TEXAS TECH UNIVERSITY™

Operating Policy and Procedure

OP 62.24:   **Use of the University's Accounting System by Student and Other Organizations**

DATE: April 30, 2015

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to establish policy and procedure for the use of the university's accounting system by student and other organizations.

REVIEW: This OP will be reviewed in June of even-numbered years by the managing director of Financial Services and Tax with substantive revisions forwarded to the assistant vice president for financial and managerial reporting services and the vice president for administration and finance and chief financial officer.

POLICY/PROCEDURE

1. **General**

   a. In certain instances, the university may act as a fiscal agent for outside agencies or organizations. These organizations may establish agency funds, defined as assets not owned by the institution but held in custodianship. The organization retains all its rights, titles, and interest in and to such funds.

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

   c. All agency funds must have a university sponsor who assumes responsibility for the proper administration of the agency fund on behalf of the principal and in conformity with university policies and federal, state, and local laws.

   d. The current accounting system used by the university, Banner, allows for the establishment of agency funds in fund category 81 (e.g., fund number 81XXXX).

   e. Use of the university's accounting system with properly designed internal controls causes transactions initiated on agency funds to be subject to institutional checks and balances with regard to unallowable transactions. Thus, transactions that are normally NOT allowed on institutional funds, but that can be completed on agency funds, may require additional processing time and approvals.

   f. The establishment of an agency fund does not:

      (1) Place the organization under the university's tax-exempt umbrella. Please refer to Center for Campus Life website at http://ttu.orgsync.com/RR_Taxes with respect to an organization's tax responsibilities.

      (2)   Make the university liable for any of the organization's outside entity debts, liabilities, or actions.

      (3)   Grant the organization the right to use the university's name, logo, or trade and service marks.

      (4)   Continue indefinitely. Agency status is contingent on adherence to all university policies and contractual agreements as well as applicable laws. The university has the right to close an agency account at its discretion after providing reasonable notice to the organization.

2. **Establishment of Accounts**

To establish a fund in Banner for a student or other organization, the following conditions must be satisfied:

a.   The organization must register with the Dean of Students/Center for Campus Life.

b.   The fund manager for the organization must request a new fund through the New Fund Request System at https://banapps.texastech.edu/itis/fi_newfund/default.aspx and attach a copy of the registration from section 2.a. to the new fund request.

c.   The fund manager for the organization must request access to Banner Finance via the TEAM application at https://banapps.texastech.edu/team/QuickLinks.aspx.

d.   After the fund number has been assigned, the organization may make deposits in University Deposits, room 163, Drane Hall. A receipt will be furnished for such deposits.

3. **Disbursements from Organization Accounts**

a.   A TechBuy/SciQuest Requisition must be processed with original vendor quotes attached and will be used to create a purchase order for all payments to vendors or individuals. For student organizations, the requisition must be approved by the appropriate individual authorized by the financial manager. Instructions for completing and submitting a TechBuy/SciQuest Requisition are found on the Procurement website at http://www.depts.ttu.edu/procurement/. Please refer to operating policies numbered as TTU OP 72.XX for further instructions and guidance on institutional purchasing policies and procedures.

b.   Organizations should submit the requisition to Procurement at least five working days prior to the date the payment is needed or due.

c.   A few days subsequent to the PO being approved and processed, the payment will be sent by Procurement Services to the payee, unless alternate check delivery instructions were requested by proper notation on the requisition. Please note that the preference is to have all vendors paid by ACH whenever possible.

4. **Use of University Services by Organizations**

In general, organizations may use services of university departments. See OP 62.09 for additional information.