MICHIGAN STATE UNIVERSITY
FINANCIAL ACCOUNTS - STUDENT ORGANIZATIONS
STUDENT GROUP REGULATIONS

1. General Policy

A. The University does not require student organizations to have their financial accounts with the Controller's Office. They are, however, required to follow good accounting principles and effective financial control of their funds.

B. Registered student organizations, on-campus living unit organizations, major governing groups, and Associated Students of Michigan State University may request to have a financial account with the Controller's Office and shall be given an account upon approval of the application by both the Student Affairs & Services Division and the Controller's Office.

C. Registered student organizations sponsoring revenue-producing events on campus or in University facilities must have a University financial account and all revenues and expenditures of the revenue-producing event must go through this account unless the revenues are under $50 per day. The University, through the Student Affairs and Services Division, reserves the right to review and audit this account.

D. Student organizations having the right to use University facilities and services have the option of paying for the use of University facilities and services either by cash or through their University account, if such an account exists. The University may require that cash payments be made in advance. (The following units will not accept cash: University Printing, Physical Plant, Telephone Charges, Mail Processing, Computer Center, Data Processing Charges, and Purchasing.)

E. A signature form designating at least two student officers authorized to sign forms calling for the expenditure of funds from the organization's University account must be on file with the Controller's Office. Student organizations may not designate an advisor as an authorized signer.

F. Student organizations and their officers are responsible for any financial obligations incurred by the organizations and for any overdraft in their University account.

G. The University will not be obligated to process authorized expenditures if there are not sufficient funds in the student organization's University account. All other authorized expenditures will be processed, unless prohibited by law or applicable University regulations.

H. If the Controller's Office fails to receive the completed and approved account/signature forms for the new academic year by October 15th, the organization's account will be suspended automatically. NOTE: ALL student organizations must renew existing account(s) each Fall Semester (See "2. B").

I. Student organizations are considered a separate entity from Michigan State University and do not fall under its tax umbrella. Therefore they should not use MSU's Tax ID or presume they are tax exempt. Each organization is liable for their own taxes and reporting of gifts &

donations made to their organization. All tax questions should be referred to the State of Michigan Treasury Department, the Internal Revenue Service, or a Certified Public Accountant.

2. Policies and Procedures For Financial Accounts

Procedures related to financial transactions involving the use of a University account (herein after referred to as an agency account) follow. These procedures have been developed and approved by the Controller's Office. The Accounting office, 355-5000, Room 360 Administration Building can provide assistance with bookkeeping procedures, the use of various forms mentioned below, and the reconciliation of the monthly fund ledger statement.

A. Establishing an Account

To request an agency account with the Controller's Office, both the "Application for Agency Account" and “Authorized Signature” forms must be completed. These forms can be found at www.studentlife.msu.edu under the Student Activities Section. Upon completion, forms should be taken to the Student Life Office, Room 101 Student Services Building for review and approval and then brought to the Accounting Office, Room 360 Administration Building. Please note that all persons listed on the “Application for Agency Account” form must include their campus e-mail address. E-Mail will be the preferred mode of corresponding on issues such as overdraft notices and financial holds being placed.

Student Life staff require three (3) class days to review the material. After the material has been approved by the Student Life staff;

1) If it is a new account or overdrawn account, the student organization must pick up the approved materials and personally take them to the Accounting Office.

2) If the organization is only re-applying for an account with no overdraft present, the Student Life staff will automatically send the application to the Accounting Office after it has been approved.

3) Living unit organizations take completed materials to Residence Life, G-55 Wilson Hall for review and approval - NOT 101 Student Services Building.

Organizations must have two or more student officers on the application and any other names of members authorized to sign on the account. NOTE: Since advisors are neither officers nor members of student organizations, they are not permitted to serve as authorized signers. After the Accounting Office has approved the request, an account number will be assigned. This account number will not be established in the University's accounting system until the group has deposited at least $50.00 into its account. Once Accounting has received proof of deposit, the agency account will be opened.

The approval and establishment of a student agency account does not:

a. Automatically entitle the organization to the use of all University services.

b. Place the organization under the University's tax exempt umbrella.

c. Make the University liable for any of the organization's actions.

d. Grant the organization the right to use the University's payroll system.

B. Annual Renewal of Account

If the student organization wants their University account to continue into the new academic year, the organization must re-register and complete a new application form and a new signature form each year following the guidelines outlined under "2. A. Establishing an Account." If the Controller's Office does not receive completed and approved account/signature forms by October 15th, the organization's account will be suspended until the paperwork is complete. The monthly account service fee (see "2. F") will continue to be assessed on suspended accounts. (See also "2. G. Account Termination").

