



AGENCY FUNDS HELD FOR SCHOLARSHIPS

Policy

Agency scholarship funds are funds received by the Foundation from various third parties who have previously selected a specified beneficiary to receive the funds. These funds are presented as assets and liabilities in the year-end Statement of Financial Position since the Foundation does not have any control over the disbursements. Consequently, the operating activity associated with these funds is not reported in the year-end Statement of Activities.

Procedures

1. The Foundation will accept funds designated for specific beneficiary students (agency funds) from corporations, foundations or other organizations (the Funder). Funding from individuals will not be accepted.
2. The minimum amount that must be awarded in order for the Foundation Office to hold and manage agency funds is \$500 per year.
3. At the time of award, the Funder shall indicate name of student, purpose, any other requirements (such as number of units, GPA, etc.) and instructions for disbursements (such as amounts, timing and type of expense covered). This information will be provided to the Scholarship Office.
4. Disbursements will be approved by the Scholarship Office after verifying enrollment and any other Funder requirements, and processed in accordance with the Funder's instructions. No disbursements to the beneficiary student will be made prior to receipt of funds from the Funder.
5. If the funds cover items at the LBCC Bookstore, the Scholarship Office will provide the student with a form authorizing the amount that can be spent at the Bookstore. The Bookstore will send the Scholarship Office an invoice for reimbursement that will not exceed the amount on the Authorization Form. The student is responsible for all costs incurred that are in excess of the amount authorized.
6. No Administrative Fee will be applied to agency scholarship funds.

7. When a new Funder sends funds for a specific student to the Foundation, the Assistant Director of Finance assigns a new fund code so that activity can be tracked separately in the accounting system. (ST) is added to the end of the fund name to indicate a Student Specific Fund.
8. The Scholarship Office reviews the weekly “\$250+ Gift Report” to verify the accuracy of receipt posting as a Student Specific Fund.
9. In order to track the balance of available funds, receipts are recorded in the accounting system temporarily as donations, and disbursements are recorded temporarily as operating expenses. At the end of each fiscal year, revenues and expenses are reclassified to a liability account entitled Agency Funds Held for Scholarships.
10. On an annual basis, the Associate Director will review individual agency fund balances. If there has been no activity for 36 months, the following steps will be taken:
 - a. Contact the Scholarship Office for an explanation. The Scholarship Office will send a list of awards, scholarships taken, and each student’s transcripts.
 - b. If the student is not currently enrolled, the Associate Director will follow the Funder’s instructions for the disposition of unclaimed funds. If there are no instructions, a letter will be sent to the Funder requesting a response within 60 days. If there is no response from the Funder, the balance of the funds will be transferred to the State of California as unclaimed funds.
 - c. If the fund balance is negative, the Associate Director will research and resolve with the Scholarship Office and the Assistant Director of Finance.

July 26, 2019