

FUNDS OF EXTERNAL ORGANIZATIONS

OP 61.04

December 6, 2010

Purpose

To provide guidance to MSU employees who have an interest in handling the funds of organizations external to MSU.

Policy

With exception of the circumstances described herein, MSU employees may not have control over, access to, or custody of funds or bank accounts of organizations external to MSU as part of their official MSU duties. Likewise, with the exceptions described herein, MSU employees may not be an owner (joint or otherwise) to any external organization's bank account and may not hold signed blank checks for external organizations. Chartered MSU student organizations, MSU foundations and MSU 501(c) (3) organizations are not considered external organizations for the purpose of this policy. Additionally MSU supports and encourages employee participation in the employee's professional organizations which may be external to MSU. Finally, MSU recognizes that some employees are partially employed by non-profit corporations that support MSU's mission.

The University will assume no responsibility for the management of or for the use, loss, or theft of funds of external organizations. Should an employee engage in the management or use of the funds of an external organization, such work shall be done outside of his or her scope of employment with MSU.

An exception to this policy exists when the determination has been made, in accordance with the procedures contained herein, that it is in MSU's best interest to allow an employee to handle an outside organization's funds.

MSU employees may, however, assist in or hold third party collections. Collection procedures following sound rules for tracking and receipt must be developed. There must be a written audit trail of all collections. Reference is made to MSU operating policy 62.07 Cash Handling Policy and Procedures.

Collections may not be accumulated or retained more than 72 hours. Collections must be turned over to the external organization or deposited to their account within this time period.

Procedure

Should an employee desire to handle the funds of an organization external to MSU, as part of his or her job function, that employee should submit a written request to his or her Department/Center Head. The request should specify the scope of the employee's duties in handling the outside organization's funds, a statement indicating the amount involved, and the reason(s) it is in MSU's best interest to allow the employee to handle the funds. The employee should obtain a waiver of liability or hold harmless agreement from the external organization absolving MSU of any liability. If the organization is unwilling to provide such, the employee

may proceed with the request with sufficient written explanation of why the external organization will not provide a waiver of liability or a hold harmless agreement.

The Department/Center Head (with the concurrence of the corresponding department/center head) shall make a recommendation and shall forward the recommendation to the appropriate Dean/Director for his or her recommendation. These recommendations should then be forwarded to the appropriate Vice President who will be responsible for determining whether an employee should be allowed to control the funds of the external organization as part of his or her job duties.

In making his or her decision, the Vice President shall take into account (1) whether the mission of the organization promotes one or more of MSU's missions; (2) the benefit to the employee's department and MSU; (3) whether it promotes the professional development of the employee; and (4) the potential risk to MSU. The Vice President must provide written approval for each request before the employee may handle the funds of an external organization as part of his or her official job duties. A copy of the approval shall be maintained in individual employee human resources' files.

Review

The University Counsel, Vice Presidents for the Division of Agriculture, Forestry, and Veterinary Medicine, Budget and Planning, Research and Economic Development, Student Affairs, and the Executive Vice President are responsible for the review of this operating policy every four years or as needed.

REVIEWED BY:

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APPROVED BY:

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