Application to Open an External Organization Account with Cornell

Part I: External Organization Information

External Organization Name ________________________________
Street Address ___________________________________________
City __________________________ State ________ Zip Code _______
Phone ________________________ E-mail ______________________

Is the external organization a student organization?  ☐ Yes  ☐ No

Does the external organization have a federal ID number?  ☐ Yes  ☐ No  If yes, please complete the following two questions below

What is the external organization's federal ID number? __________________________________________

Has your external organization been recognized by the IRS as a 501(c)(3) organization?  ☐ Yes  ☐ No

Part II: Attestation

Whereas the above-named external organization (EO) not owned or controlled by Cornell wishes to establish an EO account at Cornell University, and
Whereas, the establishment of this account will serve to enhance the learning experience or promote research activities at Cornell;

The parties agree as follows:

1. Funds from the EO account can only be used to benefit Cornell students, or, the educational experience at Cornell University.
2. The money in the account will remain EO money, which the University is entrusted to distribute only upon receiving proper documentation necessary to release funds. Examples of documentation may be a receipt showing expenses incurred or a letter from the EO to the University outlining how the funds will be spent and explaining why a receipt is not possible.
3. The EO is solely responsible for all aspects of any transactions, which may be paid out of the EO account. This includes, but is not limited to, taxes, compliance with all laws, and the terms and conditions of any purchase or the engagement of any vendor for any service provided to the EO. The EO is responsible for its own risks associated with the transactions and for carrying its own insurance.
4. Cornell’s sole responsibility is to provide custodial and dispersing services. If the EO requests Cornell to make direct payments from the account to anyone other than the EO, the EO is responsible for providing to Cornell all information needed for withholding and/or reporting purposes.
5. The EO may not incur a deficit in its EO account. There can be no deficit spending in anticipation of funds.
6. The EO will identify the individual(s) having authority to act on its behalf with respect to the account and keep such list of authorized persons current at all times.
7. In exchange for the provision of this account and services related thereto at no charge to the EO, the EO agrees to release and to hold the University harmless from any and all liability, claims, taxes, employment claims, demands, fines, penalties, loss of funds, or costs of any nature associated with EO activities or the use of funds from the account by the EO.

External Organization Authorization

Date ________________

External Organization Authorized Representative Signature ____________________________

Representative Name ____________________________ Representative Title ____________________________

External Organization Authorized Representative Signature ____________________________

Date ________________

Representative Name ____________________________ Representative Title ____________________________
Financial Transaction Center STANDARD OPERATING PROCEDURES (SOP)

External Organizations (EO)

SOP Owner: Controller's Organization: DFA  
Date Revised 12/15/11, Version Number: 3.0  
Date Implemented: 7/01/11 (ISO's), 12/31/11 (Other EO's)  
Approval(s): Anne Shapiro, as57, Controller

Definitions:

*External Organization (EO):* Any organization that is recognized by the university through a formal external organization agreement as required by the External Organization Policy. Some of the EO's are separate legal entities; others are merely associations that operate independently from Cornell University. External organizations include, among other organizations, independent student organizations for the purposes of this SOP, see further definitions below.

*Closely Aligned Affiliates:* An affiliate organization that has a long standing relationship with the university generally documented on the University's web pages such as Cornell United Religious Works and Alumni Clubs *(Note: Athletics Booster clubs are being reviewed to determine their appropriate status as affiliates vs. internal organizations).*

*Independent Student Organization (ISO):* A student group at Cornell University that has been recognized by the University based on the organization's annual signature on the student independent organization agreement both exists and operates independently of the University.

*University Student Organization:* A student group sanctioned by Cornell University, is directly affiliated with a University Department and is also known as a University “Owned” Club. Note: This group is considered to be part of the University and must follow all other standards and procedures.

References

Agreement for a Contracted Independent Organization
Resources, Policies, and Guidelines for Clubs and Organizations
Policy 3.16:

http://www.dfa.cornell.edu/cms/treasurer/policyoffice/policies/volumes/finance/upload/vol3_16.pdf

Application for External Organization Account:
Standard Operating Procedures:

1. **Purpose**
The procedures below describe financial transaction processing related to External Organization's (EO's). This document is the result of procedural changes requested by Counsel's Office and Risk Management to limit risk and liability to Cornell University for payments made for activities and transactions on behalf of external organizations. Please contact the University Controller if additional information is required.

2. **Scope**
The Business Service Center/Financial Transaction Center processes transactions for recognized EO's. Cash receipts and payments will only be recorded through the external organization's liability account. Based on current guidance from the Office of Risk Management, Cornell monies (i.e. gifts, endowment income and department funds) can support EO's but must be credited to the EO's liability account, reflecting that funds paying for EO expenses are the resources of the external organization. No direct payments can be made directly from gift, endowment or department operating accounts on behalf of any external organization.

3. **Roles and Responsibilities**
   **Business Service Center/Financial Transaction Center**
   - Set-up External Organization accounts as needed, see section 6 below.
   - Use dedicated BSC/FTC P card for EO purchases. For Independent Student Organizations (ISO's) Student Assembly Finance Commission/Graduate Professional Student Assembly Finance Commission (SAFC/GPSAFC) approval is required prior to payment or reimbursement.
   - Generate DI e-doc to move temporary restricted (TR) or unrestricted (UR) operating funds to EO's liability account.

