**Student Organization Accounting UPPS No. 03.01.10**

**System Issue No. 6
 Effective Date: 08/17/2021**

 **Next Review Date: 05/01/2026 (E5Y)**

 **Sr. Reviewer: Associate Vice President for Financial Services**

**POLICY STATEMENT**

*Texas State University is committed to promoting proper financial stewardship of funds expended for the benefit of student organizations.*

**01. BACKGROUND INFORMATION**

01.01 The purpose of this policy is to establish procedures for the Texas State University Student Organization Accounting System (an on-campus banking service) for non-university funds consistent with [The Texas State University System (TSUS) Rules and Regulations, Chapter VI, Sections 6.2 and 6.43](https://gato-docs.its.txstate.edu/jcr%3Ab1f6b523-4412-4769-8219-3c380374da02/TSUS%20Rules%20and%20Regs%20thru%2008.12.21.pdf).

**02. PROCEDURES FOR USE OF THE STUDENT ORGANIZATION ACCOUNTING SYSTEM**

02.01 Certain student organizations, hereafter referred to as required organizations, are required to utilize the Texas State Student Organization Accounting System to account for their non-university funds. The required organizations are as follows:

a. chartered organizations;

b. sports clubs; and

c. residence hall councils through the Residence Hall Association (RHA).

02.02 Required organizations are authorized to use the university taxpayer identification number only for the purpose of IRS1099 reporting at year end. The Accounts Payable office will include the student organization vendor payments with the Texas State vendor payments for IRS 1099 reporting.

02.03 All student organizations, other than those referenced in Section 02.01, are not included in this policy and are not authorized to:

a. use the Texas State Student Organization Accounting System, but may utilize a financial institution off university property;

b. represent the student organization as an agent of the university;

c. use "Texas State," "Texas State University," or "Bobcats" in their name when establishing bank accounts off university property (per [UPPS No. 01.04.10](https://policies.txstate.edu/university-policies/01-04-10.html), Registration, Control, and Marketing of University Symbols);

d. use the university’s federal tax identification number; or

e. use the university’s [Texas Sales and Use Tax Exemption Certificate](https://gato-docs.its.txstate.edu/jcr%3A36111a0c-243e-4e4b-ae2f-d07448bfdaf2/Texas%20Sales%20and%20Use%20Resale%20and%20Exemption%20Certificates.pdf) or [Texas Sales and Use Resale Certificate.](https://gato-docs.its.txstate.edu/jcr%3A36111a0c-243e-4e4b-ae2f-d07448bfdaf2/Texas%20Sales%20and%20Use%20Resale%20and%20Exemption%20Certificates.pdf)

02.04 Advisors to non-required student organizations that do not have their accounts and financial records kept by the university shall not have control or fiscal responsibility, including but not limited to check-writing authority, of the bank accounts or financial records of such organizations per [TSUS Rules and Regulations, Chapter VI, Section 6.2](https://gato-docs.its.txstate.edu/jcr%3Ab1f6b523-4412-4769-8219-3c380374da02/TSUS%20Rules%20and%20Regs%20thru%2008.12.21.pdf).

02.05 Student organizations may not commingle university and non-university funds in either a student organization account or a university account. A student organization account may not accept funds donated or transferred from a university account, other than transfers to purchase goods or services from student organizations. To obtain payment from a university account, the required student organization must process an interdepartmental transfer (IDT), using the e-IDT automated adjustments and transfer process.

02.06 Departments may use university funds to support student organization activities if these funds are expended from appropriate university operating accounts for a valid business purpose with supporting documentation. The university prohibits reimbursing student organizations from department accounts with the exception of Student Service Fee Committee, Multicultural Programs Committee, Underrepresented Student Advisory Council, Student Organizations Council funds, or other student service fee sources whose purpose is to promote student organization activities and programming.

**03.** **RESPONSIBILITIES FOR MANAGING STUDENT ORGANIZATION ACCOUNTING SYSTEM ACCOUNTS**

03.01 The responsibilities of the officers and advisors of each student organization using the Student Organization Accounting System include:

1. completing the [Student Organization Account Set-up & Update form](https://gato-docs.its.txstate.edu/jcr%3A895142fd-d071-4e78-8d46-c354b0634a9e/AP-8%20Student%20Org%20Account%20Set-Up%20%26%20Update.pdf) to establish a custodial fund in the university accounting system;

b. making deposits within three working days of receipt to the student organization account with Student Business Services during regular business hours;

c. collecting all returned checks. The university will charge the student organization account for the amount of the check and the university's non-sufficient fund check fee;

d. submitting a completed [Student Organization Account Payment Request form (AP-9)](https://gato-docs.its.txstate.edu/jcr%3A1bf0fb3d-47a0-491f-8393-6911ca3bcdd4/AP-9%20Student%20Organization%20Payment%20Request.pdf) to the Accounts Payable office for each payment from the student organization account;

e. reviewing and reconciling the student organization account monthly to assure the accuracy of balances. The account manager assigned to the student organization account will have access to account activity in the university accounting system;

f. providing and retaining records to properly document all deposits and expenditures; and

g. establishing adequate segregation of duties to minimize the possible loss of student organization funds due to misappropriation.

