

UAM OPERATING PROCEDURE 360.4

RE: Agency Accounts

November 1, 2010

Revised: July 1, 2011

Revised: February 3, 2020

In certain instances, the university may act as a fiscal agent for affiliated entities. This policy governs the establishment and use of agency funds maintained by the university.

Establishing an Agency Fund

- Agency funds may be established for outside activities that support or enhance the mission of the University and where there is mutual benefit in the University acting as fiscal agent for the entity. The activities must directly or indirectly provide services or benefits to the University's programs or to its students, staff, or faculty.

The university will not maintain agency fund accounts for camps and other activities authorized by Act 707 of 1981.

- All agency funds must have a UAM sponsor who assumes responsibility for the proper administration of the agency fund on behalf of the entity including compliance with University policies and any applicable federal, state, and local laws.
- The University's responsibility to an entity under this policy is limited to acting as the entity's fiscal agent.
- An agency fund may be established at the request of a UAM sponsor, with the approval of the supervising executive council member.

Agency Funds Services

- Services provided by the University under the agency arrangement include cash receipting through the Cashier's office and disbursing services through Accounts Payable.

Terms and Conditions of Agency Funds

- Monies accepted for deposit in agency funds are not considered tax-deductible gifts to the University.
- Agency funds must have a positive cash balance at all times. Accounting will enforce this provision by not processing any disbursement that will create an overdraft.

- Checks for deposit to the agency fund must be made at the Cashier's office and the correct account number provided.
- The use of state funds must adhere to applicable federal, state, and local laws including the procurement of goods and services in accordance with the State of Arkansas Procurement Law and Regulations. (www.state.ar.us/dfa/purchasing)
- All disbursements require purchasing authorization from the sponsor and the supervising Executive Council member on the Agency Account Payment Request Form and a vendor invoice. (https://uamont.blackboard.com/bbcswebdav/pid-212634-dt-content-rid-5482296_1/orgs/PDFDirectory/Finance%20and%20Administration/Finance%20and%20Administration/Accounting/PaymentRequest.pdf)
- The agency fund must be closed at the completion of the project or activity. Any credit balance remaining in the fund will be refunded to the sponsoring entity or, if the entity no longer exists, transferred to the campus general fund miscellaneous income account. This transfer will occur after a period of inactivity of twenty-four months or as soon as it has been established that the entity no longer exists.
- Direct cash payments from agency funds that would constitute taxable compensation to the recipient are not allowed.

Exceptions

- Exceptions to the terms and conditions of agency funds can only be granted by the Chancellor.