Purpose
In certain instances, the University may act as a fiscal agent for outside agencies such as student, faculty, staff, governmental, or private organizations or activities. This policy governs the establishment and administration of such agency funds at UCSF.

Definitions
Agency Fund

A fund established to record the administration of monies for which the University acts as fiscal agent and provides services to an outside principal. Specific types of services are described in the University of California Business and Finance Bulletin (see link in References section of this policy). Agency funds are not considered University monies or charitable contributions to the University.

Agent

For the purposes of this policy, UCSF is always the agent.

Policy

A. Establishing an Agency Fund

Agency funds may be established for outside activities that support or enhance the mission of the University and where there is 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, patients, or faculty.

All agency funds must have a UCSF 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.

Examples of appropriate agency funds include a fund established for a professional journal
when a UCSF faculty member is an editor of the journal, or for professional training, continuing education, or conferences offered by an outside professional organization and administered by UCSF, or employee, student, or alumni organizations or clubs sanctioned by the University. The University's responsibility to a principal under this policy is limited to acting as the principal's fiscal agent.

Fund establishment requires the following reviews and approvals as indicated on the Request for Agency Fund Form (available on the Controller's Office website):

1. Principal (or authorized employee of the principal)
2. UCSF sponsor
3. Departmental approver
4. Budget and Resource Management

B. Agency Funds Services

Services provided by the University under the agency arrangement include the following:

1. Disbursing services through Controller's Office, Accounts Payable Department
2. Use of campus service departments (e.g., Reprographics, Facilities Management) at established rates
3. Purchase of materials
4. Purchasing services through Campus Procurement and Contracting
5. Payroll services when the principal authorizes the payment of compensation to University employees for work done on behalf of the principal. Under no circumstances should direct payroll services be provided for non-University employees.

C. Terms and Conditions of Agency Funds

All expenditures are to be made in accordance with University or explicit, written Campus Foundation policies.

Monies accepted for deposit in agency funds are not considered tax-deductible gifts to the University.

Agency funds should have a positive cash balance at all times. However, an agency fund may, in an exceptional circumstance, have a temporary negative balance. The Controller's Office may enforce this provision by not processing a disbursement that will create or increase an overdraft.

Checks for deposit to the agency fund must be made payable to UC Regents and deposited in accordance with Campus Administrative Policy: Cash Handling.

The principal, sponsor, and signatory must adhere to applicable federal, state, and local laws.

The resources of the University will not be used in support of the sponsoring entity without appropriate reimbursement for direct and indirect costs. The Budget and Resource Management Department, in its review of the Request for Agency Fund Form, is responsible for determining the appropriate amount of reimbursement due the University. In those cases where the use of resources of the University is not significant, the Budget and Resource Management Department may waive such reimbursement.
All non-payroll disbursements require the appropriate purchasing authorization. The Accounts Payable Department will issue University payment against the agency fund based on submission of a payment request or a vendor invoice that contains the agency fund number and payment approval signature of the sponsor or signatory for the fund.

Campus service department recharges for goods and services ordered by and rendered to the principal will be directly charged to the agency fund.

Accounting will conduct a regular review of active agency funds to close out idle funds, monitor fund balances, and assure continual usage of the fund is appropriate.

The agency fund must be closed at the completion of the project or activity. Any credit balance remaining in the fund will be refunded to the principal or, if the principal no longer exists, transferred to the Chancellor's campus-wide account. Any deficit in the fund will be charged to the Sponsor's department.

All compensation to UCSF faculty, employees, residents, fellows, and students must be made through the UC payroll system. Such payroll arrangements must be approved by the Vice Chancellor--Academic Affairs or the Assistant Vice Chancellor--Human Resources. Direct cash payments from agency funds to UCSF faculty, employees, residents, fellows, and students using a payment request form or check request are not allowed. When payroll services are provided, there must be a written agreement from the principal that the individuals included in the project or activity's payroll are University employees eligible for all employee benefits and covered by the University's personnel rules. Payroll services are not provided for non-University employees.

Occasional direct cash payments for consulting and honoraria to individuals who are not University employees are permitted from agency funds and are to be requested to the Accounts Payable Department, via a payment request form. Payments to consultants require an approved UCSF Consultant Agreement. Payments for consulting or of honoraria are subject to UCSF policies governing such payments. Consultant, honoraria, or other such payment arrangements must be approved in writing by the Vice Chancellor--Academic Affairs or the Assistant Vice Chancellor--Human Resources. If such payments constitute an employer/employee relationship, the sponsor should arrange for the principal to provide payroll services directly to the payees, or if the principal prefers, the sponsor may establish formal payroll services in the name of the principal with a non-University vendor. If the principal does not mandate a particular non-University vendor for these services, the sponsor should select a vendor in accordance with UCSF purchasing policies.

D. Accounting Treatment

As agency funds are not considered University monies, related revenues and expenses must not be included in the University's Statement of Revenues, Expenses and Changes in Net Position. Each fiscal year-end, the Controller's Office should reclassify all agency fund revenue and expense that has been recorded in the general ledger to an asset or liability account.

E. Exceptions
Exceptions to the terms and conditions of agency funds can only be granted by the Office of Budget and Resource management.

Responsibilities

Budget Officer: Management representative of Budget and Resource Management unit who verifies that the creation of the new agency fund is consistent with UC and UCSF policy, authorizes the Controller’s Office to create the new fund, and manages exceptions to this policy.

Departmental Approver: A UCSF faculty or staff employee aside from the Sponsor who verifies that the creation of the agency fund is in keeping with the overall mission of the University, and verifies that the department accepts responsibility for the administration and monitoring of the agency fund.

Principal: A professional or scientific organization in which faculty or staff are officers or editors; a student, staff, or alumni association; or another sponsoring entity outside UCSF that authorizes UCSF to act as its agent, subject to the principal’s general control and instructions as expressed through the sponsor. The principal provides cash to The Regents to keep a credit balance in the fund and advises the UCSF sponsor on the appropriate use of funds deposited.

Signatory: A UCSF employee granted signature approval authority for financial transactions of an agency fund. Only the following specific duties may be delegated to a signatory: requesting cash from the principal to cover estimated expenses, depositing cash, verifying that a credit balance remains in the account, and authorizing disbursements.

Sponsor: A UCSF faculty or staff employee authorized by the principal to act on its behalf and who assumes responsibility for the proper administration and monitoring of the agency fund. The sponsor may designate a signatory to whom to delegate approval authority for the various forms necessary to initiate transactions on the agency fund. The monitoring responsibilities of the sponsor cannot be delegated.

Contact Controller’s Office with any questions.

Procedures

To request an agency fund, complete the formal request form located on the Controller’s Office website. Obtain the appropriate authorized signatures per the form.

Related Policies

- 300-18 - Independent Consultants (retired) [3]
- 300-29 - Honoraria [4]

References

- Controller’s Office, General Accounting Forms (Including Agency Fund Request Form) [6]
- Controller’s Office, Accounts Payable Forms [6]
- UCSF Controller’s Office Website [7]