

1 November 11, 2010

2 **S.R. 1008**

3
4 **Title: In Support of Effective Handling of College Council Funds after the Closure**
5 **of the Student Organization Bank**
6

7 **WHEREAS,** On September 16, 2010 Assistant Dean of Students, Dr. Mary Beth Mercatoris,
8 officially informed Sponsored Student Organizations of the closing of the Student
9 Organization Bank by posting a letter¹ on the Student Organization Bank Website;
10 and,
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12 **WHEREAS,** The complete discontinuation of bank services occurs in January 2011²; and,
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14 **WHEREAS,** By this time all funds currently held in accounts by sponsored student
15 organizations will have to be transferred to new or existing accounts in the
16 department sponsoring each respective organization; and,
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18 **WHEREAS,** Sponsored Student Organizations are defined as “registered student organizations
19 that have a close relationship with a university department. Sponsorship requires
20 support, endorsement, supervision, and the assumption of responsibility for the
21 actions and activities of the sponsored organization”³; and,
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23 **WHEREAS,** All 19 college councils are officially sponsored organizations⁴ by the respective
24 colleges and schools they represent; and,
25

26 **WHEREAS,** Funds currently held in the accounts at the Student Organization Bank were
27 gained through fundraising and/or the collection of organizational dues; and,
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29 **WHEREAS,** The 19 college councils and the Senate of College Councils recognize and accept
30 the reality of the bank’s closing; and,
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32 **WHEREAS,** The Senate of College Councils neither supports or opposes the decision to close
33 the bank; and,
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35 **WHEREAS,** It is, however, vital to mitigate the consequences of the closure of the Student
36 Organization Bank to ensure that the 19 college councils continue to have the
37 ability to use their funds effectively to serve and represent the students of their
38 respective colleges and schools as they see fit; and,

¹ Letter from Dr. Mercatoris – (<http://deanofstudents.utexas.edu/sald/bank/>)

² Letter to Registered Student Organizations – (<http://deanofstudents.utexas.edu/sald/bank/sponsored.php>)

³ Information on Sponsored Organizations – (<http://deanofstudents.utexas.edu/sald/bank/sponsored.php>)

⁴ Information on Sponsored Organizations – (<http://deanofstudents.utexas.edu/sald/bank/sponsored.php>)

39
40 **WHEREAS,** It is necessary and prudent for the Senate of College Councils and the 19 college
41 councils to set forth recommendations regarding the handling of funds before,
42 during, and after the transfer of funds from the Student Organization Bank; and,
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44 **WHEREAS,** The Student Organization Bank should work closely with each college's
45 accounting department in order to ensure a smooth transition; and,
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47 **WHEREAS,** The closing of the Student Organization Bank puts new limitations and
48 restrictions on how the 19 college councils of the Senate of College Councils can
49 access and utilize funds; and,
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51 **WHEREAS,** Sponsored student organizations often spend money on rentals, event-related
52 items from non-sponsored vendors, cash and non-cash prizes that require the
53 flexibility of departmental accounts that not all departments may be able to
54 provide; and,
55
56 **WHEREAS,** Spending restrictions limit the ability of sponsored student organizations to host
57 events for the enhancement of the respective colleges and schools at the
58 University of Texas at Austin; and,
59
60 **WHEREAS,** Staff support currently varies between college accounting departments, leading to
61 inconsistencies in the creation of new accounts for the respective sponsored
62 student organizations; and,
63
64 **WHEREAS,** In many instances, staff support is not adequate to handle the new responsibilities
65 of administering these new accounts; and,
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67 **WHEREAS,** The officers and managers of the Student Organization Bank and the Office of the
68 Dean of Students have recommended the creation of type-41 accounts in the
69 sponsoring departments to accommodate the new funds; and,
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71 **WHEREAS,** Type-41 accounts are geared toward agencies of the sponsoring department for
72 the purposes of fundraising where typical expenditures are “expenditures
73 necessary to accomplish a specific purpose”⁵; and,
74
75 **WHEREAS,** Type-41 accounts are not included in any fiscal review of a department’s funds;
76 and,
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78 **WHEREAS,** Student organization funds held in the student organization bank have been
79 available for reimbursements under the discretion of organization-authorized
80 representatives; and,
81
82 **WHEREAS,** Movement of student organization funds to university managed accounts imposes
83 new restrictions on the reimbursement of funds; and,

⁵ Account Group Details – (<http://www.utexas.edu/business/accounting/pubs/accountgroups.pdf>)

84
85 **WHEREAS,** Those restrictions vary depending on the type of account and department
86 administering the account; and,
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88 **WHEREAS,** Current departmental accounting practices do not allow access to an accurate
89 current balance of organizational funds; and,
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91 **WHEREAS,** A tool exists on the Office of Accounting website granting access to the current
92 reflected balance in budget groups and units⁶; and,
93
94 **WHEREAS,** An accurate and up-to-date balance is vital to the successful management of
95 organizational funds; therefore, be it,
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97 **RESOLVED,** That the Student Organization Bank should continue to offer support to both
98 representatives of sponsored student organizations and university departments;
99 and, be it further
100
101 **RESOLVED,** That all possible efforts should be made by departments, colleges and schools to
102 provide as much liberty in the use of sponsored student organization funds as
103 possible; and, be it further
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105 **RESOLVED,** That appropriate measures should be taken to ensure that there are adequate staff
106 to administer sponsored student organization accounts in an efficient and timely
107 manner; and, be it further
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109 **RESOLVED,** That the Senate of College Councils strongly recommends the creation of new
110 type-41 accounts in the colleges and schools to accommodate funds transferred
111 from the Student Organization Bank; and, be it further
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113 **RESOLVED,** That sponsored student organizations should maintain the ability to easily use
114 funds to reimburse organization members for organizational expenses from
115 designated organization accounts; and, be it further
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117 **RESOLVED,** That all possible efforts should be made by departments to facilitate easy access
118 to a current and accurate account balance at all times; and, be it further
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120 **RESOLVED,** That this resolution be sent to Associate Vice President and Controller Fred
121 Friedrich, Vice President for Student Affairs Juan González, Dean of Students
122 Soncia Reagins-Lilly, Assistant Dean of Students Mary Beth Mercatoris, Director
123 of Accounting Services Amy Barnard, Deputy to the Dean of Students Melinda
124 Sutton, Office of Accounting 41 Account Supervisor Jamey McDaniel, all college
125 and school deans, and all college and school accounting departments.
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127 **Authors:** Steven Blake Baker (Financial Director, Senate of College Councils)
128 Crystal Plunkett (Treasurer, UT Nursing Student Association)

⁶ Account Balance Tool – (<https://utdirect.utexas.edu/acct/balances/index.WBX>)

129 Courtney Maple (Financial Director, Education Council)
130 Miguel Ortiz (Financial Director, Undergraduate Architecture Student Council)
131 Bhargav Srinivasan (Financial Director, Undergraduate Business Council)
132 Miles Gilmour (Financial Director, Liberal Arts Council)
133 Wesley Williams (Financial Director, Undergraduate Studies Council)
134
135 **Sponsors:** Senate of College Councils Financial Directors Committee
136 David Liu (Policy Director, Senate of College Councils)
137 Education Council
138 Natural Sciences Council
139 Liberal Arts Council