03.02 The responsibility of Student Business Services is to issue a receipt for monies received for the student organization deposits.

03.03 The responsibility of Financial Reporting & Analysis includes processing the student organization account forms.

03.04 The responsibility of Procurement and Strategic Sourcing is the processing of vendor maintenance forms for student organization account vendors.

03.05 The responsibilities of the Accounts Payable office are to process approved payment request forms submitted by the student organization.

03.06 Accounts Payable and Payroll and Tax Compliance are jointly responsible for issuing the annual MISC-1099 forms to those vendors paid on behalf of student organizations who received $600 or more during the calendar year.

03.07 The responsibilities of the Student Involvement office are to provide training to the student organizations and the advisors on the processes for the Student Organization Accounting System and fiscal responsibility, to make the annual review for inactive student organizations as described in Section 07., and to maintain current listings of the required organizations.

**04. PROCEDURES FOR EXPENDITURES FROM THE STUDENT ORGANIZATION ACCOUNTING SYSTEM**

04.01 Expenditures require written authorization of both the advisor and a designated officer of the organization, in accordance with [TSUS Rules and Regulations, Chapter VI, Section 6.43](https://gato-docs.its.txstate.edu/jcr%3Ab1f6b523-4412-4769-8219-3c380374da02/TSUS%20Rules%20and%20Regs%20thru%2008.12.21.pdf). The university is not responsible for determining the validity or appropriateness of student organization account expenditures.

04.02 Requests for payments to any of the persons with signature authority require signatures of two authorized officials other than the payee.

04.03 Advisors may not expend their own personal funds on behalf of the student organization and ask for reimbursement from the student organization account, per [TSUS Rules and Regulations, Chapter VI, Section 6.2](https://gato-docs.its.txstate.edu/jcr%3Ab1f6b523-4412-4769-8219-3c380374da02/TSUS%20Rules%20and%20Regs%20thru%2008.12.21.pdf).

04.04 Wage or salary payments are prohibited from student organization accounts.

04.05 Payments may be made to non-employees of Texas State from student organization accounts for contracted services (such as referees).

04.06 Capital equipment purchases from student organization accounts are allowed; however, the equipment will not be recorded as a university asset.

04.07 Purchase or reimbursement of alcohol is not permitted.

04.08 Student organization accounts will not be issued procurement cards or have access to university procurement and payment systems such as SAP purchase requisitions, TSUS Marketplace, or the electronic travel system.

04.09 Student organization accounts may make or receive payment for goods or services when transacting with university departments through the e-IDT process. Student organization accounts may not receive funds, including transfers, from a university account other than a payment for goods or services. However, expenditures should be made within 30 days of receipt of goods or services or the receipt of the invoice, in accordance with the [State of Texas Prompt Payment Act](https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2251.htm).

**05. PROCEDURE FOR DEPOSITS**

05.01 An organization’s representatives may make deposits at the Student Business Services office during regular business hours. Deposits may include cash, checks, travelers’ checks, cashiers’ checks, or certified checks.

**06. STUDENT ORGANIZATION ACCOUNT INTEREST**

06.01 Interest income earned on student organization accounts will be deposited into the accounts designated by the vice president for Finance and Support Services.

**07. INACTIVE STUDENT ORGANIZATION ACCOUNTS**

07.01 Annually, the Student Involvement office will review student organization accounts to identify abandoned accounts. The university will consider as abandoned those accounts that are inactive for 24 consecutive months or greater, from the date of the last transaction. The Student Involvement office will make a reasonable attempt to notify the last known officer, advisor, or account manager of the organization to determine the appropriate disposition of the funds. If the university cannot locate these persons, it will close the inactive accounts and deposit funds to the account designated by the vice president for Finance and Support Services.

**08. ACCOUNTING PROCEDURES FOR STUDENT ORGANIZATION ACCOUNTS**

08.01 Student organization accounts are accounted for as custodial funds in the university’s accounting system.

08.02 The university is not responsible for the preparation of financial statements for individual student organization accounts. Student organizations will have access to the student organization’s account transactions through the university’s accounting system.

**09. PROCEDURES FOR DONATIONS TO STUDENT ORGANIZATIONS**

09.01 The university will not issue gift receipts for donations to a student organization account. For additional information, required organizations should consult with the Student Involvement office and University Advancement.

**10. REVIEWERS OF THIS UPPS**

10.01 Reviewers of this UPPS include the following:

Position Date

Associate Vice President for May 1 E5Y

Financial Services

Director, General Accounting Office May 1 E5Y

Director of Payroll and Tax Compliance May 1 E5Y

Office

Director, Student Involvement May 1 E5Y

Associate Director, Athletics May 1 E5Y

Business Manager, Campus Recreation May 1 E5Y

**11. CERTIFICATION STATEMENT**

This UPPS has been approved by the following individuals in their official capacities and represents Texas State policy and procedure from the date of this document until superseded.

Associate Vice President for Financial Services; senior reviewer of this UPPS

Vice President for Finance and Support Services

President