

University: The University of Louisville and any of the related or affiliated organizations, including, but not limited to the University of Louisville Research Foundation, Inc. and the University of Louisville Athletics Association, Inc.

## **Responsibilities:**

- The sponsor or agency will ensure that all disbursements from the program are made in accordance with University policies, procedures, and/or other written agreement on file.
- The Controller is responsible for approving and establishing agency programs in the financial reporting system.