C. Changes to Application Form and Authorized Signature Form

Requisitions, vouchers, and forms calling for expenditure of funds cannot be processed unless at least two authorized signatures are on file with Accounting. (See "1. E."). Both the application form and signature form must be updated each time there is a change in Advisors or person(s) authorized to sign for the organization. These forms must be updated through the Department of Student Life. Failure to do so will result in non-payment and return of the document to the organization via the Student Life Office (unless group has provided a return mailing address on documentation).

Application and Authorized Signature forms can be found at www.studentlife.msu.edu under the Student Activities Section. Upon completion, forms should be taken to the Student Life Office for review and approval. Student Life may require approval from the current Advisor or one of the currently authorized signers before accepting a new application form and signature form. (Contact Student Life with any questions.) Approved forms will be forwarded to Accounting. Note: All authorized signers must also be listed on the "Application for Agency Account".

D. Deposit of Funds

Money to be deposited in an agency account should be taken to the Cashier's Office, Room 110 Administration Building. Office hours are from 8:15 a.m. to 4:45 p.m., Monday through Friday. When depositing money, a deposit slip, http://www.ctlr.msu.edu/download/forms/ex15a.pdf, should be prepared in duplicate. The Cashier will validate both copies with the duplicate returned for the financial records of the organization. Deposits made through the last business day of a month will appear on that month's ledger. Sufficient funds must be on deposit to cover all charges incurred during the month to avoid an overdraft.

E. Distributing Funds

Funds can only be distributed from an account in one of the following ways. Cash may not be withdrawn directly from an account.

1. Direct Payment Voucher (DPV)

Direct payment vouchers may be used for: Payments to entertainers, refunds, reimbursement for expenditures incurred by members of an organization, withdrawals of funds, etc. Only one person or vendor can be paid on a single voucher. Please see MSU's Manual of Business procedures Section 75, item I (http://ctlr.msu.edu/COMBP/mbp75.aspx) for policies and procedures regarding the preparation of a DPV. The DPV form can also be found in Section 75.

a. Preparation of Direct Payment Voucher - This voucher must document the complete name, address, and tax ID number (when applicable) of the payee. The "Original" must be signed/approved, **in blue ink**, by an authorized signer(s). Payments made to an authorized signer must be co-signed by another authorized signer for that account. The voucher must contain specific information regarding the nature of the payment. It should include dates, such as the period when services were performed, where applicable. Information that is to be sent with the check should be attached to the 2^{nd} copy of the voucher. Note: Write or Stamp "COPY" on this 2^{nd} copy. Documents explaining the reason for the voucher, such as a vendor invoice, should be stapled to the "Original" copy.

b. Distribution of Voucher - The original and duplicate copy of the voucher are submitted to the Voucher Processing office, Room 360 Administration Building. Upon receipt, it will take 7 - 10 business days for check to be issued. Please bear this in mind when submitting a voucher for payment.

c. For payments that must be made within one day there are the following options: A check can be prepared for pick up at 4 PM on the same day, or it can be prepared and included in that day's mail. There is a $15 service charge for the special handling and the voucher must be received in Accounting by 10 AM on the day of the request.

2. Paying another Campus Department or Organization

Many University service units will bill organization accounts using an interdepartmental transfer (IDT) form. In those instances where a unit does not use an IDT, a Journal Voucher Entry (JVE) form http://www.ctlr.msu.edu/download/forms/ex40a.pdf should be prepared, signed by an authorized signer(s), and then sent to Accounting, Room 360 Administration Building. The JVE form denotes the account number to be charged, the account number to be credited, the amount of the transaction, and an explanation with references and dates.

NOTE: While transfers between student or non-student agency accounts are acceptable, University departments must obtain the Dean's authorization to donate departmental funds to Student accounts. These donations must be initiated with a Journal Voucher, use object code of 076 for the account being debited, and include the Dean's signature.

A department may also support a student organization by transferring charges in the following manners:

a) Organization incurs the expense/charge against their Student Account. Upon confirmation of charge (issued check, processed JVE or IDT) provide the reference detail to the supporting department so they may transfer the expense to their account via JVE.

b) An officer of the student organization may pay for the supply or service and provides all appropriate receipts (store receipts, credit card statements, etc) to the department to be reimbursed. Note: Payment must meet established University policies for reimbursements. All questions should be directed to the Department.

c) Department may pay for an expense on behalf of the student organization. Payment must meet established University policies. All questions should be directed to the Department.

F. Service Fee

1. Student organization agency accounts will be charged a monthly service fee of $5.00 to partially cover the costs of services that the University renders. Such services include, but are not limited to, the monthly preparation of fund ledgers (monthly account statement) detailing all transactions (see “2. K”), account administration and maintenance, the payment of expenses through the University's payment system, and the ability to use certain University service centers. Such fees shall be automatically charged on an organization's account each month even if there has been no activity in the account and even if the account is suspended due to out of date paperwork.

