



Finances and Banking Policies for Student Organizations/Clubs (SOCs)

Effective Date: 06/01/2013

Revised Date: 5/9/24

Responsible Office: Controller's Office

I. Purpose/Objective

A. To inform and educate participants of the requirements that govern the ability to be recognized as a Student Organization/Club (SOC) and to regulate the process of applying for and utilizing a University assigned Agency Account for all SOC banking activities, which protects not only the individual SOC organizations, but the University as well.

II. Statement of Policies

A. Student organizations/clubs (SOCs) are required by University policy to establish and maintain their banking activities with the Controller's Office. The University serves as an Agent for the benefit of the SOC and establishes a separate and distinct Agency account for depositing and disbursing funds held by the individual SOCs. In addition, the Controller's office provides basic accounting, monitoring, and reporting functions for the benefit of each SOC.

B. It is against University policy for SOCs to open and maintain an off campus bank account or to use the Methodist University name in establishing an off campus bank account.

C. As a registered volunteer SOC, your group is recognized as an independent and separate organization distinct from the University. SOCs **do not have access to the University's tax-exempt status**, however, properly registered SOCs may utilize certain University-controlled benefits and resources, such as certain facilities and equipment. SOCs may also seek grant funding from the Student Government Association (SGA) and are accountable to the University for compliance with University policies, regulations, and rules.

D. Members of faculty, staff, or student organizations wishing to open a SOC Agency Account must adhere to the following:

1. An application for registration as a Student Organization/Club must be completed and submitted to the MU Campus Engagement Office. The [application](#) is available on the MU website.

2. The MU Campus Engagement Office will review the application and ensure all required documentation is included before forwarding to the SGA for a vote of approval. If the SGA approves the new organization, the application will be forwarded to the Controller's Office for account creation. Approval for the establishment of an account will be based on the following criteria:

a) The group's activities must be indirectly related to the mission of the University. Agency accounts are available for groups who are self-governed and independent of the University.

b) The group must have an approved advisor who must be a full time faculty or professional staff member of Methodist University.

3. Upon final approval by the Controller's Office, the organization will be assigned an Agency account project number. This project number, used to identify the specific SOC, must be included on all future requests and forms.

E. Agency account information must be updated every Fall semester (and then as needed during the academic year) using the [Student Organization/Club \(SOC\) Agreement Update Form](#). The Fall semester deadline is September 1st. Organizations will not be eligible for SGA Grants or be able to disburse funds until the completed form is received by the MU Campus Engagement Office. The primary purpose for this SOC Agreement Update Form is to keep all departments informed of any officer or advisor changes within the SOC to alleviate any delays with the approval process or funding of grants.

F. All forms necessary for the establishment and use of an agency account will be made available via the University website, the Campus Engagement Office, and the Controller's Office.

G. The approval and establishment of an Agency account does not:

1. Place the organization under the University's tax-exempt umbrella. Each organization is responsible for the preparation and filing of the IRS Form 990/990N (if applicable), or any other required forms.

2. Make the University liable for unauthorized actions of the organizations.

H. SOC accounts may receive gifts from donors. However, the gifts are not tax-deductible. For a gift to be considered tax-deductible, it must be given to the University for the purpose of fulfilling its mission, rather than for the University to distribute to a specific beneficiary, association, or student organization. Gifts made for specific individuals or associations, using the University as a conduit, are not considered charitable contributions to Methodist University, but belong to the individual or association, and are merely held by the University on behalf of the individual or association in an Agency Fund. The University cannot acknowledge such gifts as charitable contributions to the University. Agency Fund income and expenses are the responsibility of the individuals/groups and are not income and expenses of the University.

I. SOC are responsible for all financial obligations incurred by the organization and for any overdrafts in their University account. In the event an account becomes overdrawn, any future requests for disbursements from the account will be denied until the overdraft is corrected. All other expenditures will be processed, unless prohibited by law or any applicable University regulation.

III. Agency Account Activity Guidelines

Agency account activity includes but is not limited to account inquiries, the distribution of funds, deposits, and changes to account information.

A. Account Inquiries

1. All SOC advisors have access to Agency financial account information via the MyMU Portal. Student officers should make any balance inquiries directly to their advisors.
2. In the rare instance the advisor is not available, an organization officer may inquire in person in the Controller's Office. This individual must be listed on the most current SOC Agreement Update Form and be able to provide the SOC name and Agency project number.

B. Distribution of Funds

1. Disbursements from SOC Agency accounts must be requested by the organization's faculty/staff advisor through the [MyMU Portal](#). Either a requisition or a [Purchase Request Form](#) can be submitted. All disbursements must meet the approval of two club representatives (i.e. officers) and two University representatives (i.e. advisor and dean/VP).
2. To ensure disbursements are applied to the proper Agency account, disbursement requests must indicate both the SOC Name and Agency Project number.
3. The approval process will follow the SOC advisor's approval track.
4. The disbursement methods available to SOC's through their Agency accounts are listed below. Regardless of the payment method or funding source for the purchase, [University Purchasing policies and procedures](#) must be followed. MU Purchasing Policies & Procedures can be found on the Controller's Office section of the Methodist University website.

