



**USE OF LSU TAX IDENTIFICATION NUMBER,
AGENCY ACCOUNTS AND EXTERNAL BANK ACCOUNTS**

Scope: All campuses served by Louisiana State University (LSU) Office of Accounting Services

Effective: March 1, 2017; updated June 1, 2023; updated January 30, 2024

I. Purpose

- A. To provide guidelines for the use of the LSU tax identification number.
- B. To provide guidelines for the use of an agency account.
- C. To provide guidelines for the use of external bank accounts.

II. Goals & Objectives

- A. Define the use of the LSU tax identification number.
- B. Define the oversight exercised to ensure the safeguard of university funds/deposits.
- C. Define an agency relationship and the use of an agency/clearing worktag.
- D. Define the use of an external bank account by a student professional or academic club or association.

III. LSU Tax Identification Number

- A. The LSU Tax Identification number is specific to LSU and is the identifying element used to report employee and supplier tax information to the Internal Revenue Service and the Social Security Administration.
- B. The University strictly prohibits the use of LSU's name or tax identification number by any person or organization in any bank account except as specifically authorized by the Executive Vice President for Finance and Administration and Chief Administrative Officer (CAO). Banks are periodically surveyed to identify any accounts utilizing the University's name or identification number. These accounts are independently reviewed for proper authorization.

IV. University funds must be deposited into a university bank account

- A. University Funds are defined as resources held by the campus as custodian or fiscal agent. These funds include but are not limited to state and federal appropriations, self-generated revenue, and revenue from sponsored agreements. Funds held in an agency account are not University funds.
- B. Only the CAO or their designee is authorized to establish and maintain University bank accounts. Requests for bank accounts or other banking services must be submitted to the Office of Accounting Services for review and recommendation to the CAO.
- C. A bank signature card is a form used to authenticate signatures for certain transactions. Bank signature cards for university bank accounts shall be provided to the CAO or their designee and any changes to the signature card shall be communicated to the CAO or their designee.
- D. A person's signature on certification of claims may be affixed by stamp or other mechanical device if the instrument used is in their general possession and control, is applied by themselves or by another within their authority and is intended by them to constitute their signature.

V. Use of an Agency Account (Form AS502)

Purpose

The agency relationship is maintained for organizations which make use of university services but are not sponsored by, or closely associated with, the University mission. True agency accounts are limited in number since they stand alone as entities separate from the University.

Agency accounts are for groups or organizations which hold activities on the campus or have an officer who is an employee of the University who is authorized to acquire goods or services through the University on behalf of the organization.

Tax Identification Number

Organizations requesting an LSU Agency Account must first apply for a tax identification number by completing Form SS-4 through the Internal Revenue Service. Organizations may apply online at www.irs.gov.

Revenue Sources

To keep the integrity of the organization separate from the University, no revenues can come from University funds. All sources of revenue are from membership fees, registrations, dues, donations, or earnings of the organization.

Expenditures

The university accounting system may be used for internal transactions for catering, housing, meeting room rental, supplies, and the like. The university purchasing system may be used for off-campus vendor payments as well.

Setup

The representative of the group/organization submits form AS502: Request for Agency/Clearing to Accounting Services. The organization name, taxpayer ID number, purpose of account, and source(s) of funding should be provided. If representatives are elected periodically, outgoing officers should notify Accounting Services in writing, providing a sample of the authorizing signature of the incoming officer. Specific guidelines for the disposition of any excess funds at the conclusion of the group activity should be provided (i.e.: submission to national office or forwarding to a future host campus).

Personal Services

There should be no payments for salaries or wages on agency accounts since the University is not responsible for reporting W-2 or 1099 income on agency funds. Individual organizations have their own reporting liability, and LSU cannot accept responsibility for payroll functions on behalf of an outside group. Organizations with a need to pay personal services should establish an external bank account under their tax identification number for processing and reporting such payments.

Residual Funds

The residual funds in an agency account can be transferred to another entity.

VI. Use of an External Bank Account

Organizations who collect member dues, host events, or travel may need to acquire a checking account when an agency account will not be effective.

External Bank Accounts

Organizations in need of a checking account must fill out the appropriate forms with a local bank to open the checking account using their own tax identification number. Registered student organizations at LSU are encouraged to consider the process of officer transition from year-to-year. Funds in a bank account can be unavailable to the organization when officers change each year but the signature authority for the bank account has not been updated with the bank. Faculty advisors **cannot** be an originator of the account, an authorized user of the account, or have signature authority over checking accounts for student organizations.

An annual communication will be sent out to banks local to LSU campuses advising that the LSU tax identification number cannot be used by entities outside of LSU to open bank accounts.