

Agency Fund Guidelines

Definition The Agency fund accounts for assets (typically cash) received and held by the University, for which title is not vested with the Regents of The University of Michigan. The University acts as a custodian or fiscal agent for others such as student organizations, individual students, faculty members, or organizations affiliated to the university. It also includes University and employee contributions and deductions for staff benefits and payroll taxes. The Agency fund differs from all other funds in that the assets do not belong to the University.

Establishment of Agency Project/Grant

Before an Agency project/grant can be established the following items are needed:

- An Agency Information form submitted.
 - ✓ A relationship between the Agency and the University needs to be identified.
 - ✓ A contact person from the related School or Unit needs to be named.
 - ✓ A contact person from the Agency needs to be named.
 - ✓ Valid chartfields from the related School or Unit to cover possible deficit balances in Agency project/grant need to be given.
- A project/grant request form submitted. All requests for Agency project/grants need approval by the Dean of the School or, Highest Administrative Authority of a Unit, related to the Agency.

Funding Requirements

- All Agencies are required to have funds on deposit with the University prior to any spending against the project/grant.
- Deposits must be sufficient to cover current month's expenditures or based on a yearly projection of expenditures.

Agency Fund Review

- Related School or Unit is responsible for updating Agency Information. Any changes such as agency contact person, valid chartfields needs to be submitted to the Shared Services Center using the Agency Information form.
- Accounting Customer Service at the Shared Services Center will perform a quarterly review of all Agency project/grants status.

Overdraft Procedures

Accounting Operations reviews project grant balances on a monthly basis for overdrafts.

- First month overdraft – The accountant will notify the Single Administrative Point of Contact for the agency project grant to inform them of the funding policy and request funds.
- If the overdraft continues, the accountant will notify the agency contact person and the related schools or unit's Dean or Highest Administrative Authority of the funding shortage.
The Agency project/grant could be inactivated and the overdraft written off to the related school or unit's valid chartfields.