

Approved
CHICAGO ORGANIZATIONS FUND
POLICIES AND PROCEDURES

A. General Information

1. The Chicago Organizations Fund (COF) was established as a service to students, faculty and staff registered organizations. The COF serves member organizations by providing on-campus bookkeeping and cash handling services. On-campus cash handling is convenient and offers necessary financial security services. Security services are important as many organization fundraising activities occur on campus, cash is collected, and the events occur frequently in the evening. In addition, the COF assures the continuity of the organizations' financial activity and minimizes the administrative effort in the annual transition of officers who are signatories on each individual organization fund. Ease of transition is an important factor given the turnover in volunteer organizations.

Member organizations are separate legal entities. Monies of member organizations do not belong to the University and must not be commingled with University funds. Member organizations must not hold themselves out to the public as either being a part of or acting as agents of the University since it is not responsible for organizations' acts and liabilities. The name of the organization must not use the name "University of Illinois," "University of Illinois at Chicago," "UIC," "Flames," or any abbreviation and/or symbol used with the University. They may use the word "University" or indicate a geographical designation, such as "at the University of Illinois" or "at UIC".

Furthermore, member organizations may not use the University's tax exempt status or the University's employer identification number (EIN). All tax and legal matters relating to organizations' activities are the sole responsibility of the registered organizations. However, as a service to the organizations, the University will prepare and file 1099s, as needed, for disbursements from the COF funds.

Therefore, each organization, if applicable, is responsible for adhering to the relevant laws and governing documentation and for filing appropriate tax/income reports with the Internal Revenue Service (IRS). Organizations may apply to the IRS for their individually assigned employer identification number and/or tax-exempt classification, if applicable.

2. The role of the University in the administration of the COF is addressed in the General Rules, Article II, Section 3(e):

"The [University] vice president/chief financial officer is permitted to act as treasurer of student and other organizations affiliated with the University, but in so doing shall not thereby create any liability on the part

of the Board of Trustees of the University of Illinois. In all cases, the accounts of these organizations shall be kept separate from the University accounts, and the funds of such organizations shall be kept apart from University funds.”

The COF treasurer role has been appointed by the vice president/chief financial officer to the Chief Business Officer for Business and Finance (CBO). University Accounting and Financial Reporting (UAFR) functions as the CBO’s appointee and performs the duties of the COF treasurer.

Monies held in the COF for member organizations are not University assets, and University administrators are acting outside of their University appointment in the conduct of COF activities; COF funds are not subject to the rules and regulations of the University and consequently, the University shall not attempt to control the use of these funds. However, as University agency funds, COF transactions must follow University agency fund policies and processes provided in Section 2 of *OBFS Business and Financial Policies and Procedures*.

3. The COF is established by the By-Laws Governing the Chicago Organizations Fund (COF). The COF is governed by an Executive Board which is elected annually by vote of the member organizations. Delegates from the Office of the Vice Chancellor for Student Affairs and the Office of Business and Financial Services (University Accounting and Financial Reporting) provide support services by acting as the Secretary and Treasurer, respectively, of the COF Executive Board. The COF has also adopted these Chicago Organizations Fund Policies and Procedures (policies and procedures), as approved by the COF Executive Board and the Vice Chancellor of the University of Illinois at Chicago or designee.
4. Questions regarding the bylaws or policies and procedures should be addressed to the COF Secretary. Questions regarding financial matters should be directed to the COF Treasurer.
5. The COF Secretary is located at the following address:
Office of Campus Programs
340 SCE
Mail Code 118
6. The COF Treasurer is located at the following address:
Office of Business and Financial Services
University Accounting and Financial Reporting
414 Marshfield Building
Mail Code 548

7. Investment income earned on COF deposits is credited to a COF service fund. The Executive Board has approved a plan of allocation from the service fund as follows:
- 30% to the University for administrative expenses of the COF,
 - 55% to the Office of the Vice Chancellor for Student Affairs for program allocations, and
 - 15% to be set aside for COF operating expenses and reserves and for transfer to the University for student loans. Each transfer of monies to the University for student loans shall be approved by the Executive Board or at the annual COF meeting.
8. New organizations apply for membership by completing the *COF Request for Registration* form. The forms are available from the Office of Campus Programs or the COF Secretary. Student organization registrations are approved by the COF Secretary and forwarded to the COF Treasurer to assign a fund number within two days of approval. Faculty/Staff registrations are sent directly to and approved by the Treasurer.

