



Agency Fund (FD950) Requirements

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This document is to provide the UBC finance community clarity on the requirements for the appropriate usage of the Agency Fund (FD950). An Agency Fund worktag may only be set up or kept open when a well-defined agency relationship exists. Such a relationship may only exist when UBC collaborates with a third-party legal entity, not a third-party individual or group of individuals, in the performance of an activity or series of activities that are aligned to or further the university's mission, vision, and strategy.

Agency Fund Requirements

The following must all be met for an Agency Fund worktag to be set up or kept open:

- 1) **Identifiable Legal Entity** – The legal entity UBC is acting as an agent on behalf of must be identifiable. This entity cannot be an individual or a group of individuals; it must be a defined legal entity separate from UBC that is formally registered, with identifiable signing officers, and with legal authority to contract with UBC.
- 2) **Formal Agreement** – The legal entity identified must have a formal agreement with UBC clarifying the parameters of the agency relationship. This agreement must be executed in accordance with relevant UBC Signing Resolutions. This agreement must include the duration of the agreement, UBC's and the entities responsibilities, the timing of when UBC is expected to receive payments from or make payments to the entity, and other relevant conditions.
- 3) **No UBC Coverage of Deficits or Retention of Surpluses** – At the end of the term defined by the agreement, all residual funds must be paid out to a non-UBC entity via accounts payable and cannot be retained by UBC or transferred to another UBC worktag. If there are unresolved deficits, the agreement must indicate the non-UBC entity where these will be recovered from.
- 4) **Benefit to UBC** – There must be material alignment between the proposed agency relationship and the mission, vision, and strategy of UBC.

Agency Fund Implications

Activities occurring in the Agency Fund have the following implications that differ from other worktags:

- 1) They are not consolidated into UBC's consolidated financial statements.
- 2) Worktag setup requests require review by Financial Reporting (in addition to the unit and ISC).
- 3) Purchases made are not eligible for GST or other tax rebates UBC is eligible for.
- 4) Sales and services provided from UBC to an Agency Fund worktag cannot be processed via 'internal service delivery' and charges made via accounting journals must factor in taxes.
- 5) Worktag balances must be reviewed at least annually to ensure the agency relationship still exists and that the balances are accurately presented as owed to or from UBC.
- 6) Only select trained users, using a distinct journal source, can process accounting journals that will cross between the Agency Fund and other UBC fund types. In general, these transactions should be limited in nature and will need to adjust for 'Cash' balance sheet implications.