TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Operating Policy and Procedure

HSC OP: 50.19, **Use of the Accounting System and Services by Student and Other Organizations**

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish rules and guidelines for the use of the accounting system and services by student and other organizations.

REVIEW: This HSC OP will be reviewed on June 1 of each odd-numbered year (ONY) by the Director of Accounting Services, with recommendations for revisions forwarded to the Executive Vice President of Finance and Operations by June 15.

POLICY/PROCEDURE:

1. **General.**

   a. Registered faculty, staff, alumni, and student organizations may use the institution's accounting system (Banner). These organizations may establish agency funds defined as assets not owned by the institution but held in custodianship. Balances for agency funds will be carried as a liability on the Statement of Net Position. Fund numbers ranging from 800000 to 809999 are assigned to agency organizations.

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

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

   d. Use of the Accounting System with properly designed internal controls causes transactions initiated on the 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.

   e. The establishment of an agency fund does not:

      1) Place the organization under the institution's tax-exempt umbrella. Receipts deposited by agency funds are not considered tax-deductible gifts to the institution. Expenditures from an agency fund are not entitled to the Institution's state sales tax exemption.
      2) Make the institutional liable for any of the organization's outside entity debts, liabilities or actions.
      3) Grant the organization the right to use the institution's name, logo, or trade and service marks.
      4) Continue indefinitely. Agency status is contingent on adherence to all institutional policies and contractual agreements as well as applicable laws. The institution has the right to close an agency fund at its discretion after providing reasonable notice to the organization.
         i. Dormant agency funds that have not had any activity in two fiscal years will be closed. Any remaining monies deemed to be abandoned will be swept to an institutional scholarship fund.

2. **Establishment of Organization Funds.**

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 Student Services Office.

b. The fund manager (See HSC OP 50.03) for the organization must request access to Banner Finance via the TEAM application at https://banapps.texastech.edu/team/SelectApplication.aspx.

c. After all approvals and accesses have been received, a new fund must be requested via the System at https://fund.app.texastech.edu/. A copy of the registration should be attached to the new fund request. The new fund request must include the affiliation of the organization with the Institution, the nature of the activity that will be processed through the agency fund, and the business purpose (why the organization does not open its own bank account).

d. After the fund number has been assigned, the organization may make deposits to the fund through the online cash receipts system with Student Business Services (SBS), located at https://www.fiscal.ttuhsc.edu/cashreceipts/. HSC OPs 50.08 and 50.26 provide additional guidance and instructions on Deposit Procedures and Completion of Cash Receipts.

3. **Disbursements from Organization Funds.**

a. A TechBuy 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 requisition are found on the Purchasing website at http://www.fiscal.ttuhsc.edu/purchasing/. Additionally, operating policies numbered as TTUHSC OP 72.XX provide instructions/guidance on Institutional Purchasing Policies and Procedures.

b. Organizations should submit the Requisition to Purchasing 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 check will be mailed by Payment Services to the payee unless alternate check delivery instructions were requested by proper notation on the Requisition.

4. **Use of Institutional Services by Student and Other Organizations.**

a. Student and other organizations may use institutional services, such as the Central Warehouse, Copy and Mail Services, Communication Services, the University Center, and the Bookstore.

b. The institution may provide services to agency organizations as long as the services provided are for a proper public purpose and there are controls to insure the institution is provided adequate benefit and consideration.

c. Service Departments providing services will process charges against agency funds using the Financial Transaction System (FiTS).

d. Transfers between agency funds and institutional funds are prohibited.