

# 1-22: Agency Funds

Issued: 10-2012

## 1. Purpose

To establish responsibilities, policies and procedures concerning Fort Lewis College agency funds. Agency funds in the College's general ledger are accorded special treatment because they represent amounts held on behalf of parties external to the College, and should only be used to report resources held by the College in a purely custodial capacity.

## 1. Responsibilities

The Controller's Office is responsible for setting up and monitoring agency funds. Agency funds will be set up only upon receipt of a completed agency fund application, included in this policy.

## 1. Policies/Procedures

Policies and procedures for the establishment of agency funds should include the following:

1. Each agency fund must be approved by the Controller.
2. Application for the creation of the agency fund must include the purpose of the organization, duration of the fund, custodian, and affiliation with Fort Lewis College.
3. Each agency fund must have a designated custodian responsible for approving all transactions of the organization.
4. All agency funds shall be subject to the same internal controls as all other College funds and shall be subject to periodic internal and external audit.
5. All deposits shall be deposited with the College Cashier. Notification of an electronic deposit should be forwarded to the Cashier well in advance of the transfer.
6. A request for cash disbursement must be initiated by the agency fund custodian. All requests for disbursement must comply with the College's fiscal rules.
7. The College does not accept responsibility for financial shortfalls for the agency fund. The organization will be forwarded to Collections Services if the fund remains negative for over 6 months and any collections costs will be added the organization's bill.
8. The College does not assume responsibility for any obligation or activity undertaken by the custodian or their assignees which are not properly communicated to the Controller's Office or over which the Controller's Office has not exercised its proper fiduciary responsibilities and tasks.
9. In the event that there is a change of custodian, the organization should notify the Controller's Office and a new Agency Fund Agreement should be completed.
10. Agency fund status is contingent on adherence to all institution policies. The College has the right to close an agency fund account at its discretion. Some of the circumstances that may lead to closure of an agency account include: failure to adhere to College policies and procedures, nature of activities and functions has changed such that agency fund status is no longer appropriate, and deficit balances are not remedied in a timely manner.