In addition, all member organizations must file an annual registration renewal application on or before the first Friday in May to maintain its registered status for the following academic year and to update their signature authorizations. Student Organizations must file their annual registration with Campus Programs; Faculty/Staff registered organizations must file annual registrations with UAFR. If, after two years, the member organization officers have failed to renew their registration, the individual organization fund shall be closed.

The following requirements apply to Faculty/Staff registered organizations:

- a. Membership may consist only of faculty, staff, and/or their spouses/partners. Only currently appointed faculty and staff may serve as officers and authorized agents.
- b. Structure must reflect formal organization with by-laws and/or articles of incorporation or organization, with established officers and regular meetings.
- c. Stated purpose does not mirror that of a particular University unit if its membership primarily consists of faculty/staff.
- d. Conducts the majority of organization business outside of University work hours or when members are not conducting official University business.
- e. Operations do not permit members to bypass University policies or procedures.
- f. Funds generated may not serve as discretionary funds for uses by a University unit that are prohibited by University policy or otherwise should be recorded in a University fund.

- g. Faculty/Staff registered organizations may not be established exclusively for parties, celebrations, gifts, or donations of a particular unit.
- 9. Officers, especially treasurers, of member organizations are responsible for safeguarding their monies. They should deposit monies belonging to the organization intact with the University cashiers. These monies should be deposited as soon after receipt as possible, but at latest when \$200 has been collected or within 7 days, whichever occurs first. Amounts deposited are reported on monthly financial statements. These financial statements are prepared by the COF Treasurer and distributed to organizations by the COF Secretary.
- 10. Funds may be transferred to another fund within the COF provided that such transfer does not violate any University statutes or policies or this policy and does not provide the recipient organization with funds obtained in a manner otherwise prohibited to the recipient organization.
- 11. Monies in individual organization funds are accessed using disbursement voucher forms to request payments. Disbursements are reported on monthly financial statements. Disbursement voucher forms are available from the Office of Campus Programs (Secretary) or University Accounting and Financial Reporting (Treasurer). Section B. describes the procedures for completing the disbursement voucher form.
- 12. Services by or reimbursements to a non-resident alien individual may not be arranged prior to obtaining approval from University Payroll and Benefits (UPB). To obtain approval, organizations must determine the potential payee's visa status and discuss the transaction with Campus Programs, which will then work with University Payroll and Benefits to assure the payment may be made and reporting requirements will be met. (See also forthcoming process for non-resident alien payments from agency funds.)

B. Disbursements

- 1. All disbursement vouchers must be accompanied by original paid receipts, invoices, or other supporting documentation fully explaining the payment and its relationship to the organization's activity.
- 2. Payee ID Number (*Required*) – Enter the payee's Employer Identification Number (EIN) or Social Security Number (SSN) if payee is not a University student or staff member. If the payee is a student or staff member, enter their University Identification Number (UIN).
- 3. Make Check Payable to (*Required*) – Enter payee's name and complete mailing address. Checks cannot be payable to the name of the COF organization, cash, a bank, or other financial institution if the intent is to withdraw a portion of the cash balance for future undesignated use or to bypass the voucher approval process.

When money is being returned to the organization rather than paying for an expense, the University process *Return Agency Fund to Owner* must be followed (also see B.12. below).

