

Gettysburg College Agency Fund Guidelines

Agency Funds – What are They?

Agency funds represent proceeds held by the College on behalf of another organization, external to the College. The College acts as custodian, intermediary, and/or agent and has little or no discretion over the use of these resources. Agency resources are generally the legal assets of another organization and are not College assets. Agency funds reflect an amount owed by the College to the external organization.

Departmental operating budgets reflect College owned resources, and by definition, do not constitute (nor can they generally be transferred to) agency funds.

General Categories of Gettysburg College Agency Funds:

Gettysburg College agency funds are comprised of three general categories 1) *Student organizations and activities*, 2) *Faculty and staff organizations and activities*, and 3) *Other agency activities*. Below is a summary of the types of transactions and consideration for each of these categories.

1. **Student organizations and activities** – Student organizations not otherwise funded by the College and solely utilizing the student organization’s own resources (time and dollars) for activities. Includes non-budgeted student organizations collecting proceeds from club members to be remitted to another external sponsoring organization (i.e. dues or conference fees) or for specific event/activity. Funds allocated to the student organization from institutional funds are ineligible for transfer to an agency fund.

Considerations for Student Organizations:

- Student Senate, athletic teams, and other College sponsored student organizations are operational units of Gettysburg College. Student organizations otherwise funded by a College budget (including Student Senate) are generally not eligible for agency funds. Agency funds are not eligible for funding transfers from operating budgets.
- In rare circumstances, College funded student organizations may have an affiliated agency fund as a result of established parent/friend agency or due to a specific identified activity (i.e. spring break trip) for which the student group raises funds for personal benefit of members (i.e. not at discretion of the College to determine who receives funds) and does not otherwise utilize college resources (staff time, budget dollars, etc.) to do so. In these instances, agency funds are limited to a specific activity or event separate from operating department activities.
- Gettysburg College recognized student organizations are *prohibited* from maintaining separate bank accounts (as they have access to College funds). NonCollege recognized student organizations are discouraged from maintaining separate bank accounts. In the event a student organization opens a separate bank account, the College’s TIN is expressly prohibited from use (due to potential ramifications for the College).

2. **Faculty and staff organizations and activities** – Funds established for faculty and/or staff outside of their faculty/staff role with the College. Includes activities such as professional organizations in which faculty and staff are members, conferences and workshops sponsored (hosted) by faculty or staff groups, auxiliary-type groups (i.e. alumni groups). Activities funded by departmental research grants, sponsored grants or general operating budget are ineligible for transfer to an agency fund.

Considerations for Academic and Administrative Departments:

- Because academic and administrative departments are funded through the College’s operating budget, revenues generated by these institutional departments by definition are not agency. College time and/or dollars were utilized as basis for the revenue generation and therefore, these departments are not eligible for establishing a separate agency fund.
- Fundraising on behalf of Gettysburg College sponsored organizations should be coordinated through the Development office. Therefore, College operating departments are not eligible for fundraising agency funds.
- Agency funds are not eligible for funding transfers from operating budgets. Operating budgets are generally not eligible to fund transfer to agency funds.
- Special accounting treatments are available for departments with the following circumstances (*please contact the Accounting Office for assistance in establishing an accrual/prepaid/net expense*):
 - Activity generates revenue and expenses which are incurred in different fiscal years.
 - Activity considered “pass thru”

3. **Other Agency Activities** – Funds established generally for non-College affiliated organizations for purposes to bill internal services or serve as clearing account (i.e. Pell grant in which the government has sole discretion in designating the recipient and the amount of stipend or aid to be provided to a student).

Considerations for Activities between Gettysburg College and Other Entities:

- In an effort to assist with continuity and administrative processing, all alumni class proceeds are required to be held by the College.

Establishing an Agency Fund:

If the activity meets the below criteria, complete an Agency Fund Information Sheet and submit to Financial Services Department for consideration.

Agency Fund Criteria:

- The purpose of the activity must be consistent with or supportive of the mission of the College and otherwise outside the funding of the College's operating budget.
- Student activities and institution-affiliated student organizations, with approval of the appropriate institution administrative office (Director of Student Activities, Director of Sunderman Conservatory or Director of Athletics) are eligible for agency funds.
- Establishing agency fund accounts for faculty/staff organizations and activities should be made only with approval from an institution administrative office, such as Provost for faculty activities or the appropriate Vice President for staff organizations.
- A responsible person is identified to serve as liaison between agency organization and the College's Financial Services Department (i.e. Gettysburg College student, faculty, or staff person or treasurer of a fraternity or sorority). In their role as agency fund responsible party, the responsible party acknowledges that proceeds from the responsible party's affiliated general operating budget may be required to cover any shortfalls remaining at fiscal year end.
- The activity must not be carried out as a part of a faculty or staff position's function as a College employee. Any activity related to a program or activity of the College must be accounted for as part of the College's operating budget or otherwise restricted purpose (i.e. grant).

Agency Fund Terms and Conditions:

- **Accounting for Agency Funds:** An agency fund represents activity that is not part of the College. As such, agency funds are recorded as a separate fund series (3xxxx) in the general ledger. Furthermore, agency funds are presented as a liability called "deposits held in custody for others" for purposes of the College's financial statements. Revenues and expenses for agency funds are not included in the College's financial statements.
- Agency funds have specific accounting and reporting requirement. Proceeds deposited into agency funds should not be utilized (or earned) for purposes other than those specified in the Agency Fund Information Sheet. Any revisions to purpose should be disclosed to the Financial Services Department.
- An agency fund must maintain a positive cash balance. If a funding shortfall is anticipated, the Director of Financial Services/Controller should be notified. Any "over drafted" agency fund may be blocked from disbursement activities until a positive cash balance is resumed.
- Gettysburg College Financial Services Department maintains discretion to close an agency fund for any reason, including but not limited to repeated overdrafts. The balance in the account will be returned to the organization when the account is closed. Any overdraft in the account shall be reimbursed by the organization and/or the responsible department.

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