

## **Agency Funds**

**Definition:** Funds held or generated for reimbursement of specific disbursements for activities such as Study Abroad Programs, field trips, and other “flow – through” activities. These funds are held for others for which the University acts as custodian or fiscal agent on behalf of the payer. Agency activities are not subject to the University overhead assessment.

**Source:**

- (1) Scholarship or financial aid deposits: these are funds provided by individuals, companies, civic organizations, church groups, other groups, state government, and the federal government for the purpose of awarding scholarships to students. The determination of which students receive a scholarship is made by the external agency or in accordance with the agency agreement.
- (2) Student travel programs where funds are contributed by students and disbursements will be made by the University on the student’s behalf.
- (3) Funds for specific purpose: these are funds that have been deposited by students, student organizations, faculty organizations, employee organizations, or others. The funds are disbursed in accordance with specific instructions from the owners or in accordance with the term of the agency agreement.
- (4) Funds for specific purpose: reserved for use by the Controller’s Office to monitor collection, loss management, and other deposit accounts.

An agency agreement should be completed for each Agency Fund.

### **Accounting Principles**

The assets of the Agency Fund group include cash, temporary investments, and amounts due from other fund groups. Balances for this fund group will be carried as a liability (account 231003) on the trial balance. Receipts and disbursements of these are accordingly classified as additions to, and deductions from the liability account rather than as revenues and expenditures which will affect fund balance.

Departments should review the liability account to make sure that any outstanding balances as of June 30<sup>th</sup> are related to subsequent events. Once the purpose of the agency fund is concluded, any remaining balance in the liability account should be transferred to an auxiliary fund. If there is a debit balance it should be transferred to an expense account. If there is a credit balance it should be transferred to a revenue account.

**University of North Florida  
Agency Fund Agreement**

**Program Name:** \_\_\_\_\_

Agency Fund Custodian (Custodian) \_\_\_\_\_, acting as agency for the  
(Description of Activity) \_\_\_\_\_,  
Agency Fund, which is being established for the purpose of \_\_\_\_\_

\_\_\_\_\_,  
mutually acknowledges the University's responsibilities as fiscal agent for the specific fund. The University, in accepting this responsibility, agrees to conduct itself in accordance with the requirements normally attributed to fiscal agent with fiduciary responsibility. The divisional budget officer shall be responsible for carrying out these fiduciary tasks on behalf of the University.

In order for the University to provide the activity with an accurate accounting of these funds, all parties to this agreement shall adhere to the following procedures:

- (1) The Custodian shall identify the source of funds to be utilized in covering any possible financial shortfall of the activity. The University cannot accept responsibility for financial shortfalls for agency activity. All Agency Funds as a whole should maintain a positive cash balance. At the end of the fiscal year, each department should review the cash and liability accounts for any deficit and, either set up AR and bill donors for any applicable deficit balances, or other action need to be taken to remove the negative balance.
- (2) The University cannot process disbursements that are not handled in accordance with the University's prescribed purchasing practices, including applicable bid requirements and guidelines for allowable expenditures.
- (3) Funds should be disbursed only for properly designated and approved purposes. Prior to approval, the Custodian will verify the availability of funds, with adequate supporting documents, such as invoices, as well as the instructions for the handling of the check.
- (4) Funds established for a specific purpose, such as a SACUBO meeting, should be closed and accounted for at the completion of the activity and when all known financial transactions have occurred. If no specific short term termination date is set, the Custodian will be notified \_\_\_ days after the initiation of the fund to determine the time needed to complete activities.
- (5) The status of each Agency Fund should be reviewed periodically, at least once a quarter, for the purpose of making necessary adjustments and properly disposing of unused balances. Inactive balances should not be carried forward indefinitely from year to year, but should be disposed of in accordance with agency agreement.
- (6) The University agrees to continue in the capacity of fiscal agent for those funds established on a long term continual basis, until the depositor shall request termination of

this agreement. A new agreement shall be necessary in the event of the change of the Custodian.

- (7) Documentation: Supporting documentation should be on file in Budget Office for each agency fund administrated by the University. Documentation shall include fund number, the agency name and authorized signatures required to initiate disbursements from the Agency Fund.
- (8) The record of all agency funds shall be subject to review or audit by appropriate University, State, or external auditors as necessary.
- (9) The University does not assume responsibility for any obligation or activity undertaken by the Custodian or their delegates which are not properly communicated in the University procedures.

