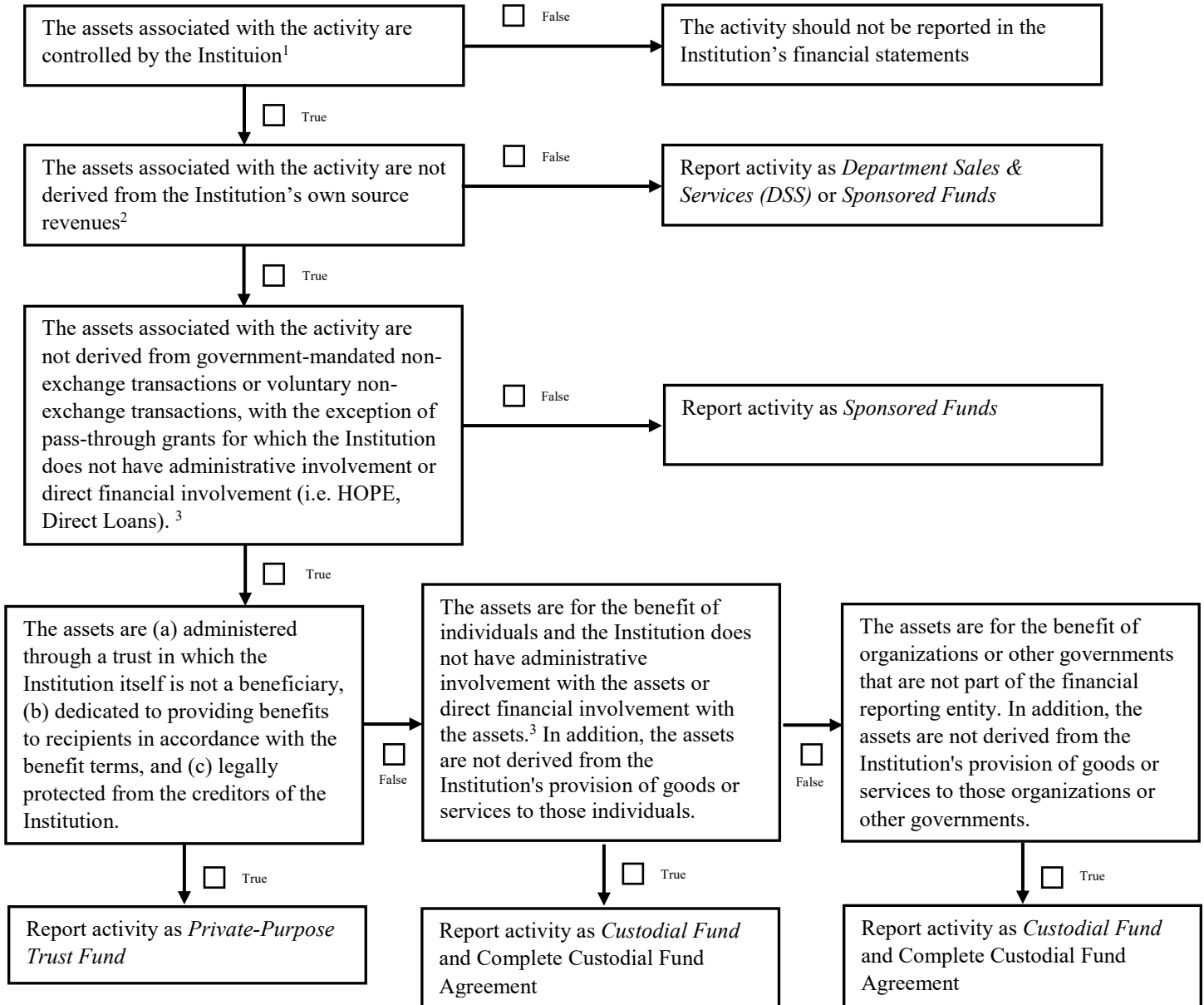


Georgia Institute of Technology Fiduciary Fund Determination Worksheet

Complete this worksheet for each proposed Custodial Fund to confirm fund type for financial statement reporting. Indicate the appropriate True / False response to determine proper fund type.

