

# MSU STUDENT ORGANIZATION AND EXCHANGE BANKING

## OVERVIEW

Morgan State University has many student clubs. These clubs, although affiliated with the Student Government Association, do not receive SGA funds, but raise money through various fundraising methods to support club activity. These organizations normally do not have the infrastructure to obtain a federal identification number. Without a properly issued FIN (Federal Identification Number), these clubs cannot have a bank account to deposit and disburse club funds. To avoid this issue, a club/organization may 'bank' their funds and pay their expenses through the University's Student Exchange (S.E.) checking account using the process listed below.

## ESTABLISHING A STUDENT ORGANIZATION ACCOUNT WITHIN THE S.E. BANK ACCOUNT

1. Memo from the club advisor to include the following:
  - a. Organization name (not to include MSU)
  - b. Faculty/staff advisors (2)
  - c. Individuals authorized to pick up checks (up to 3)
  - d. Approval of the student activities director (verifying the student organization).
  - e. The following lines to be filled in by the Comptroller's Office:
    - i. Account number:
    - ii. Assigned by:
    - iii. Date:
2. The request memo (sample later in instructions) is forwarded to the Comptroller's Office
3. The Comptroller's Office assigns an account number to the organization
4. The completed and signed organization account number request form is returned to the requesting faculty/staff advisor by the Comptroller's Office

## DEPOSITING FUNDS

1. Checks payable to Morgan State University, MSU Student Exchange, and/or cash are delivered to the Bursar's Office cashier during normal working hours.
2. Depositor tells cashier to deposit funds to the Student Exchange account and gives the organization's name and account number.
3. Depositor receives a receipt from the cashier, verifies the amount and organization number, and keeps the receipt for record keeping.

## REQUESTING A DISBURSEMENT CHECK

1. Verify sufficient funds are in the organization's Student Exchange account
  - a. A minimum 2 days clearance on deposit.
2. Complete the Request for Emergency Disbursement form. The payee, organization name, assigned account number, and expected check required date is prominently listed on the form.
3. The Emergency Disbursement form is signed by the organization's advisor.
4. The completed and signed Emergency Disbursement form is delivered to the Comptroller's Office **a minimum of 3 days before needed.**
  - a. If the organization is using funds that were recently deposited, it is recommended that copies of the deposit receipts accompany the Emergency Disbursement form.
5. The Student Exchange custodian verifies availability of funds and, if available, creates check.
6. When the check is available, an organization's representative picks up and signs for the check(s) in the Bursar's Office. For additional information on check availability or pick-up time schedule, contact the Bursar's Office on 443-885-3108 or by email: [bursar@morgan.edu](mailto:bursar@morgan.edu).
7. Any unspent or leftover funds from issued checks should be deposited as listed in the 'Deposited Funds' section above.

## RULES/ RESTRICTIONS

1. Limit of 2 payment checks per month.
  - a. Checks amounts must be enough to cover the entire purchase or event.
  - b. Most checks will be in the name of an organization member. This member would be expected to cash the check in order to pay all of the various vendors.
2. Organization is not affiliated with any national organization, such as a fraternity.
3. The 'Morgan State University' words cannot be affixed to the organization's name.
4. If a deposited check is not honored by the bank, the deposit will be reversed with a \$25.00 or \$50.00 additional charge, depending on the amount.
5. If the organization's Student Exchange account has a balance of less than zero, payment of the overdraft is immediately due.
6. Account balance cannot exceed \$5,000.
7. Activity in the account is for the organization (no personal activity).
8. Purchases are subject to standard taxing.
9. Payments from this account cannot be to an individual as a form of payroll/ compensation.
10. At the request of an advisor, transaction activity reports, up to a maximum of the preceding 12 months, and current balances are available from the Comptroller's Office.
11. Any funds received by the organization **cannot** be considered a donation to the University.
12. If the account becomes dormant (no activity) for 2 years, the funds will be deposited to the Student Government Association account.
13. Except for the possibility listed in #12, there is no activity in this bank account related to the S.G.A. or any other University department's transactions.
14. The Comptroller's Office is assuming no auditing and reporting oversight of the organizations activity. The organization must account for the documentation and propriety of the activity that flows through their Student Exchange account.

# SAMPLE NEW ACCOUNT REQUEST:

May 6, 2014

To: Patrick M. O'Brien,  
Comptroller's Office

From: Director

Re: Student Association of (NAME OF ACCOUNT) Account

Please create a new student organization account in the Student Exchange bank account. This account will be used to process this organization's deposits and disbursements. The student representatives and the University advisors have received the procedures and rules concerning the Student Exchange account. The specific student organization information is listed below:

**Name:** The Student Association of (NAME OF ACCOUNT)

<b>Advisors</b>	<b>Office Phone#</b>	<b>Email</b>
Tom Jones	443-885-(XXXX)	tom.jones@morgan.edu
Mary Smith	443-885-(XXXX)	mary.smith@morgan.edu

**Authorized to pick-up checks:** Tom Jones, Mary Smith, and Carolyn Richardson

APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_  
STUDENT ACTIVITIES DIRECTOR

COMPTROLLER'S OFFICE ONLY:

STUDENT EXCHANGE ACCOUNT NUMBER: \_\_\_\_\_

ASSIGNED BY: \_\_\_\_\_ DATE: \_\_\_\_\_