All terms and conditions agreed to by:

For the Agency Fund:

For the University:

\_\_\_\_\_

Custodian

\_\_\_\_\_

\_\_\_\_\_

Date

\_\_\_\_\_

Date

## University of North Florida Questionnaire for Requesting Agency Funds

Agency Funds held or generated for reimbursement of specific disbursements for activities such as Study Abroad Programs, field trips, and other ‘flow – through’ activities. These funds are held for others for which the University acts as custodian or fiscal agent on behalf of the payer. Agency activities are not subject to the University overhead assessment.

Complete this form, secure appropriate approvals, and route to Budget Office.

After this request, the Budget Office will need to provide the FOAPAL to be used for the Agency.

1) Name, address and contact information of the agency for whom UNF will act as a fiscal agent.

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2) Name, title, department, campus address, telephone and email address of department contact that will be responsible for the agency account.

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3) Describe the purpose of this activity.

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4) What is the source of monies for the fund? Estimated annual expenses? Any advance deposit?

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5) How long will the fund be needed?

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6) Will other signatures be required in addition to that of the responsible person? If yes, please list names and signatures.

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Name

Signature

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Name

Signature

7) Are there any individuals designated to sign in the absence of the responsible person named at the bottom of this form? If yes, please provide names and signatures.

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Name \_\_\_\_\_ Signature \_\_\_\_\_

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Name \_\_\_\_\_ Signature \_\_\_\_\_

8) How will residual dollars be distributed at the end of the activity?

Refund to the agency named in 1, above

UNF gift fund (specify) \_\_\_\_\_

UNF miscellaneous revenue account

Other: \_\_\_\_\_

9) Does your organization have by-laws? Yes \_\_\_\_\_ No \_\_\_\_\_. If yes, please provide a copy.

After completing the above and reviewing the Agency Funds policy, please sign and return to the Budget Office for proper distribution.

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Responsible Person (Printed) \_\_\_\_\_ Responsible Person (Signature) \_\_\_\_\_

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Campus Address for distribution of reports \_\_\_\_\_

**Certification:**

I certify that I have read the agency agreement and agree to the terms and conditions under which UNF provides agency account services.

Please provide the name, title, department, campus address, telephone, and email of each requestor and faculty/staff member who will participate jointly in the activity with the agency.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Requestor's signature: \_\_\_\_\_ Date: \_\_\_\_\_

Approvals:  
Department Contact: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

Department Head: \_\_\_\_\_ Date: \_\_\_\_\_  
Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_

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**Office Use Only:**

Budget Office approval (Signature/Printed Name): \_\_\_\_\_  
Date: \_\_\_\_\_

FOAPAL Assigned:

Index/Org/Fund Assigned: \_\_\_\_\_/ \_\_\_\_\_/ \_\_\_\_\_

## **Procedure:**

The following procedures are necessary to open and operate an organizational account 81XXXX in the Agency Fund.

1. In order for the University of North Florida to provide the activity with an accurate accounting of Agency Fund, an Agency Fund agreement between the University and Agency need to be signed in order to establish a valid Agency Fund .
2. Submit a written request using the Questionnaire for Requesting Agency Funds Form to receive authorization to establish an account from Budget Office.
3. Upon approval, written information should be kept on file in the Budget Office.
4. Deposits:
  - a. The Custodian shall ensure that the correct account number is used in making the deposit. All checks must be made payable to “UNF” and have a notation stating which FOAPAL the checks are to be deposited into.
  - b. Deposits which are made by fund transfer must be fully documented by the initiator and the other party should be immediately notified.
5. Requisitions:
  - a. Requisitions should be processed for purchases using Agency Funds. When entering requisitions in FPAREQN, do not enter a commodity number on the requisition commodities screen. On the accounting screen, the account code for Agency Funds should always be 231003.
6. Payments:
  - a. If a check request is required for withdrawals, please allow sufficient time for checks to be written. Rush checks are permitted if the situation warrants. Check requests should list the information needed and a required signature from an authorized individual.
  - b. Direct pays can be processed through FAAINVE, similar to requisitions, leaving the commodity code blank. Once the agency index is keyed; the account field for an agency is always 231003. See separate procedures for direct pays.
7. NSF checks will be deducted from agency account total. The Cashier’s Office will notify the donor and the department regarding the check status.
8. Departments should review agency account trial balance on a quarterly basis. Using Finance Self-Service Trial Balance Query, INB FGITBAL, or INB FGITBSR. The requesting Department should print and sign the trail balance and forward to the divisional budget officers.
9. After one year without activity, unused balances must be forwarded to the State as mandated by escheat law, unless the disposition of unused balances is covered in the agency agreement. Completed files should be maintained for all agreements, letters, or other documents, for guidance in the proper handling of the funds.