2. Any organization maintaining an agency account with the University will be assessed a $20.00 charge if such organization's account reflects an overdraft (negative) balance at the end of any calendar month. The balance at the end of any calendar month shall mean the actual balance (not including encumbrances) reflected on the organization's account. The organization shall be required to immediately deposit into their account the greater of $50.00 or the amount of the overdraft and overdraft fee. Failure to do so will result in the closure of the account. The Controller’s Office reserves the right to increase either of the above fees without prior notice.

G. Account Termination

In the event that an organization does not deposit the necessary amounts as indicated above, their account shall be automatically closed. The University shall automatically close any organization’s account that reflects an overdraft balance on the month end ledger for any two months during a 12-month period. The amount of the overdraft balance and any fees or charges indicated above must immediately be paid in full to the University.

At all times the University reserves the right to close or suspend a student agency account at its discretion.

H. Financial Hold

A financial hold will be placed against the officers (currently on file in Accounting) of any group that fails to cover an overdrawn balance in its account. The hold will be issued immediately following the occurrence of the overdrafts. If the overdraft remains unpaid, the hold will remain in effect for future registrations.

I. Services by the Physical Plant Department

Requests for opening or closing buildings or other Physical Plant services are approved and processed by the Student Life staff, Room 101 Student Services Building, 355-8286. Groups must have a University account to pay for Physical Plant Services. Physical Plant charges that appear on your fund ledger may be looked up by going to www.pp.msu.edu. Select "Customer Statements."

J. Requisitions and Purchase Orders

Purchases from outside vendors are made through the Purchasing Department by preparing a purchase requisition and forwarding it to the Purchasing Department on Service Road. For Requisition Forms or information on electronic requisitions, contact the Purchasing Department at 355-0357. For student organizations, the department name should read "Registered Student Organization - name of group". The department code to use is 66819. (Residence Hall Organizations use department code 66725.) Any other questions regarding the preparation of requisitions or the use of the purchasing system should be directed to the Purchasing Department.

K. Monthly Statements (Fund Ledgers)

A Fund Ledger Statement of Account will be mailed by the Department of Student Life to the organization within the first three weeks of each month reporting activity on the account for the previous calendar month. Fund ledgers are mailed to the group's address which is on file with the Department of Student Life, 101 Student Services Building. If the ledger has not been received by the end of the third week of the month, contact the Department of Student Life, 355-8286. The ledger will provide a means of checking your treasurer's records with those of MSU/Accounting. If a discrepancy is noted or any other account balance questions arise, an officer of the organization should call Accounting at 355-5000 promptly.

L. Closing an Account

To close an unneeded account, send a written request to Accounting, 360 Administration Building, asking that your account be closed. An authorized signer for the group must sign this request. To have funds refunded, provide a Direct Payment Voucher for any remaining balance in account. (See "E.1. Direct Payment Voucher).

M. Downloadable Forms

The Controllers Office has a Web Site where you may download some of the forms discussed in these Guidelines (i.e. DPV's, JVE's, Deposit Receipts, etc.) Note: When submitting these forms for processing, it is your responsibility to provide copies, and that each copy is clearly marked "COPY".

Controllers Office Web Site: http://www.ctlr.msu.edu
Controllers Office Forms: http://www.ctlr.msu.edu/Download.aspx

N. Misc. Notes - Please note the following:

Tax Exempt Status

Student organizations are not automatically tax exempt. It is the responsibility of each organization to file the appropriate paperwork to receive tax exempt status and provide proof of this status to the Accounting Department. Organizations with national affiliation may check with their national organization to see if they fall under the national tax-exempt number. Otherwise, forms from the State of Michigan and the Federal Government must be filed. These forms can be obtained by calling the State of Michigan Treasury Department and the Internal Revenue Service.

Off-campus Bank Accounts and Tax ID Numbers

MSU does not require student organizations to have their financial accounts with the University. However, groups must have a University account if they have any revenue-producing event on campus or if they need to pay for a University service such as Physical Plant.

If a student organization chooses to open an off-campus bank account, an EIN (Employer Identification Number) is necessary so that officers do not get taxed for interest earned on the student organization's bank account. You must complete an SS-4 Application for Employer Identification Number form. This must be filed with the Internal Revenue Service to obtain an EIN. Copies of the form are available in the Student Life Center, 101 Student Services Bldg., or you can contact the Department of Treasury, Internal Revenue Service.

Filing Taxes

It is the responsibility of the organization to determine if they have any tax reporting requirements (including income tax and 1099 reporting). Questions should be addressed to the State of Michigan Treasury Department and the Internal Revenue Service. You may wish to contact a Certified Public Accountant (CPA).