- a) *Procurement Card Purchases – Advisors are permitted to use their University P-cards to make purchases.*
- b) *MU Corporate Card Purchases (made by student) – Credit card purchases may be made by the SOC treasurer using the MU Corporate Card and are limited to a maximum of \$500.00 per request. Students may not use their personal credit cards to make purchases.*

(1) The SOC advisor must request through the MyMU Portal. The card, and all itemized receipts must be returned to the Corporate Card Administrator in the Controller's Office immediately after the purchase is made. The card is blocked after the requested charges are made to prevent further use. Purchases over \$500.00 must be requested and purchased by the Faculty/Staff Advisor.

c) *Check payment – The SOC advisor must request through the MyMU Portal.*

d) *All requests for purchases or payments must be submitted a minimum of 7 business days prior to the event to allow time for approvals and request processing.*

C. Deposits

1. In accordance with University policy, all monies collected should be submitted as soon as possible, and any funds in excess of a combined total of \$100.00 are required to be deposited within 24 hours. Maintaining cash to use as change funds is not allowed. Collecting funds and disbursing straight from those funds is not allowed. Such actions, which are in direct violation of University policy, may subject your organization/club to revocation of status as a recognized SOC.

2. All funds raised and/or received by a SOC must be deposited into their respective Agency Account by depositing at the Student Financial Services Office. All deposits must be accompanied by a [deposit slip](#); these are available in the Student Financial Services Office or can be found online on the MU Website.

3. To ensure credit is applied to the proper SOC agency account, deposit slips must indicate both the SOC Name and Agency project number.

4. Please note that loose coins must be rolled.

5. Use of **personal** Venmo, Cash App, Paypal, Zelle, etc. are **not permitted**.

6. Use of the University's Venmo account is permitted. For Venmo account information, please contact the Director of Campus Engagement in the Campus Engagement Office. All payment transactions must include the following information:

a) *The SOC name*

b) *Agency project number*

c) *Description of payment transaction*

(1) Any Venmo payment transactions that do not include the information above will be forfeited by the SOC.

(2) The payment transaction description must clearly annotate what the payment is for (i.e., a payment of \$25 might have a description of membership dues \$10 & t-shirt fundraiser \$15).

- D. Reallocation of SGA grant funds
 - 1. SOC's may submit a Reallocation Form to the SGA for consideration if the purpose of SGA grant funds changes after the grant is awarded. For example, if a SOC requests and is awarded \$100 for promotional items but later determines that the \$100 is needed for a student conference registration, the SOC must submit the Reallocation Form prior to the use of funds. The SGA will either approve or deny the reallocation and then notify the SOC and the Accounting Office of its decision.
- E. Required Form Submissions
 - 1. Organizations must submit a new [Student Organization/Club \(SOC\) Agreement Update Form](#) every Fall semester by September 1.
 - a) *Anytime information about the SOC changes including a change in officers, a change in advisors, or a change in organization name.*
 - 2. Inquiries, disbursements, or grant allocations will not be permitted without a current Student Organization/Club (SOC) Agreement Update Form.
- F. Use of Online Social Media fundraising is not permitted
 - 1. Use of GoFundMe accounts is not permitted
 - 2. Use of any other Online or Social Media fundraising is not permitted
- G. Please refer to the University's fundraising policy available from the Advancement Office for fundraising guidelines. The fundraising policy is included in Section VII of this document.

IV. Sales and Use Tax Liability

- A. Student Organizations and Clubs are recognized as independent and separate from the University. Therefore, any SOC that holds a fundraiser or charges admission to an entertainment event is responsible for collecting North Carolina sales tax.
 - 1. Fundraisers that include items other than prepared food are subject to 7% sales tax.
 - 2. Fundraisers that include prepared food are subject to 8% sales tax with 7% going to the state of North Carolina and 1% going to Cumberland County.
 - 3. There must be signage clearly displayed to inform customers that sales tax is being charged if sales tax is included in the item sales price rather than being listed as a detailed item on a purchase receipt.

V. Outside Personal Events

- A. The following policies apply to any event hosted by a Graduate Student Organization/Club held at a venue where alcohol is available for purchase. These policies apply even though alcohol is not a part of the SOC's event.

1. The event will be treated as an outside personal event, and the Methodist University name may not be used on anything associated with the event (contracts, advertising, etc).
2. The Agency account cannot be used to collect or disburse funds for the event.
3. Because the event will be treated as an outside personal event (in no way connected to a Methodist University sponsored student organization), the students may use an individual's personal Venmo account to collect and disburse funds for the event.
4. Any contracts associated with the event (rental, food, etc) are the personal responsibility/liability of the students.

