



Standard Administrative Procedure (SAP)

21.01.07.L0.01 Fiduciary And Agency Funds

First Approved: May 31, 2013
Revised: March 21, 2019
December 15, 2021
Next Scheduled Review: December 15, 2026

Procedure Statement and Reason for Procedure

The purpose of this SAP is to define fiduciary and agency fund accounts and to outline the procedures for accepting, administering, and accounting for fiduciary and agency fund accounts.

Procedures and Responsibilities

1. GENERAL

- 1.1 Texas A&M International University (TAMIU) funds may not be deposited into a fiduciary or agency fund account.
- 1.2 Fiduciary and agency fund accounts are subject to federal and State laws. The sponsor may impose additional limitations.
- 1.3 Responsibility for fiduciary or agency fund accounts:
 - 1.3.1 The responsible person will ensure that all disbursements from the fiduciary or agency fund accounts are made in accordance with the written agreement on file.
 - 1.3.2 The TAMIU Comptroller is responsible for approving and establishing each fiduciary or agency fund account in the financial reporting system.

- 1.4 TAMIU cash may not be loaned to fiduciary or agency fund account activities. Sponsors must provide for cash needs in advance.
- 1.5 Expenditures may not be processed against a fiduciary or agency fund account in a deficit cash position.
- 1.6 A fiduciary or agency fund account that will be disbursing funds to an individual who is not a United States citizen may have special reporting requirements that the sponsor agrees to meet.
- 1.7 Fiduciary and agency fund accounts do not earn interest income, and fees are not charged for account maintenance.
- 1.8 Payments from fiduciary or agency fund accounts are processed on the schedule used by TAMIU for Accounts Payable disbursement. Funds may not be withdrawn in excess of the account balance.
- 1.9 The deposit of fiduciary or agency funds does not entitle the depositor to special rights or privileges. For example, the depositor, individually, is not entitled to special credit rights, special recognition, or special use of TAMIU's name, federal identification number, or facilities.
- 1.10 A fiduciary or agency may request non-payroll payments on their behalf. IRS Form 1099 must be issued, as appropriate, to vendors unless the stipulations of [System Regulation 60.01.01, Association with Affiliated Organizations](#) require special processing as shown in the affiliated organization agreement.
- 1.11 TAMIU will deposit fiduciary and agency funds only in banks with which a board-approved depository agreement has been executed.

2. REPORTING AND ACCOUNTING

- 2.1 TAMIU fees such as student service fees allocated to student organizations cannot be held in fiduciary or agency fund accounts.
- 2.2 No transfers from any fund group may be made to fiduciary or agency fund accounts. Any amounts owed to the fiduciary or agency fund account or due from the fiduciary or agency fund account must be recorded as revenue or expense in the financial reporting system.
- 2.3 Payments issued from fiduciary or agency fund accounts will require documentation consistent with documentation needed for payments from non-fiduciary accounts. As such, documentation for payments will be required for reporting, in accordance with federal tax laws.
- 2.4 Fiduciary funds are reported on the statement of fiduciary net position and the statement of changes in fiduciary net position. The net position/fund balance is reported as restricted since TAMIU is holding these funds on behalf of external entities.

2.5 Agency funds are reported as assets and liabilities on the state of net position within the proprietary statements.

3. ESTABLISHING A FIDUCIARY OR AGENCY FUND ACCOUNT

A fiduciary or agency fund account is established by submitting a written request to the Comptroller with justification for creating the account, with approval from the appropriate supervisor, academic division head, or President's Office staff member, and accompanied by a completed and signed [Application to Establish a New Account](#). The following information should accompany the request:

- (a) the name of the organization;
- (b) the purpose of the organization;
- (c) the names and signatures of individuals authorized to make withdrawals; and
- (d) the number of signatures required to make withdrawals.

4. CLOSING A FIDUCIARY OR AGENCY FUND ACCOUNT

A fiduciary or agency fund account is closed upon written notice to the TAMIU Comptroller from the sponsor and applicable supervisor, academic division head, or President's Office staff member and upon approval by the Comptroller. Remaining funds must be returned to the sponsor.

Related Statutes, Policies, Regulations, or Rules

[System Regulation 21.01.01, Financial Accounting and Reporting](#)

[System Regulation 21.01.07, Fiduciary and Agency Funds](#)

[System Policy 60.01, Relationships with Affiliated Organizations](#)

[System Regulation 60.01.01, Association with Affiliated Organizations](#)

Definitions

Agency Funds – Funds held by TAMIU as custodian or fiscal agent. These funds either do not meet the criteria for fiduciary funds or qualify for an exception because the assets are expected to be held for three months or less.

Fiduciary Funds – Funds held by TAMIU that have any of the following three characteristics:

- 1) assets are controlled or held by TAMIU;
- 2) assets are not derived from either TAMIU's own-source revenues or from the member's non-exchange transactions or voluntary exchange transactions; or
- 3) assets are for the benefit of the external individual or entity, and TAMIU does not have administrative involvement or direct financial involvement

Sponsor – The individual or group whose funds are accounted for in the fiduciary or agency fund account.

Sponsored Individual – The individual or group as identified in the sponsor's agreement on whose behalf the funds have been deposited with TAMIU.

Responsible Person or Persons – The person (normally a TAMIU employee or employees) designated to authorize expenditures and manage the account in accordance with State law, Texas A&M University System policies and regulations, and TAMIU rules and procedures.

Contact Office

Office of the Comptroller, 956-326-2378