

## **FINANCIAL ACCOUNTS & INFORMATION**

As soon as your organization is recognized by the University and has a faculty or staff advisor, you may request a University account for your finances. The advisor accepts responsibility for the account and will receive monthly reports from the University Accounting Office.

### **Types of Accounts**

Three types of accounts are available to student organizations. The type of account is dependent upon the type of funding a group receives.

**Designated Accounts:** Student organizations that receive funds from University fees are assigned designated accounts. Organizations with designated accounts include Student Government Association, Black Student Association, Latino Student Union, Asian American Student Association, Student Voluntary Services, Student Leadership Developmental Board, Spectrum, Disabled Students in Action, and University Program Board.

**Agency Accounts:** Student organizations that do not receive funding from University fees are assigned agency accounts. This is the most common type of student organization account.

**Commercial Accounts:** Some student organizations choose not to establish an account with the university. These are called commercial accounts, since they utilize the paid services of commercial banks and accounting firms.

### **Services Available to Student Organizations with a University Account**

1. The University serves as the organization's banker. Deposits are made at the Bursar's Office in Lucina Hall. Check requests are turned in at the Accounting Office in the Administration Building. The University banking hours are 8:00 a.m. to 5:00 p.m. Monday – Friday (7:30 a.m. to 4:00 p.m. in the summer).
2. An annual review of financial records is available, free of charge, by the Office of the Controller. A review of each organization's books ensures the organization is recording their financial transactions properly and accurately. A report is issued to each organization that submits books, listing any discrepancies. The organizations may pick up their books and reports at the beginning of the fall semester. The Office of the Controller is willing to accommodate student organizations that may need an extension when turning in their books, or will need the records at an earlier date following the review.
3. Accounting supplies are provided for all Agency Account treasurers' records in the Office of the Controller.
4. Accounting advice is available by appointment with the staff accountants. Please call 285-2526 or 285-2528.

### **Agency Account Procedures**

1. Purpose of Guidelines

The purpose of these guidelines is to provide a system for organizing and recording all account activity. This will assist the treasurers in properly monitoring and reporting the flow of the organizational funds and therefore, meet the responsibilities of their positions.

2. Organization Account Numbers

A six-digit account number has been assigned to each organization account. In addition to the account number, any financial activity of your organization is recorded as an addition or deduction to the account balance by using the appropriate subcodes: "4690" for additions and "5690" for deductions. Also, your organization's Fund Balance can be distinguished by the subcode "3940".

## Financial Accounts & Information

The account number structure for such transactions is shown as follow:

|                                       |                    |                            |
|---------------------------------------|--------------------|----------------------------|
| A. Account additions (deposits)       | Account<br>0-94XXX | Addition subcode<br>-4690  |
| B. Account deductions (disbursements) | Account<br>0-94XXX | Deduction subcode<br>-5690 |
| C. Fund Balance                       | Account<br>0-94XXX | Balance subcode<br>-3940   |

The specific account number for your organization is indicated within the financial record books of your organization. If you have any questions concerning proper use of the account number and/or coding of related financial transactions, please contact the staff accountants at 285-2526 or 285-2528.

### 3. Income (Where and How to Deposit Money)

- A. All money received for fees, dues, assessment, sales and other miscellaneous income should be supported by a Cash Receipts Voucher prepared in duplicate, indicating the name of the individual submitting the money, source of the money, date received, and signature of the treasurer.
- B. Receipts issued for income received from money raising activities should be issued to the chairman of the event or the individual responsible for submitting the proceeds to the treasurer.
- C. The original receipt should be given to the individual submitting the money and the copy should be retained with the treasurer's records.
- D. All money should be deposited to the organization's account intact on the day following the day of the activity completion.
- E. Money may be deposited Monday through Friday from 8:30 a.m. to 4:55 p.m. at the cashier's window in the Bursar's area. A Cash Receipts Voucher must be submitted with each deposit.
- F. Whenever possible, the treasurer should require a check to be made out to the organization, not the treasurer, for payment of dues, activities, etc. from members.
- G. All deposits should be recorded on the Cash Record Form indicating date of deposits, source of funds, duplicate receipt number, and amount.
- H. The Cash Record balance should be increased by the amount of each deposit.

### 4. Organizations Check Request Voucher (OCRV)

OCRV's are used by the organizations when money is needed from the account to pay organization expenses. Money can only be drawn out of the account in the form of a check.

- A. All purchases should be made only by individuals authorized to make purchases for the organization.
- B. The treasurer should attach any invoices, expense receipts and/or other supporting documentation to the Organization Check Request Vouchers. The OCRV must be signed by both the student organization treasurer and organization advisor. OCRV's are prepared in triplicate. The yellow and white copies with supporting documentation attached are forwarded to the Accounting Office (AD G04) for processing. The pink copy is retained by the treasurer.
- C. OCRV's should be recorded on the Cash Record indicating date issued, name of individual or company receiving payment, purpose of disbursement, and amount.
- D. The Cash Record balance should be decreased by the amount of each OCRV.
- E. Disbursements should not be made from undeposited money. All disbursements should be made by check.
- F. OCRV's must be presented to the Accounting Office at least 72 hours prior to the time the check is needed.
- G. Checks will be mailed to the address indicated unless the request states that the check will be picked up in the Accounting Office.

