

ADMINISTRATIVE PRACTICE LETTER

Section IX-B
Issue 2
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Effective 7/29/2003

SUBJECT: ACCOUNTING GUIDELINES FOR STUDENT ADMINISTERED FUNDS

GENERAL

The Board of Trustees policy pertaining to student administered funds was last revised on January 25, 1999 and is located in Section 704.1 (Student Activity Fees) of the University of Maine Policies and Procedures Manual.

The purpose of this letter is to set forth specific accounting controls and procedures for safeguarding all student funds, i.e., student activity fees and receipts from special events.

GUIDELINES

1. All student government financial records will be audited once a year and a copy of the audit will be filed with the University's Internal Audit Department.
2. Student governments employing individuals must comply with state and IRS regulations regarding income and payroll tax withholding and reporting.
3. Student government funds will be maintained in separate accounts and not commingled with University funds.
4. Individuals responsible for reconciling student government checking accounts should not have authority to draw checks and deposit funds. Duties related to student government funds (i.e., reconciling checkbook, writing checks, depositing funds) should be segregated to insure proper fiscal control.
5. A list of individuals having authority to withdraw student government funds should be provided to the campus business office. Signature authority shall be limited to student government officers and to campus business officers or their designee. Bank interest earned on student government accounts will be credited to student government funds.
6. Campus business officers will develop written procedures to guide student governments in accounting for revenue and expense transactions. The policies and practices contained in this Administrative Practice Letter and in Section 704.1 of the University of Maine Policies and Procedures Manual are to be incorporated in Campus procedures. These procedures may at the discretion of the campus provide for a periodic review of student funds bank statements by the Business Office.

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7. Prior to transferring student activity fee receipts to student governments each semester, the business officer will review these procedures with appropriate student government officers and ensure that they are being followed.

APPROVED:

Chief Financial Officer and Treasurer