



## **POLICIES & PROCEDURES**

**Title: Agency Funds**

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**Department: Finance**

### **Policy Statement**

Louisiana Delta Community College's policy on Agency Funds governs the process for the establishment, management, and use of agency funds.

### **Policy**

Louisiana Delta Community College shall define agency fund accounts and to outline the procedures for establishing, managing, and accounting for agency funds. This policy aligns with LCTCS Policy #2.005.

### **Applicability**

This policy is applicable to all departments, staff, faculty, and student organizations who wish to establish an agency fund account at the College.

### **Definitions**

Agency Funds: funds held by the College acting as a custodian or fiscal agent for a student organization or faculty / staff organization.

Agency Fund Account: the College account agency funds are held in, account number beginning with 2921XX.

Organization: the student or faculty / staff group whose funds are accounted for in the agency fund account.

Advisor: the individual, normally a college faculty or staff member, designated to guide the student organization with the general administration of the organization.

### **Policy Procedure**

## 1. General Information

- a. Agency funds are funds held by the College acting as a custodian; the College is temporarily holding these funds and has no claim to them. The funds are deposited with the College for safekeeping, to be expended or withdrawn by the depositor at will. These funds may be held on behalf of student organizations and faculty / staff organizations.
- b. Agency fund accounts typically involve only the receipt and remittance of funds. These funds are not part of the College; thus revenues, expenses, gains, and losses are not included in the financial statements; only the assets and liabilities are reported.
- c. The ongoing process of evaluating agency fund accounts must be in place to ensure the accuracy of the College's accounting and reporting of agency funds.
- d. Agency funds are comprised of dues, fees, and registrations assessed to the members of the organization or group and donations or revenues from fund-raising activities conducted by the students / members of the organization or group.
- e. The approval and establishment of a College Agency Fund Account does not:
  - Make the College liable or responsible for any of the Organization's debts, liabilities, or actions.
  - Allow the Organization the right to use the College's name, logo, or trade and service marks.
  - Continue indefinitely; organizations must comply and adhere to all College policies as well as applicable laws and regulations; the College has the right to close an agency fund account at its discretion after providing reasonable notice to the Organization.

## 2. Agency Fund Deposits and Account Balances

- a. College funds (public funds) must never be deposited into an agency fund account.
- b. Agency funds are subject to Federal and State laws.
- c. These fund accounts will not earn interest nor be assessed administrative fees, except for directly related bank charges (i.e. a check deposited with insufficient funds).
- d. Agency fund accounts are subject to review by the Finance Office, Internal Audit, and Louisiana Legislative Auditors Office.
- e. Agency fund accounts must always have a positive cash balance.

- f. A deposit slip is completed with the fund, organization, account, program and deposit amount as well as an explanation of the monies being deposited.
- g. Agency fund accounts will be overseen by the Senior Accountant. This position will provide each club/organization with balances or requested account information.

### 3. Disbursement of Funds from an Agency Fund Account

- a. Clubs/organizations must follow Purchasing Policy FN\_302 for all purchases using agency funds.

### 4. Dormant Organizations

#### a. Student Organizations

Student Organizations are voluntary in their student participation and any dues or fundraising proceeds should remain for the benefit of the students. Balances in dormant funds are to be transferred to the SGA where the students would still have a say in how the funds are spent.

#### b. Staff/Faculty Organizations

Staff/faculty organization where members are elected by the college is not a voluntary fraternal or civic organization but rather an official entity of the college. Any fundraising proceeds are considered state funds and these funds will be transferred to the college's general fund.

Staff/faculty organizations which maintain voluntary membership is not an official entity of the college. Any remaining proceeds will be transferred to the LDCC foundation.