

**Knoxville Campus Procedure
Office of Budget and Finance
Money Handling Guidelines for Student Organizations**

University Funds – Gifts for the Benefit of Student Organizations

If donors want their contribution to be gifts to the university (i.e., they want to obtain a university receipt and take a charitable deduction on their income taxes), it is important to consider the intended purpose of the gift. Additionally, the university must maintain unrestricted discretion and control over the funds. If the contribution is intended to be a gift **and** is for a specific student organization, the following criteria must be met:

- Student organization **must** be registered with the [Center for Student Engagement](#). Contact the center for instructions on how to become a registered student organization. Registration can be verified on the center's website.
- The registered student organization **must** have a sponsoring UT department. In regards to the gift, the sponsoring department will be responsible for:
 - Working with departmental development officer (or UT Foundation) to establish the gift agreement (or administrative provisions) per the normal gift acknowledgement and recording process.
 - Ensuring that the funds are spent per the donor's wishes and in accordance with the appropriate university fiscal policy on receipting, safekeeping and disbursing of funds.
 - Reconciling the monthly ledger.
- The gift agreement **must** include the language below in order for it to be recognized as a charitable donation:

If it becomes impossible or impractical to use the gift for the purpose designated by these administrative provisions, or if these provisions are determined to be in conflict with any federal, state, or local law, regulation, or ordinance, the Foundation's Board of Directors, in consultation with the donor (if possible) or with the President of the University, will direct the use of this gift in the best interest of the University and in a

manner as close as possible to the original intent of the donor as expressed in these provisions.

If the gift is less than \$5,000, the funds will be held by the [Center for Student Engagement](#) in a university restricted account designated for gifts to registered student organizations. In such cases, the [Center for Student Engagement](#) will be the sponsoring department. Alternatively, a university department closely affiliated with a registered student organization may elect to be the sponsoring department and hold the gift funds in its departmental enrichment fund (e.g. VolStarter funds).

Gifts of \$5,000 or more can be held in a separately identified restricted account in the sponsoring department's funds center. The sponsoring department can be any UTK department that is willing to provide the support associated with administering the gift on behalf of the registered student organization. Occasionally, when gifts to a registered student organization have a demonstrated history of consistent, on-going donations, a separately identified restricted account may be created when the gift totals less than \$5,000.

Departmental funding from **non-restricted gift funds** can be transferred to these accounts in order to actively contribute to campus cultural, social and academic life of registered student organizations and enhance student life at the university (R to R transfer on g/l 605700/705700).

Please note that revenue from sales activity may have tax implications. The department should contact the Controller's Office to discuss any tax concerns.

Third Party Funds – Student Organization Private Account

As a service to registered student organizations, an on-campus 'checking' account can be opened with the [Center for Student Engagement's](#) Student Organization Business Office to secure the organization's cash. This method is a good alternative to opening a checking account with a private, local bank as no personal information such as social security numbers is needed to establish an account with the [Student Organization Business Office](#). The accounts managed by the Office are established using private funds (student org membership dues, fundraisers, etc.) with no university funding. The accounts are non-interest bearing. A bookkeeping charge of \$2.00 for the first 14 transactions and \$0.15/transaction above 14 is assessed.

Please note that these accounts and their related organizations, while affiliated with the university, remain entirely separate entities. As such, the accounts and organizations are not afforded the tax-exemption status of the university. **Unless the organization has obtained a tax-exemption status of their own, all purchases and sales of goods must include the respective tax.** The university files no taxes for these organizations and accounts. All related tax issues, including sales, income and payroll must be handled by the organization itself.

To open an account, the student organization must be registered with the [Center for Student Engagement](#). For more information, contact Donna Mount at 974-3168 or visit 2224 Dunford Hall.

Third Party Funds – Agency Account

In rare instances, a local chapter of a student organization may host an event, such as a conference, in collaboration with a national chapter. At the end of the event, any residual funds are to be paid to the national chapter. In these cases, the departmental sponsor may request the [establishment of an agency account](#) thru the [Office of Budget and Finance](#). For more information, contact Melissa Johnson (johnsonm@utk.edu) or Suzan Thompson (thompson@utk.edu) for assistance.