   **Controller's Office**
   - Responsible for approving all new EO accounts, ensuring compliance with documentation, evaluating whether renewal documentation is required annually and if so, obtaining that documentation tracking external organization agreements.

   **Note:** ISO's annual updates are handled by the Student Activities Office (through 7/31/12)
External Organizations

- EO is solely responsible for all aspects of any transactions which are paid out of External Organization accounts as per agreement.
- EO may not incur deficit in EO liability account, should a transaction result in a deficit balance the EO must reimburse Cornell immediately.

Student Assemblies

- Provides SAFC/GPSAFC funding for approved ISO requests

University Departments

- Send new EO account requests to BSC
- Send all approved payment requests to BSC for processing

Student Activities Office

- Approves EO agreements for ISO’s and tracks contract agreements

4. Prerequisites (Forms/Tools)

All external organizations must have an approved Application for External Organization Account on file with the Controller’s office. [http://www.dfa.cornell.edu/dfa/cms/accounting/topics/upload/cu-act-externalorg-acctapp.pdf](http://www.dfa.cornell.edu/dfa/cms/accounting/topics/upload/cu-act-externalorg-acctapp.pdf) or in the case of independent student organizations, on file with the Student Activities Office. [https://sao.cornell.edu/SO/](https://sao.cornell.edu/SO/)

Vanilla vendor contracts will be made available to the EO for use in obtaining services provided both on/off Cornell campus. All contracts will be in the name of the external organization and signed by their representatives, not Cornell employees. The signed contracts will be included as documentation to support any payments issued through the EO’s liability account. Add link when form available – is this being revised by Risk Mgmt?

5. Limitations and Restrictions

FTC/BSC leads should contact University Controller to discuss any issue that requires an “exception.”

- Never Use Cornell’s purchase orders, e-Shop, and regular procurement cards as a method of payment for any goods or services on behalf of the EO. These forms of payment are for Cornell accounts only.
- Never use Cornell’s name on vendor invoices for EO’s
- Never use Cornell’s PO Box for direct invoicing
- Never use Cornell’s sales tax exemption certificate for EO’s
Never issue Cornell procurement cards to External Organizations. 

Note: Closely Aligned Affiliate EO’s may be granted a corporate card in their organization name with Controller’s permission if BSC/FTC administrative burden due to transaction volume is significant.

- Each BSC/FTC will designate one specific procurement card that will be limited to use for payments for EO transactions and will request tax to be charged unless the EO has provided a valid NYS sales tax exemption form to the BSC/FTC.

- Never use Cornell’s preferred vendor contracts for the EO’s unless the contract specifically indicates that coverage is provided for EO’s. Contact Supply Management Services for more information.

- Never use Cornell’s name, logos, trademarks or insignias, including charges on reimbursement requests, unless use is in compliance with requirements documented in Cornell’s policy 4.10 Use of Cornell’s Name, Logos, Trademarks and Insignias.

- Never charge directly to gift accounts for services provided by university departments; CIT, PDC, Building Care. These charges must be processed on a KFS Distribution of Income & Expense (DI) e-doc directly to the EO’s liability account.

- Never use Bursar billing for charging or crediting EO related activity unless exception is granted by the Controller’s office (very rare).

- Never use Cornell’s facilities or property without an approved Use of University Property form (UUP) for any events or activities held by the EO on university property. http://www.activities.cornell.edu/EventReg/

- Cornell staff should not monitor, facilitate or serve at an EO event on or off campus. However, any event on campus has inherent obligations to provide services within the scope of individual job requirements. Cornell’s property should be monitored but Cornell staff should not in any way assume responsibility for monitoring a specific event or activity other than to assure the facility is not damaged. Risk Mgmt to provide final wording

- Never use External Organization as a service provider to Cornell.
6. **The BSC/FTC will process transactions as follows:**

**Account Set Up**
- Include, as required by policy, an approved external organization agreement with the new account request.
  - For ISO's an agreement is on file when a current registration exists with an "approved" status in the Student Activites Office database. [https://sao.cornell.edu/SO/](https://sao.cornell.edu/SO/)
- Create new liability account for EO (unless account already exists from prior activity), using sub-fund group EXTORG - external organization activities and higher education function code L000 – Liability.
- Attach affiliate or EO agreement to the account as backup documentation.

