



## ACCOUNTING SYSTEM – TRUST AND AGENCY FUNDS

Southeast Technical College Policy STC 430

### 1. Purpose

The ~~purpose of the policy is~~ to ensure proper management and administration of funds managed on behalf of Southeast Technical College (STC). ~~accounting system should be established in accordance with the manual entitled Sioux Falls School District Accounting Manual.~~

### 2. General Statement of Policy

1. The Vice President of Finance ~~and Operations~~ may will recommend Trust and Agency Funds for STC where necessary, subject to the authorization of the Sioux Falls School Board (School Board).
2. All monies received will be promptly deposited to the trust and agency funds and properly recorded.
3. All payment and transfer requests from the trust and agency funds must include approval from Finance office personnel and in the case of student club funds, also a faculty advisor.
4. A consolidated report of monthly transactions will be provided to the ~~Sioux Falls School Board~~ School Board for review and approval during their scheduled meetings.
5. The Finance office will maintain a register of all deposits, transfers, and expenses made, available for review and audit.

### **Trust and Agency Funds**

~~All activities involved in collecting monies from students will establish a Trust and Agency Fund. Within the Trust and Agency Fund there may be established separate trust or agency accounts. All monies collected within STC shall be deposited to this fund's appropriate account and disbursed by check according to established procedure. The only exceptions to this requirement are funds collected for approved outside organizations and approved events. In no case will STC staff collect money from students, parents, or the general public and not deposit these funds into either a Trust and Agency Fund or the appropriate STC fund.~~

~~Trust funds are monies held in trust for student or unincorporated clubs, or for collecting and making donations on behalf of a group or an individual. Student clubs have a faculty advisor. The monies are raised through various fund raising activities by the students, and decisions on how the money is spent are made primarily by the club. Any expenditure made from a club trust account must be authorized by STC administration and designated officer of the club.~~

~~Agency funds serve as clearing accounts before the monies are deposited into the proper STC fund. No program expenditure shall be made out of an agency fund. However, costs associated with fund raising activities shall be from agency funds. The Business Manager or designee will identify which sub-funds are trust funds and which are agency funds.~~

~~The Trust and Agency Fund is to be set up and administered according to the following procedures.~~

- ~~1.—The School Board shall appoint an administrator, faculty member, or other designated employee, as treasurer of the Trust and Agency Fund. An assistant treasurer may be appointed to carry on business in the absence of the treasurer. All references to the treasurer are binding upon the assistant treasurer. The treasurer shall be responsible for the proper care, handling and accounting for the fund, as required by law.~~
- ~~2.—The treasurer shall be bonded by the Sioux Falls School District as required by law.~~
- ~~3.—The Board shall authorize a depository for the fund, and the treasurer shall be authorized to establish a checking account in the authorized depository.~~
- ~~4.—The treasurer shall issue pre-numbered checks in payment of approved vouchers.~~
- ~~5.—The treasurer upon receipt of any money shall prepare a pre-numbered receipt in duplicate. Any money received shall be deposited in the authorized depository and recorded in the proper account.~~
- ~~6.—Funds should not be permitted to accumulate in the respective buildings in any amount greater than is needed for day-to-day operation.~~
- ~~7.—The fiscal year for Trust and Agency Funds shall begin on July 1 and end June 30.~~
- ~~8.—The Board shall authorize the Sioux Falls School District Business Manager to establish the accounting procedures and forms that shall be used in conjunction with the operation of the fund.~~
- ~~9.—The overall fiscal policy shall be as follows:~~
  - ~~a.—The STC Vice President of Finance and Operations shall be responsible for establishing accounts as he/she they deems necessary within the fund.~~
  - ~~b.—An STC Administrator shall be responsible for the approval of all purchases. A voucher to which invoices and statements have been attached shall support payment. Payments by the treasurer are contingent upon the receipt of a voucher that has been signed by a faculty advisor and approved by an administrator in the absence of the Vice President of Finance and Operations.~~
  - ~~c.—To prevent accounts from becoming overdrawn, no purchase shall be made unless sufficient funds are on hand in the fund and appropriate account to pay the cost of the purchase. Any commitment which would create a debt in the fund and appropriate account shall be submitted by the Sioux Falls School District Business Manager to the Board for prior authorization.~~

- d. ~~All purchases of items greater than \$1,000 each shall be submitted by the treasurer to the Sioux Falls School District Business Manager or designee for prior authorization. All purchases of \$15,000 or more shall be submitted to the Board for prior authorization. Prior authorization is not required for internal reimbursement of previously authorized expenditures.~~
- e. ~~All obligations shall be submitted to the treasurer for payment by the end of the fiscal year in which the obligations were incurred.~~
- f. ~~The treasurer shall not transfer any money raised for a specific purpose or assigned to a particular account to another account without the approval of the Vice President of Finance and Operations. The approval shall be in writing and made a part of the files of the treasurer, subject to audit.~~
- g. ~~The treasurer shall prepare a monthly financial report when the fund is on a non-suspended basis setting forth the assets and a list of account balances of the fund. Copies shall be filed with the STC Administration and the Business Manager.~~
- h. ~~The treasurer shall prepare a monthly financial report for the faculty advisor of each account. The report shall show monthly activity of the account and ending account balance.~~
- i. ~~U.S. bonds or other investments shall be held in the STC business office of the school making the purchase.~~
- j. ~~With authorization from the Vice President of Finance and Operations, the treasurer may make loans from trust and agency funds to the school's incidental account. All loans shall be reimbursed prior to the end of the fiscal year.~~
- k. ~~A detailed audit shall be made at the close of each fiscal year by the auditor employed by the Board or by Sioux Falls School District personnel. Major findings of such audits will be reported to the Board.~~

### 3. Dissemination of Policy and Training

The policy is on STC's website under Consumer Information – Southeast Tech Policies

#### Legal References:

##### SDCL:

—13-16-19 – Custodial funds – Stewardship – Designation of employee – surety bond

13-16-20 – Disbursements – Records – Receipts – Payment of claims

#### Board Approved:

Policy		Board Action	(formerly 3410)	
adopted:	05-28-68	13052	(formerly DIA/STC	07-01-25)
amended:	11-10-86	23098		
amended:	08-14-95	28225		
amended:	09-11-00	29683		
amended:	06-28-04	33860		
amended:	01-09-06	34304		
amended:	10-27-08	35198		

amended: 09-12-11 36165

Regulation		Board Action	(formerly 3410)
approved:	05-28-68	13052	
revised:	11-10-86	23098	
revised:	04-24-95	28044.3i	
revised:	09-11-00	29683	
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## ~~Policies and Regulations~~

### ~~NEPN Code: DIA-R/STI~~

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#### ~~Fiscal Management~~

#### ~~Accounting System~~

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