4. Delivery Method - If the check is to be picked up, enter a phone number to call when the check is ready. If the check is to be mailed, indicate if a copy of the invoice or payment voucher should be enclosed with the check.
5. Invoice Information – Enter the date of the transaction, the vendor’s invoice number if relevant, a reason for the payment, and the amount. Attach a separate sheet of paper if more space is needed. Enter the amount of each item, sum all amounts, and enter the total.
6. FOAPAL (*Required*) – Select from the codes below and enter them in the appropriate box.
 - a. Chart – 2 indicates Chicago campus chart code
 - b. Fund – All organizations have a 6-digit fund code to use in the University’s accounting system. Enter the last four digits. Contact the Office of Campus Programs or University Accounting and Financial Reporting (UAFR) if the fund code is unknown.
 - c. Organization – 103002 indicates Chicago campus organization
 - d. Account – Contact UAFR for additional codes if the codes below do not describe the expense.
 1. 191100 = Expense Reimbursements
 2. 191101 = Services/Honoraria/Equipment Rental
 3. 191102 = Product/Equipment Purchases
 4. 191103 = Real Property/Space Rental
 5. 191104 = Contributions
 6. 191105 = Permissions (Copyright/Trademark)
 7. 191106 = Awards and Prizes
 - e. Activity and Location – Optional codes that can be used to segregate expenses for reporting. Most member organizations will not use these codes. Please contact UAFR if you have questions about their use.
7. Organization Approvals – The person authorized to approve payments for the organization must sign this form. If the payee and signer are the same person, the voucher must be co-signed by another officer of the organization.
8. Submit this form to – The voucher must be submitted to the COF Secretary (Campus Programs) (see address in A.5).

9. University Approvals – The voucher must be approved by the COF Secretary (Campus Programs).

10. Voucher Bookkeeping – This optional area can be used to keep track of the organization's cash balance in the same way a checkbook register is used.
 - a. Previous balance – Balance carried forward from the last voucher or the last reconciled statement.
 - b. Enter any automatic charges, such as University telecommunication billings, since the last voucher balance was calculated.
 - c. Subtotal – Subtract the automatic charges from the previous balance.
 - d. Enter any deposits made since the last voucher balance was calculated.
 - e. New amount (Subtotal plus deposits) – This is the calculated amount available for expenditure. This amount can be checked with the balance in the University's accounting system when the voucher is submitted to Campus Programs.
 - f. Subtract this voucher – Enter the amount of this voucher.
 - g. Amount available – Subtract the amount of this voucher from the new amount available. This will be the remaining balance after the voucher is processed.

Note: Incomplete vouchers, or vouchers not accompanied by receipts, invoices, etc., will be returned to the organization.

11. Submit the voucher to the COF Secretary (Campus Programs) who will verify the signature and the fund's balance before approving the voucher. Once approved, the COF Secretary prepares the disbursement in TEM which gets routed to the COF Treasurer for final review, confirmation of balance and supporting documents, and submission to OBFS University Payables for processing. Once processed by University Payables, the check (or ACH transfer) will be made available for distribution to the recipient.

12. In unique situations, requests for a cash advance to an organization may be granted with approval of both the COF Secretary and the COF Treasurer. A cash advance may be requested by noting on the disbursement voucher: (1) the disbursement is for an advance, (2) the intended use of the advance, (3) the event associated with the anticipated expenditure/s, (4) the reason subsequent reimbursement of an organization member (rather than an advance of funds) is not a feasible alternative. If the COF Secretary approves the advance, the Office of

Campus Programs will complete a Request to Return to Owner Funds Held as Fiscal Agent according to the OBFS process *Return Agency Funds to the Owner* and forward it to the COF Treasurer for final review and approval.

The recipient of the advance and the organization treasurer are responsible for (1) use of the monies advanced, (2) submitting receipts to the COF Treasurer, (3) re-depositing any unspent monies upon completion of the event or purchase of goods or services. The sum of expenditure receipts submitted and the cash deposit form for unused funds must equal the original advance. An organization may not have more than one advance outstanding at a time.

C. Deposits of checks, currency, and coins (monies)

1. Organization treasurers are permitted to deposit dues, contributions, or proceeds from membership activities with the University Cashier, Office of Business and Financial Services. As officers of their organizations, organization treasurers are responsible for the custody of these monies and shall deposit them as soon as possible, but at latest when \$200 has been collected or within 7 days, whichever occurs first.

Deposit of monies collected from on-campus activities into the organization's COF fund is required; deposit of dues and monies collected from off-campus activities into the organization's COF fund is optional. All monies from on-campus events must be deposited into the organization's COF fund within the required timeframe, but preferably, by the end of the day following the event. All monies deposited into the organization's COF fund, whether from on-campus or off-campus activities, are subject to the disbursement rules in Section B.

