

UADA Policy 305.2 **Agency Funds Policy**

Purpose

The purpose of this policy is to define how agency funds will be established, maintained, and administered within UADA bank accounts and accounting records.

Scope & Definition

This policy applies to any funds commonly referred to as agency funds. Agency funds are funds held in trust by UADA as custodian or fiscal agent. The funds are deposited with UADA for safekeeping to be used or withdrawn by the depositor upon proper authorization. Funds may be held for recognized faculty, staff, or related professional or academic entities or activities.

Policy

1. General Overview

Each agency fund will have a unique worktag established in Workday expressly for the purpose of providing a safe, secure, and convenient method for accounting for and administering agency funds. The Agency worktag will begin with “AG” and all agency balances will be mapped automatically in Workday to the ledger account “Funds Held in Trust for Others” and tracked via a fund unique to agency accounts.

2. Establishing an Agency Account

Faculty, staff or departments needing agency funds should provide a written request to the Associate Vice President for Finance and Administration detailing the source(s) and use(s) of the requested agency fund. New agency funds will only be established when determined appropriate by the Associate Vice President for Finance and Administration. The Business Office will monitor disbursement of these funds to ensure consistency with the purpose of the fund.

3. Deposits to Agency Accounts

Deposits may be made to an agency fund via a cash deposit to UADA’s operating bank account following normal deposit procedures outlined by the Business Office. Additionally, deposits may be credited to agency funds using Workday business processes, primarily the Internal Service Delivery (ISD) process, when appropriate. ISD providers and transactions must be established and entered in Workday according to Business Office instructions. Other Workday business processes including journals or miscellaneous payments may be appropriate depending on the nature of the agency account.

4. Disbursements from Agency Accounts

To disburse agency funds, authorized and appropriate officers of agency fund entities should request a disbursement using the [Agency Fund Payment Request Form](#). Once approved by the Associate Vice President for Finance and Administration or designee, the Business Office will initiate a Workday

transaction to disburse the requested funds as instructed by officers of the agency fund entities. In some instances, agency disbursements may be triggered by other business processes or transactions, which could result in the Agency Fund Payment Request Form's completion at the discretion of the Business Office.

5. Responsibility to Manage Agency Accounts

It is the responsibility of the appropriate officers of agency entities to ensure funds held in trust by UADA on their behalf are appropriately collected and disbursed. Further, it is the responsibility of each agency entity to ensure that in the event an agency account balance falls below zero, the deficit is remedied in a timely fashion. Finally, it is the responsibility of officers of agency entities to notify the Business Office when new officers are elected, and new agency fund managers should be established in Workday to reflect officer changes. In all instances, the Business Office will reference the last official communication received regarding officers of an agency entity and execute deposit and disbursement instructions in accordance with the most recent list of authorized agency entity officers. The Business Office is not responsible for deposits or disbursements that have not been authorized by the appropriate agency entity officials if proper notification of any change has not been received by the Business Office.

The Business Office assumes the responsibility to hold funds on behalf of an agency entity and keep the balance safe for the agency entity's future use. The Business Office will monitor agency balances to ensure accounts do not fall below zero and will seek immediate remedy from the agency entity if the agency account is in deficit.

6. Subject to Audit

Agency funds will be subject to review or audit by the Business Office, University of Arkansas System Internal Audit, Legislative Audit, or other oversight authorities.