5. Intra-University Charges (IUC)

IUC's are used to charge one University organization and are generated by another University organization or department. Examples of IUC's include charges to a student organization from University Banquet and Catering, or to another student organization for costs of co-sponsoring an event.

- A. IUC's can be prepared by completing a Check Request voucher. "IUC" should be written across the top of the form, and the name of the other University organization or department should appear in the "Check Payable to" section.
- B. The form is signed by the advisor and sent to the Accounting Office.
- C. A copy should be sent to the other organization for their records.

6. Reconciliation Procedures

All organizations with a University account will receive a computerized Accounting Report (FBM091) each month. The FBM091 will be sent to the organization's advisor 7-10 days after the end of the month. This Accounting Report should be reconciled with the organization's Cash Record each month. Reconciling is the procedure by which the organization's records are compared to those of the university, and the differences are noted and corrected in order to bring the two into agreement. Reconciling on a timely basis will prevent errors from carrying over into the next period.

- A. On your monthly FBM091, there is a column marked "Acct Ctl" (Account Control) which has the subcodes for your organization's additions (4690), deductions (5690), and Fund Balance (3940). Any transactions that the University has processed will be listed under the "Current Month" column.
- B. The Fund Balance (3940) represents your organization's account balance, which is found under the "Total to Date" column. DO NOT let the negative sign (-) confuse you – a negative sign after your Fund Balance amount means you have a positive balance. This amount should be compared to the balance per your Cash Record. If the two amounts agree, no further work is required.
- C. If the amounts do not agree, the following steps should be taken:
  - 1. Check your calculations. Often, a simple math error has occurred on your Cash Record form.
  - 2. If after checking your calculations and the amounts still do not agree with one another, your organization's records must be reconciled to the FBM091.

First, check off all transactions that are listed both on your organization's Cash Record form(s) and the FBM091.

Second, any income items that appear on your Cash Record, but not on the FBM091, should be subtracted from your organization's balance. These deposits have yet to be processed by the University.

Third, any deductions that appear on your Cash Record, but not on the FBM091, should be added to your organization's balance. These expenses have yet to be paid by the University.

Finally, there may be items on the FBM091 that are not listed on your organization's Cash Record. This may have resulted from a) a deposit or check request that was overlooked and not recorded in your organization's records; b) your account being credited or charged through an Intra-University Charge, and the IUC may not have been received by or sent to your organization; and c) your account being credited or charged in error by the University.

If “A” or “B” has occurred, an adjusting entry will need to be made to your organization’s Cash Record. If you feel “C” has occurred or the two balances still do not agree after all adjustments have been made, please call the Staff Accountants at 285-2526 or 285-2528.

*Common Questions Regarding Student Organization Accounts:*

1. *How quickly will a check be issued?*  
Under normal procedures, checks will be printed in 72 hours. If a check is needed sooner, please inform the receptionist in the Accounting Office. The check request voucher must be properly completed, signed, and turned into the Accounting Office by 4:00 p.m. in order for the check to be processed within 72 hours. Under no circumstances will checks be processed on the same day.
2. *What information is needed when paying for personal service?*  
All payments made for personal service must be paid by use of a check request voucher and made payable to the individual providing the service. Because of filing requirements to the Federal Government, the Accounting Office must be supplied with full name, permanent mailing address (even if the check is to be picked up), and social security number of the individual, or the tax identification number of the organization providing the service.
3. *What is our organization’s current Fund Balance?*  
To find out your current Fund Balance, call the Accounting Office at 285-1327 between 8:00 a.m. and 5:00 p.m. (summer hours 7:30 a.m. to 4:00 p.m.)
4. *When will statements be received?*  
Statements are mailed 7- 10 days after the last day of the month.
5. *Where can forms be picked up?*  
All forms are available through the Office of the Controller (AD 301), between 8:00 a.m. and 5:00 p.m.
6. *Are student organizations exempt from paying sales tax?*  
NO. Indiana state tax law states that social activities of the University are not exempt from state sales tax. The only exception is the purchases of equipment. These items are nontaxable because title passes to the University.
7. *What signatures are required on the check request vouchers?*  
All check request vouchers require the signature of the student treasurer and faculty advisor.
8. *Are there items that a student organization’s funds cannot be used to purchase?*  
Student organization funds cannot be used to purchase alcohol, including alcoholic beverages served during a dinner or other meal the organization is paying for.
9. *What if our account goes into a deficit balance?*  
It is the responsibility of the student organization treasurer and organization advisor to make sure a deficit balance does not occur. The University does have procedures in place to try and prevent the student organizations from going into a deficit balance. While it is very important to remember that, not only do purchases in the form of a Check Request Voucher draw money out of the account, but also Intra-University Charges will draw down the account. If your account does go into a deficit status, the student organization’s treasurer, president, and organization advisor will be expected to clear up the deficit immediately. If the deficit is not resolved in a timely manner, the officers and advisor will be contacted by the University for immediate resolution. Further activity on the account will be suspended until resolved.