Proposed Name of Custodial Fund

Cost Center Name & ID



Footnotes:

¹ Control of Assets - A government controls the assets of an activity if the government (a) holds the assets or (b) has the ability to direct the use, exchange, or employment of the assets in a manner that provides benefits to the specified or intended recipients. Restrictions from legal or other external restraints that stipulate the assets can be used only for a specific purpose do not negate a government's control of the assets. For purposes of this Statement, a government uses an asset when it expends or consumes that asset for the benefit of individuals, organizations, or other governments, outside of the government's provision of services to them.

Georgia Institute of Technology
Fiduciary Fund Determination Worksheet

² Own-source revenues are revenues that are generated by a government itself. They include exchange and exchange-like revenues (for example, fees established by the Institutions/USG and charged to program participants) including exchange type grants & contracts and investment earnings. Derived tax revenues (such as sales and income taxes) and imposed non-exchange revenues (such as property taxes) also are included.

³ Administrative Involvement - For purposes of this provision, the descriptions of administrative involvement and direct financial involvement of a government that is a recipient of a pass-through grant provided in paragraph 5 of Statement 24 should be applied. That paragraph states, "A recipient government has administrative involvement if, for example, it (a) monitors secondary recipients for compliance with program-specific requirements, (b) determines eligible secondary recipients or projects, even if using grantor-established criteria, or (c) has the ability to exercise discretion in how the funds are allocated. A recipient government has direct financial involvement if, for example, it finances some direct program costs because of a grantor-imposed matching requirement or is liable for disallowed costs."

Based on the results of the flowchart, the fiduciary activity should be reported in the following fund type:

- | | |
|---|---|
| <input type="checkbox"/> Business-type Activities – Sponsored Funds | <input type="checkbox"/> Business-type Activities – Departmental Sales and Services |
| <input type="checkbox"/> Fiduciary – Private Purpose Trust Fund | <input type="checkbox"/> Fiduciary – Custodial Fund |

| | |
|--------------|----------------------|
| Completed by | <input type="text"/> |
| Title | <input type="text"/> |
| Date | <input type="text"/> |
| Signature | <input type="text"/> |

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

Business Purpose

Nature of Activity
Processed through Account

Custodial Fund Type Funds on Deposit Designated Scholarships Payroll Operations

Termination Date

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

Associated
Organization & Affiliation
to Institute

Legal / Corporate Status of
Organization (501(c)3),
Corporation, etc.)

Federal Tax ID (if applicable)

Any Other Organization on
whose behalf this
Organization is Functioning
as an agent or intermediary

College/School/
Department Name

Cost Center Name & ID

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

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 Custodial Fund. Disbursements will not be made unless adequate funds are available in the Custodial Fund.
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.

Georgia Institute of Technology
Custodial Fund Agreement

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. After 24 consecutive months without activity, unused balances must be either disposed as outlined in the Custodial Fund Agreement or refunded to the Owner of the custodial fund. Refunds that are outstanding after 180 days from the check's issue date should follow procedures outlined in Section 19.1, Unclaimed Property of the University System of Georgia's Business Procedure Manual.
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. 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.
17. 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.
18. The records of all Custodial Funds are subject to review or audit by appropriate Institute, State, or external auditors as necessary.

**Georgia Institute of Technology
Custodial Fund Agreement**

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 type="text"/> | Date | <input type="text"/> |
| Fiscal Agent Signature | <input type="text"/> | Date | <input type="text"/> |
| Fiscal Agent Signature | <input type="text"/> | Date | <input type="text"/> |
| Fiscal Agent Signature | <input type="text"/> | Date | <input type="text"/> |

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

| | | | |
|-----------|----------------------|-------|----------------------|
| Name | <input type="text"/> | Title | <input type="text"/> |
| Signature | <input type="text"/> | Date | <input type="text"/> |

Institute Office of the Controller Approval:

| | | | |
|-----------|----------------------|-------|----------------------|
| Name | <input type="text"/> | Title | <input type="text"/> |
| Signature | <input type="text"/> | Date | <input type="text"/> |