



### Operating Instruction 7.5.1.1 - Accounting for Student Organizations, Clubs, and Agency Funds

#### Part 1. Purpose

To provide clarity on the accounting and financial reporting process for student organizations, clubs, and agency funds.

#### Part 2. Accounting for Student Activity

Financial transactions for student activity accounts should be recorded in Minnesota State fund 220 (Student Association Fee), 225 (Student Activity Fund), 230 (Health Services Fund), 240 (Intercollegiate Athletics Fund), and 250 (Child Care) within appropriation LSR – Local Special Revenue. These funds receive an allocation of student fee revenue collected from all credit-taking students and may also generate additional revenue from the sale of tickets, services, or other activities.

#### Part 3. Accounting for Agency Funds

Student organizations and club accounts that generate their own revenue from membership or other miscellaneous sources, in accordance with each organization's constitution or other agreements, are considered agency funds. Colleges and universities hold the student organization, club, or agency account funds in trust for the benefit of the account owners, but generally do not dictate the use for these funds. These funds are not considered assets of the college or university. Financial activity for student organization or club accounts should be recorded in Minnesota State Fund 940 (Agency – Local).

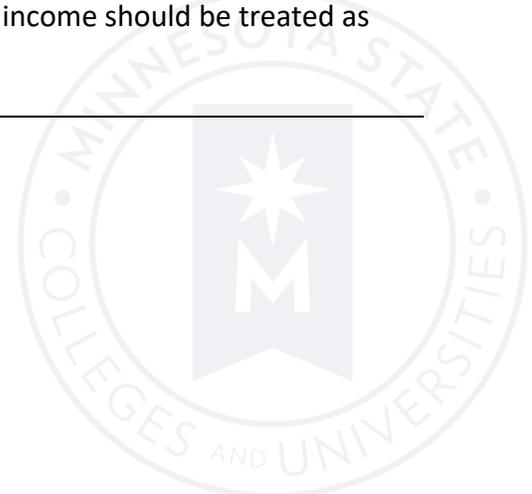
#### Part 4. Financial Reporting for Agency Funds

GASB Statement 34, paragraph 73, states that agency funds should be used to report resources held in a custodial capacity. Agency funds include monies held by the institution in a fiduciary capacity where no income or loss should be reported, but any such income should be treated as a liability reflecting the fiduciary type of the agency fund.

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#### Operating Instruction History

Date of Adoption: 05/16/2011  
Date of Implementation: 05/16/2011  
Date of Last Review: 03/10/2022



Date and Subject of Amendments:

03/10/2022 – Amendments include technical changes, and the application of new formatting and writing standards.

03/13/17 - Technical changes were made throughout for consistency and clarity.

No Additional HISTORY