

UC Davis Policy and Procedure Manual

Chapter 330, Financial Management and Services

Section 09, Agency Account Services

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Responsible Department: Accounting & Financial Services

Source Document: Business and Finance Bulletin A-54, Agency Accounts

I. Purpose

This section outlines policy and procedures governing the establishment and use of agency accounts for funds held by the University as custodian or fiscal agent on behalf of principals such as individuals, faculty/staff/student organizations, and private organizations. Funds accepted for an agency account are not considered to be either University funds or tax-deductible charitable contributions to the University.

II. Definitions

A. Principal

1. A non-University entity such as an individual, organization, or other sponsoring entity who authorizes an agent (the University) to act on behalf of the sponsor, subject to the sponsor's general control and instructions.
2. The individual who accepts responsibility for collecting funds from participants of any University-related social event funded by the participants or non-University entities. The principal may be a University employee but cannot be a University entity (e.g., department, unit).

B. Agent—the party (i.e., the University) who is authorized to act on behalf of the principal.

C. Authorized approver—the person granted the principal's authority to request and approve disbursements from the agency account and UC Davis Financial Information System (DaFIS) approval authority for financial transactions in an agency account as documented by a DaFIS Approval Authorization or Cancellation form.

D. Agency account—an account approved by Accounting & Financial Services to record the administration of funds for which the University provides fiscal agent and other services. The following types of accounts may be established:

1. Scholarships and fellowships—accounts in which funds other than gift funds are deposited for purposes of providing scholarships, fellowships, and other aids to students matriculating in established degree programs of the University. The principals providing the funds have the sole discretion in designating the recipient and the amount of stipend or aid to be provided to the student.
2. Student organizations and activities—accounts in which funds are deposited for student organizations such as student clubs, residence hall associations, or workshops sponsored by student groups. Accounts established for the Associated Students organization are excluded.
3. Faculty/staff organizations and activities—accounts in which funds are deposited for faculty and staff organizations and activities, such as professional or scientific

organizations in which faculty or staff are officers, faculty club operations, auxiliary-type groups such as the UC Davis Foundation, alumni organizations, and UCD Support Groups, conferences, workshops and special events sponsored by faculty/staff/student organizations or other non-University principals, and University-related social events on behalf of University employees or students not funded by the University (e.g., retirement dinners, student field trips, banquets, job fairs).

III. Policy

- A. The University does not exercise any direct fiscal control over the use of agency account funds.
- B. The activities for which funds are accepted for deposit must be closely associated with or related to the activities of the University. They must directly or indirectly provide services or benefits to the University community (i.e., students, staff, or faculty).
- C. While disbursement of agency funds is not subject to the same level of oversight and restriction as University funds, it is UCD policy to exercise reasonable internal control over funds deposited into an agency account.
- D. Approvals required for establishment of agency accounts:

Type of agency account	Required approval	Responsibility of Approver
Scholarships and fellowships	Associate Vice Chancellor—Finance/Controller	Coordinate with other student aid
Student organizations and activities	Assistant Vice Chancellor—Student Life	Entity is bona fide student organization and activity is appropriate
Faculty organizations and activities	Dean	Entity is bona fide faculty organization and activity is appropriate
Staff organizations and activities	Senior Associate Vice Chancellor—Human Resources	Entity is bona fide staff organization and activity is appropriate
UCD Support Groups	Associate Vice Chancellor—University Relations	Entity is bona fide support group and activity is appropriate
Non-University conferences, workshops, and special events	Director, Campus Events & Visitor Services (CEVS), for on-campus activities; Associate Vice Chancellor—Finance/Controller for off-campus activities.	Activity is related to the University or to the mission of the University
Social events	Associate Vice Chancellor—Finance/Controller	Activity is University related

IV. Agency Account Services

- A. The following services are available to agency account principals:
1. Cash receipting and disbursing services through Accounting & Financial Services.
 2. Use of campus service departments when approved by the Associate Vice Chancellor—Finance/Controller. The amounts charged for such use are based on the standard recharge rates for the services of the department involved.
 3. Purchase of materials from the campus Storehouse when approved by the Associate Vice Chancellor—Finance/Controller.
 4. Use of a University Purchasing Card when approved by the Associate Vice Chancellor—Finance/Controller. Non-university employees must obtain prior approval from the Vice Chancellor—Administration for issuance of a Purchasing Card.
 5. Contracting of goods or services through Campus Events and Visitor Services (CEVS).
 6. Purchasing goods and services through the campus Purchasing Department or UCD Buy are exceptions to policy and can only be used when approved in writing by the Associate Vice Chancellor—Finance/Controller.
 7. Payroll services through Accounting & Financial Services are exceptions to policy and can only be used when approved in writing by the Associate Vice Chancellor—Finance/Controller, on behalf of the Chancellor. Payroll services are not provided for non-University employees.
- B. UCD employees may initiate/enter into contracts/purchase orders for an agency principal only if there is written consent of the principal to do so. The principal shall sign all contract/purchase orders when not using UCD services.
- C. If an agency account is granted use of UCD services, the account must comply with all of the policies and procedures of the associated services.