**Cash receipts** (cash, checks, credit card payments and funding transfers)
- EO's are funded by several different sources to advance the student experience related to activities carried out by the EO's.
  - Donor gifts to Cornell to advance the interests of EO's
  - Cornell department UR account funding support transfers
  - External Organization Revenues (including membership fees, etc)
    - Note: Unexpended funding support transfers are not returned at year end but SAFC/GPSAFC funds remaining revert to the respective SAFC or GPSAFC parent account.
- Proceeds from fund raisers, auctions, events, club membership fees, sponsoring department transfers, SAFC and GPSAFC funding, and department transfers will ONLY be recorded in the EO's liability account.
- Cash receipts will be recorded in KFS to the EO's liability account on object 4110 – Revenue Other using the following e-docs:
  - Cash & checks on Advance Deposit e-doc
  - Credit card payments on Credit Card Receipt e-doc
- Departmental funding transfers, transfers from SAFC or GPSAFC, CU Tonight and gift or endowment income transfers will be recorded in KFS using the following e-docs:
  - Distribution of Income & Expense e-doc
    - To Section – Cornell operating account, object 6390, donation expense, as a positive value (increase to expenses).
    - To Section – External Organization liability account, object 4110 Revenue - Other, as a positive value (increase to revenue).
Note: Transfers should be supported by actual charges or invoices.

Payments (reimbursements, direct payments, cash advances):
All invoices presented for payment MUST be billed to the EO's name and cannot have Cornell's name on the document. Any invoices with Cornell's name must be rejected back to the EO for correction.

BSC/FTC must verify that sufficient funds are available for the EO either in their liability account, through pending department transfers or in gifts accounts if expense is an appropriate use of these funds. If there are insufficient funds to cover the expense the BSC/FTC must notify the EO that payment cannot be processed on their behalf.

All large transaction payments need vanilla contract and terms and conditions.

Any proposed expenditure that appears "high risk" (health, safety or legality issues), should be reviewed by Risk Management prior to processing.

Procurement card:
- Payment for goods with the EO designated P card managed by BSC/FTC only.
- Manage tax risk by requesting sales tax be assessed at time of purchase and disclosed on receipt unless valid NYS sales tax exemption form is on file with the BSC/FTC for the particular EO.

Disbursement Voucher (direct payments, reimbursements and travel advances):
- Process DV for reimbursements or services with vanilla contract, signed by the EO representative, not Cornell staff on the following payment reasons:
  - B – reimbursement for receipts (should be fully supported by invoice or receipt copies for the EO)
  - E – Compensation for Services
  - F - Refund/Repayment to External Org
- Services include:
  - Hotels, Caterers, Independent Contractors, Transportation, Printing Services and Entertainers
Invoices must be billed to the EO and all taxes included (unless EO has provided a valid NYS sales tax exemption form).

When a vendor requires the use of its contract rather than the standard contract used by the EO, the EO may consult with Risk Management.

EO may use Cornell approved caterers but must collect a certificate of insurance if the caterer does not specifically cover affiliates and student organizations on the insurance certificate. EO's should ALWAYS collect a certificate of insurance from caterers not on the Cornell approved list. In addition, the EO will need to include a standard signed contract. Catering Contract.

Travel Advances for EO's:
- X - Travel payment for prepaid travel, use object code 1400 Accounts Receivable - Employees.
- When travel documentation received
  - J - Employee/Student Interim Solution for net amount owed to EO's liability account on object 6750 Travel-Domestic or 6760 Travel - Foreign.
- Process a Distribution of Income and Expense (DI) e-doc to relieve the travel advance
  - To section: 6750 Travel-Domestic or 6760 Travel - Foreign
  - From section: object code 1400

Caution: If the EO traveler does not provide required documentation for the travel, Cornell, as the processing agent for the EO, will issue a 1099 for the uncollected receivable after notifying the traveler and any faculty sponsor. The traveler should be advised that they have an obligation to clear the advance no more than 30 days after the travel has occurred. All Cornell policies apply when acting as processing agent.

Cash Advances:
- Are available for designated ISO purchases and/or travelers up to $500 will be distributed through the SAS? BSC/FTC. If a greater amount is deemed necessary, contact the University Controller for exception.
- The designated individual for the ISO must sign an Independent Student Organizations Cash Advance Authorization Form when the cash is issued and is responsible for the submission of receipts within 30 days after the expenditure is made.
Non submission of receipts to clear the advance within 30 days will result in:

- ISO no longer being eligible to receive any additional advances.
- The amount of the advance being reported on a 1099 as taxable income to the **student** who received the advance.
Independent Student Organizations (ISO)
Cash Advance Authorization Form

______________________________ is authorized to spend up to
(Print student name)

______________________________ at ______________________ for purchases
(amount) (vendor name)

related to ________________________, an event that is being
(event name and date)

sponsored by ________________________ .
(name of student organization)

Approved by (Cornell University Staff Member) ________________________________

I understand that I am PERSONALLY RESPONSIBLE for this cash advance. I will return the
receipt and cash totaling ______________________ no later than 4:00 PM on
(amount)

______________________________ to Loreen Geiger in 1140 N. Balch, 255-2492, lag19@cornell.edu
(day, date)

I understand that this transaction is subject to any sales tax the vendor charges. I will not seek
special sales tax exemption.

I understand I must clear this advance immediately by submitting the original receipts to Loreen
Geiger.

I understand that failure to provide the original receipt and business purpose within 30 business
days might result in losing the privilege of "advances" for the above student organization.

______________________________ (email address & phone)
(student signature & organization title)

______________________________ (email address & phone)
(2nd organization signature & title)

For SAS BSC Administrative department use only

Cash received on: ___/___/___

(SAS BSC Admin Personnel: ______________________) (SAS BSC signature)