

# Georgia Institute of Technology Custodial Fund Agreement

A Custodial Fund is a fund held by the Institute in a purely custodial capacity on behalf of another party (“Owner”) as a fiscal agent. Owner activities recorded in a Custodial Fund must be consistent with and supportive of the Institute’s instruction, research, public service, and economic development missions. Custodial Funds may be used in collaboration with Institute programs, but they record only the financial activity of the fund Owner and not of the Institute. The Institute, in accepting this responsibility, agrees to conduct itself in accordance with the requirements normally attributed to a fiscal agent with fiduciary responsibilities. The financial management staff in colleges, schools and departments are responsible for carrying out these fiduciary tasks on behalf of the Institute. The Office of the Controller provides oversight of these funds including monitoring negative balances and monitoring funds with inactivity.

Custodial Fund Name

Description of Activity/Purpose

Custodial Fund Type      Funds on Deposit       Designated Scholarships       Payroll Operations

Termination Date

Disposition of Funds at Termination   
(Return to owner, escheat to state, etc.)

Name of Organization

Federal Tax ID Number (if applicable)

College/School/Department Name

Cost Center Code       Cost Center Name

Custodian Name       Title

Fiscal Agents Authorized to Deposit Cash and Request Payments on behalf of the Owner and Custodian:

Fiscal Agent Name       Title

Fiscal Agent Name       Title

Fiscal Agent Name       Title

# Georgia Institute of Technology

## Custodial Fund Agreement

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In order for the Institute to provide the Owner with an accurate accounting of these funds, the following procedures shall apply:

1. Standard Institute accounting processes for Custodial Funds include depositing funds in an Institute bank account; maintaining a record of transactions and balances in the general ledger system; processing cash receipts, disbursements, and journal entries as directed by the Owner; reporting transactions and balances periodically to the Owner; issuing Internal Revenue Service (IRS) 1099 forms for funds disbursed from the Custodial Fund to external parties and IRS reporting for disbursements to non-resident aliens. The Institute does not pay interest on funds held on behalf of the Owner. The Institute's provision of additional services to the Owner is permitted only at the Institute's discretion by written contract between the Institute and the Owner.
2. The Custodian and Fiscal Agent are responsible for the management of Custodial Fund financial activities, including proper use of Institute processes and documentation to initiate recording of transactions in the general ledger system; reconciliation of funds, including provision of fund reconciliation copies at the request of the Institute; maintenance of positive cash balances, filing sales and other tax returns not performed by the Institute; and maintaining its organizational documentation, such as income and sales tax exempt status.
3. Deposits consisting of checks and cash shall be forwarded daily to the Office of Bursar and Treasury Services. At no time shall these items be kept overnight by the Custodian or Fiscal Agent unless the Office of Bursar and Treasury Services is closed at the time of receipt. The Custodian or Fiscal Agent shall insure that the correct accounting information is used when making deposits.
4. Deposits which are made by a non-negotiable instrument, such as a fund transfer, must be fully documented by the initiator. The Office of Bursar and Treasury Services must be immediately notified in writing of the nature and amount of the deposit. The Custodian or Fiscal Agent will then instruct the initiator to use the Custodial Fund in the details of the wire transfer.
5. All disbursement requests must be approved in writing by the Custodian or Fiscal Agent and must include appropriate supporting documents, such as invoices, receipts and a list of participants when necessary. Prior to approval, the Custodian or Fiscal Agent must verify the availability of funds.
6. The Institute's Accounts Payable department processes payments daily. Unless otherwise indicated on the AP Payment Request Form, checks will be mailed to the payee at the address listed on the form. Allow approximately 5-7 business days for disbursements processing after documentation and all approvals have been submitted.
7. The Institute does not assume responsibility for any obligation or activity undertaken by the Custodian or Fiscal Agent which are not in line with Institute policy, process or procedure.
8. The Institute cannot process disbursements that are not handled in accordance with the Institute's prescribed practices, including applicable bid requirements and guidelines for allowable expenditures.
9. The Institute cannot accept responsibility for financial shortfalls for the Agency. Disbursements will not be made unless adequate funds are available in the Custodial Fund.