V. Terms and Conditions of Agency Accounts

- A. Funds accepted for deposit in agency accounts are not considered tax-deductible gifts to the University. (For policy and procedures pertaining to tax-deductible gifts, refer to Sections 260-15 and 260-25.)
- B. The agency account must have a positive cash balance at all times. Should a deficit occur, the University individual identified as the principal's representative or authorized approver (see Request for Agency Account, paragraph 6) is responsible for removing any deficit in the agency account. Disbursements may be disapproved by Accounting & Financial Services for insufficient funds.
- C. Checks for deposit to the agency account must be made payable to The Regents of UC and deposited at the Main Cashier's Office, Dutton Hall, with a DaFIS Statement of Cash Collections citing the agency account identifier. (See Section 330-55.)
- D. The principal must adhere to applicable U.S. and State of California laws.

- E. Official University funds shall not be deposited into agency accounts. If official University funds are used to subsidize an event, the expenses related to the subsidy must be charged directly to the official University account.
 - 1. Costs may not be transferred from an agency account to an official University account.
 - 2. An agency account may not be used for research grants or contracts awarded to faculty members as individuals where the research would normally be handled as a departmental research grant or contract.
- F. Accounting & Financial Services will issue University checks against the agency account based on an approved DaFIS Direct Charge document or an approved DaFIS Vendor Invoice. (See Section 330-40.)
- G. Campus service department charges for goods and services ordered by and rendered to the principal will be directly charged to the agency account.
- H. The agency account's transaction and cash balance information will be available to authorized DaFIS decision support users and to the principal, if requested, through a temporary computing account for special UC Davis affiliates (<http://email.ucdavis.edu/forms/files/taf.pdf>).
- I. The General Accounting Division, Accounting & Financial Services, in conjunction with the authorized approver, will close the agency account at the completion of the project or activity. (Balances may be carried forward for accounts established for recurring annual events.) Any cash balance will be disbursed in one of the following ways:
 - 1. Refund to the principal or the principal's representative;
 - 2. Transfer to a UCD gift fund designated by the principal; OR
 - 3. Transfer to the campus miscellaneous income account.
- J. Changes in an agency account timeline require account manager approval.
- K. If there is no activity in an agency account for more than 13 months and no response is received from the principal or authorized approver, the account shall be considered abandoned and any credit balance will be transferred to the campus miscellaneous revenue account. Deficits will be billed to the principal.
- L. Policy provides that a fee may be charged for initial setup and monthly maintenance, as approved by the Professional Staff Rate & Service Activities Advisory Group (Rate Group).

VI. Procedures

- A. Requesting an agency account for scholarships and fellowships

Individuals and organizations desiring an agency account for scholarship, fellowship, or other payments to students should write a letter to Student Accounting Division, Accounting & Financial Services, University of California, Davis, CA 95616, and enclose a check made payable to The Regents of UC for the amount to be disbursed by the University. The letter should specify:

1. The name of the student recipient(s).
 2. The amount of stipend or other aid for each recipient.
 3. The purpose of the aid, e.g., student fees, living expenses.
 4. The academic term in which the funds are to be disbursed.
- B. Requesting an agency account for non-University conferences, workshops, and special events
1. Individuals and organizations desiring agency accounts for conferences, workshops, and special events should contact CEVS (530-752-2813).
 2. When CEVS has a substantial role in coordinating the event, CEVS will establish an agency account for the entity on behalf of Accounting & Financial Services. If the principal is a University department, CEVS will transfer revenue and expenses to specified department accounts.
 3. When CEVS does not have a substantial role in coordinating the event, the entity will be referred to Accounting & Financial Services for establishment of an agency account following the procedure in VI.C, below.
- C. Requesting all other agency accounts
1. Department head or authorized approver:
 - a. Completes Request for Agency Account form (http://accounting.ucdavis.edu/forms/GA_ReqAgencyAcct.doc) and initiates DaFIS Account Maintenance document to establish agency account, citing the DaFIS account number and document number of the Request for Agency Account.
 - b. Secures the signature of the principal on the form or attaches a signed, written document authorizing the activity for which the account is set up.
 - c. Sends the Request for Agency Account form to the General Accounting Division, Accounting & Financial Services.
 2. General Accounting:
 - a. Obtains approvals from appropriate approval authorities, approves account document and sends signed copy of the form to the initiator; OR
 - b. Notifies the originator of disapproval by disapproving the DaFIS Account Maintenance document providing basis for disapproval.
 3. Principal or authorized approver:

Deposits cash and authorizes disbursements for the agency account.
- D. Changes to existing agency accounts
1. Department head or authorized approver:

- a. Initiates a DaFIS Account Maintenance document, making the desired change.
 - 1) A change in the account manager requires the disclosure of the account's financial condition in the Notes section of the Account Maintenance document.
 - 2) If the change is one that would require a new account number and organization, a new Request for Agency Account form must be completed and approved by the required individuals (see C, above).
 - b. Approves or disapproves the document.
2. General Accounting:
- a. Obtains appropriate approvals from authorities.
 - b. Approves Account Maintenance document; OR
 - c. Notifies originator and provides basis of disapproval.

VII. Further Information

Further information regarding agency accounts may be obtained from the General Accounting Division, <http://accounting.ucdavis.edu/GA>.

VIII. References

- A. UC Business & Finance Bulletin A-54, Agency Accounts (<http://www.ucop.edu/ucophome/policies/bfb/a54.html>).
- B. Academic Personnel Manual Section 025, Conflict of Commitment and Outside Activities of Faculty Members (<http://manuals.ucdavis.edu/APM/apm-toc.htm>).
- C. Standing Order 100.4(dd) (9) of The Regents of the University of California (<http://www.universityofcalifornia.edu/regents/bylaws/so1004.html>).