Organizations establishing outside bank accounts for off-campus activities:

- a. Must not include words such as "University," "University of Illinois," "University of Illinois at Chicago," "UIC," "Flames," or any abbreviation or form thereof in the bank account name.
 - b. Must establish the bank account with the organization's EIN, not the University's EIN.
 - c. May not deposit cash from on-campus activities into the off-campus bank account.
 - d. Can have on-campus privileges withdrawn and/or their COF fund terminated if any of these requirements are violated.
2. Checks deposited into an organization fund must be made payable to the name of the individual organization. Checks either intended for or payable to the University of Illinois should not be deposited into an organization fund. Depositing University intended monies into an organization fund is unlawful. University funds include gifts, grants and contracts, and other monies intended to reimburse the University for past, present or future services.

3. The organization treasurer prepares the *Report of Cash Receipts* form prior to depositing the monies with the University Cashier. *Report of Cash Receipt* forms are available from the Office of Campus Programs (Secretary) or the University Accounting and Financial Reporting (Treasurer). Each deposited check must be listed on the form. The organization treasurer should retain the organization copy.
4. The organization treasurer will be contacted by UAFR when checks submitted for deposit appear unrelated to the organization, including checks payable to the University of Illinois.
5. Checks returned by the bank due to insufficient funds or other reasons shall be charged back to the individual organization fund along with an additional handling fee.

D. Monthly Financial Statements

1. A monthly financial statement for each individual organization fund is prepared by the COF Treasurer.
2. The monthly statement is available for pickup by the organization treasurer at the Office of Campus Programs.
3. Financial information is accumulated annually based upon the COF's fiscal year which is from July 1 to June 30.

E. University Credit Policies

Credit policies for registered organizations are established by the Office of Business and Financial Services. Individuals incurring debts to the University in the name of a registered organization shall be held personally responsible for payment should the organization lack funds in its account or refuse to accept the responsibility for the debt. To the extent that University facilities are available to and used by registered organizations, the University will, in connection with the respective costs, extend thirty days credit to these organizations. Credit will not be extended to organizations that have accounts with the University over thirty days past due. University credit will not be given to any organization that consistently permits its account to become delinquent (over thirty days past due). No disbursements will be permitted from a registered organization's account that is delinquent.

F. Policy on Dormant Individual COF Funds

1. A member organization that has not re-registered as required in Section A.8. and has a Banner fund that has not been used for more than two years will be considered dormant.

2. Individual organization funds that have been inactive for over two years with balances less than or equal to \$200 shall be transferred into the COF general reserve fund.
3. Individual organization funds that have been inactive for over two years with balances greater than \$200 shall be transferred into the COF inactive fund.
4. Monies that remain in the COF inactive fund longer than three years will be absorbed into the COF general reserve fund.
5. Monies may be reclaimed by an organization if a reasonable claim, as determined by the COF Executive Board, COF Treasurer, or COF Secretary, is made on monies previously belonging to the organization. The process, restrictions, and guidelines for this matter are to be determined on an as needed basis.
6. The most recent president and treasurer on record of a dormant individual organization with a balance greater than \$200 will be contacted prior to the absorption of the monies into the COF general reserve fund from the COF inactive fund. If the individual organization is not re-registered, the absorption of the individual fund into the general reserve fund will occur.
7. The COF Treasurer will provide a monthly listing of all organization funds with deficit balances to the COF Secretary. No disbursements or cash advances will be allowed from the organization fund until the deficit is cleared. The COF Secretary will follow-up with the organization and take action as described in the Officer's Handbook.

G. Procedure for Liquidating an Individual COF Fund

Any organization may request of Campus Programs the dissolution of their organization and liquidation of its COF fund. The dissolution and liquidation of the organization's fund balance will be handled as described in the Officer's Handbook.

H. Financial review of COF

As required by COF By-Laws, the Executive Board audit committee will convene at least once annually to determine whether any aspects of COF finances need review and if so, arrange for the review and report on the results of the review. Any COF member organization may bring specific concerns or suggestions to the audit committee for their consideration as a focus of review.