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10. The financial status of each Custodial Fund should be reviewed monthly by the Custodian or Fiscal Agent for the purpose of ensuring that sufficient funds are available and/or if the Custodial Fund should be closed.
11. With prior written notification, the Institute may assess administration fees to Custodial Funds, including funds with inactive balances. Direct costs expended by the Institute on behalf of the Custodial Fund must be reimbursed by the Custodial Fund.
12. Inactive balances should not be carried forward indefinitely from year to year, but should be disposed of in accordance with the Custodial Fund Agreement. The Office of the Controller shall be advised of the proper disposition of any unused or inactive balances at the end of the Agreement. After five (5) years without activity, unused balances must be forwarded to the State of Georgia as mandated by escheatment laws, unless the disposition of the unused balances is covered by the Custodial Fund Agreement. Complete files should be maintained for all agreements, letters, or other documents, for guidance in the proper handling of funds.
13. By establishing a Custodial Fund, the Owner is not a unit of the Institute and does not obtain Institute privileges, including but not limited to: entitlement to use Institute services or facilities; inclusion under Institute income or sales tax exempt status; use of the Institute Federal Employer Identification Number (FEIN); use of the Institute payroll system; use of Institute staffing; use of Institute name, logos, trademarks; use of Institute property recordkeeping or tracking systems.
14. The Institute is not responsible for the Owner's actions, including but not limited to: appropriateness of disbursements; indebtedness or other liabilities incurred by the Owner, and banking services other than the bookkeeping services named in Section one (1) above. Owner agrees to hold the University System of Georgia, including its trustees, employees, and agents, harmless from and to indemnify each of them against all claims, demands, losses and liabilities relating to the Institute's management of the Custodial Fund at the Owner's direction.
15. The Owner of the Custodial Fund does not enjoy tax-exempt status under the Institute's charitable tax status. Donations to the Owner are not tax deductible unless the Owner obtains its own charitable status under the Internal Revenue Code. The Owner is responsible for all aspects of compliance with its charitable status, such as issuing written gift acknowledgements to donors.
16. The Institute agrees to continue in the capacity of fiscal agent for those funds established on a long-term continual basis until such time as the Custodian shall request termination of this Agreement.
17. In the event that there is a change of Custodian or Fiscal Agent, the College, School or Department should notify the Office of the Controller and complete a new Custodial Fund Agreement.
18. Custodial Fund status is contingent on adherence to all Institute policies. The Institute has the right to close a Custodial Fund account at its discretion. Some of the circumstances that may lead to closure of a Custodial Fund include failure to adhere to Institute policies and procedures, nature of activities and functions has changed such that Custodial Fund status is no longer appropriate, and deficit balances are not remedied in a timely manner. Individual Custodial Funds must maintain positive cash balances.
19. The records of all Custodial Funds are subject to review or audit by appropriate Institute, State, or external auditors as necessary.
20. A copy of the program brochure or other documentation that establishes the affiliation between the program and the Institute should be attached to this agreement.

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By signing this Agreement, I attest that I own the money being deposited in this Custodial Fund, or I am an authorized representative of the entity that owns the money, and that I have read, understand, and agree to the above conditions for depositing money with the Institute to be held by the Institute as my agent.

***All terms and conditions for Custodial Fund agreed to by:***

Custodian Signature	<input style="width: 95%;" type="text"/>	Date	<input style="width: 95%;" type="text"/>
Fiscal Agent Signature	<input style="width: 95%;" type="text"/>	Date	<input style="width: 95%;" type="text"/>
Fiscal Agent Signature	<input style="width: 95%;" type="text"/>	Date	<input style="width: 95%;" type="text"/>
Fiscal Agent Signature	<input style="width: 95%;" type="text"/>	Date	<input style="width: 95%;" type="text"/>

***Institute Vice President, Provost, Dean, School Chair, Director or Department Head Approval***

Name	<input style="width: 95%;" type="text"/>	Title	<input style="width: 95%;" type="text"/>
Signature	<input style="width: 95%;" type="text"/>	Date	<input style="width: 95%;" type="text"/>

***Institute Office of the Controller Approval:***

Name	<input style="width: 95%;" type="text"/>	Title	<input style="width: 95%;" type="text"/>
Signature	<input style="width: 95%;" type="text"/>	Date	<input style="width: 95%;" type="text"/>