



# Standard Administrative Procedure (SAP)

## 21.01.07.L0.01 Agency Funds

**First Approved:** May 31, 2013  
**Revised:** March 21, 2019  
**Next Scheduled Review:** March 21, 2024

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### Procedure Statement and Reason for Procedure

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

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### Procedures and Responsibilities

1. GENERAL
  - 1.1 Texas A&M International University (TAMIU) funds may not be deposited into an agency fund account.
  - 1.2 Agency fund accounts are subject to federal and State laws. The sponsor may impose additional limitations.
  - 1.3 Responsibility for agency fund accounts:
    - 1.3.1 The responsible person will ensure that all disbursements from the agency fund account are made in accordance with the written agreement on file.
    - 1.3.2 The Comptroller is responsible for approving and establishing each agency fund account in the financial reporting system.
  - 1.4 TAMIU cash may not be loaned to agency fund account activities. Sponsors must provide for cash needs in advance.

- 1.5 Expenditures may not be processed against an agency fund account in a deficit cash position.
- 1.6 An 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 An agency fund account does not earn interest income, and fees are not charged for account maintenance.
- 1.8 Payments from 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 Funds may not be withdrawn in excess of the account balance.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 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 An 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 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 agency fund accounts.
- 2.2 No transfers from any fund group may be made to agency fund accounts. Any amounts owed to the agency fund account or due from the agency fund account must be recorded as revenue or expense in the financial reporting system.
- 2.3 Payments issued from agency fund accounts will require documentation consistent with documentation needed for payments from non-agency accounts. As such, documentation for payments will be required for reporting, in accordance with federal tax laws.
- 2.4 Agency funds are reported in the statement of net assets as funds held for others.

## 3. ESTABLISHING AN AGENCY FUND ACCOUNT

An 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 AN AGENCY FUND ACCOUNT

An agency fund account is closed upon written notice to the 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.

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### Related Statutes, Policies, Regulations, or Rules

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

[System Regulation 21.01.07, Agency Funds](#)

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

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

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### Definitions

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**Agency Fund Account** – An account which records funds held by TAMIU as custodian or fiscal agent for a sponsor or a TAMIU-related organization.

**Sponsor** – The individual or group whose funds are accounted for in the 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.

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### Contact Office

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Office of the Comptroller, 956-326-2378