VI. Account Terminations, Account Holds, and Grant Expirations

A. SOC Agency accounts may be terminated or placed on hold for any of the following reasons:

1. Accounts with no financial activity, including deposits or disbursements during the last two fiscal years shall be inactivated and any fund balance forfeited.
2. Accounts that do not have a current Student Organization/Club (SOC) Agreement Update Form on file will be placed on hold. When placed on hold, organizations will not be able to disburse funds or receive any SGA funding.
3. Accounts that are over-drafted will be placed on hold and will be unable to disburse additional funds until the account regains a positive balance. The account is subject to termination if the overdraft remains unpaid for more than 90 days. Should the account be terminated, the organization will be required to reapply for a new agency account.
4. All Agency accounts that receive SGA grants will have their expenses (including P-cards), audited monthly. This is to ensure that expenses are in line with the purpose given in their SGA grant request. Should funds be used in a manner inconsistent with the SGA guidelines of the grant award, the account will be subject to being placed on hold, and funds may need to be reimbursed.
5. At the end of each fiscal year an audit of SOC agency account balances will be conducted to ensure that SGA grants are being fully utilized. Any unused SGA grant funds will be returned to the SGA at the end of the fiscal year. SGA grant funds must be used in the year awarded. SGA grant funds may not be aggregated for spending in future years.

VII. **Methodist University Fundraising Policy**

- A. In order to maintain non-profit status, Methodist University must follow certain fundraising and gift recording guidelines as defined by the Internal Revenue Service. The University's Office of Advancement serves as the clearing-house for all external solicitations, which include direct solicitations of individuals, corporations, and foundations for both in-kind and cash gifts, including sponsorships. Solicitations of faculty, staff, students, and the community are not permitted without prior permission from the Vice President for Advancement.
- B. Currently, there are only two solicitations of Faculty/Staff that are pre-approved each year. The first is the Faculty and Staff Giving Campaign conducted by the Office of Advancement, which gives faculty and staff the opportunity to give an annual gift to the University through whichever fund they choose. Secondly, the University community is also encouraged to participate in the United Way of Cumberland County's fall campaign to help support local non-profit programs.
- C. Other on-campus solicitations of faculty or staff must go before the Vice President for Advancement and are subject to approval. Special fundraising projects such as car washes, bake sales, barbecues, or other functions in which donors receive a good or service in return for their support may or may not include a charitable contribution. When the gift exceeds the value of the good or service, the difference can be considered a contribution.
- D. Organizations and individuals must request permission from the Vice President for Advancement at least one month prior to the desired event. Raffles are not permitted at Methodist University.
- E. When departments, faculty, or staff obtain gifts, they must be directly related to an educational purpose and be consistent with the mission of the University. The University is not bound to accept any item that does not support the academic program. All gifts must be recorded through the University's Office of Advancement. If there are questions concerning acceptance or receipt of a gift, please contact a member of the Office of Advancement before taking action. Not following such guidelines can result in IRS penalties and/or the loss of non-profit status. For more information on student fundraisers, contact the Office of Advancement located in the Mallett-Rogers House or call (910) 630-7200. You can also email your fundraiser request to advancement@methodist.edu.
- F. **Student Fundraisers**
1. The purpose of this policy is to avoid any confusion or frustration among donors and ensure that student groups follow university accounting policy and IRS guidelines. It is important to clarify who is benefiting from the fundraiser, how the money is being used, and if their gift is eligible for a tax deduction.

2. Student groups are allowed to solicit for donations to benefit their group or project **only with prior permission** from the Advancement Office. Groups will need to submit the student fundraiser form and receive approval 30 days prior to starting any solicitation.
3. Permission must be received before any announcements or solicitations are made. Use of the Methodist University name and/or logo must be approved in advance by Advancement Office.
4. Monies received to benefit a particular student are not charitable and will not be eligible for a tax deduction. This is viewed by the IRS as a gift to the student or a payment on their individual account.
5. Officers of student groups and their faculty/staff advisors must attend annual training to utilize their university agency account.
6. There are two options for student fundraisers.
 - a) *Donations are processed through the Advancement Office. Funds will be deposited into the appropriate university department account. Donors will receive receipts for their gift minus the value of goods and services received. This value must be established and approved in advance and advertised on all promotional materials. All materials must be approved prior to printing and distribution.*
 - b) *Donations are received by the student group and deposited directly into their university agency account. The donor will not receive a receipt from the university and their gift will not be eligible for a tax deduction. They will not be listed in the annual report of donors. A disclaimer must be listed on the promotional materials and communicated to all potential donors. "Thank you for your support of ABC Program/Club. Your purchase or gift will benefit ABC Program/Club and is not a charitable contribution to Methodist University." Groups utilizing this option may not use the university logo on their materials.*

VIII. Closing an Account

A. To close an unused account, either the advisor or dean on record must submit a written request to the MU Campus Engagement Office and the Controller’s Office. Any remaining funds will be disbursed to the organization (if appropriate) requested on the initial application form. If a beneficiary organization is not specified, any remaining funds will be returned to the SGA fund.

I have read the policies and procedures governing the use of SOC Agency Accounts and fully acknowledge my responsibility to adhere to such policies and procedures.

Agency Account Name & Project Number

Club Treasurer Name

Club Treasurer Signature

Date

Club President Name

Club President Signature

Date

Club Advisor Name

Club Advisor Signature

Date