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2.7 Return Custodial Funds to the Owner

Policies & Procedures

2 Custodial Funds

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Policy Statement

The owner of non-University of Illinois System funds that are held by the system in a custodial fund may request a partial or total return of funds as needed or at the termination of the custodial fund relationship between the owner and the system. Payments to return custodial funds to the owner may not be disbursed to a non-resident alien without prior written approval of the Office of University Payroll and Benefits. Once the funds are returned to the owner, the system is not responsible for any tax or other reporting associated with the use of the withdrawn funds.

The liaison unit is responsible for submitting the proper documents to process the withdrawal of funds.

Procedure

To return custodial funds to the owner, the liaison unit must:

1. Give the owner or an authorized representative the [Disbursement to External Owner from a 9D Custodial Fund](#) form so the owner can complete and submit it.
2. Review the completed [Disbursement to External Owner from a 9D Custodial Fund](#) form to ensure that:
 - The owner or authorized representative has fully completed and signed the form.

between the
System and the
Owner of a
Custodial Fund

2.7 Return
Custodial Funds
to the Owner

- The cash balance in the fund covers both this request and pending disbursements.
- 3. If the cash balance will not cover both this request and pending disbursements, work with the owner to determine an appropriate amount of funds to withdraw that will not result in an overdraft.
- 4. Determine whether the payee authorized by the form has a vendor identification number in Banner. Consult the [Searching for a Vendor Using FTMVEND Job Aid](#) for step-by-step instructions.
- 5. If the payee does not have a vendor identification number, consult [8.5 Vendor Setup and Maintenance](#).
- 6. Enter the Vendor ID number on the form.
- 7. If you have completed all the steps up to this point, sign the liaison attestation on the form.
- 8. Process the disbursement transaction in Emburse Enterprise. Include the completed [Disbursement to External Owner from a 9D Custodial Fund](#) form and any other documentation to support the transaction.
- 9. Verify that the transaction posted correctly to the custodial fund. If the transaction was for the total return of funds, verify that the cash balance is now zero.
- 10. If the relationship between the owner and the system is terminated and all account balances in the custodial fund are zero, consult:
 - [Guide to Terminating FOAPAL Segments](#)

Forms Used in this Procedure

[Disbursement to External Owner from a 9D Custodial Fund](#)

Related Policies and Procedures

[8.5 Vendor Setup and Maintenance](#)

[8 Payments and Reimbursements](#)

[2.4 Comply with Unit Liaison Responsibilities for a Custodial Fund](#)

Additional Resources

[Guide to Terminating FOAPAL Segments](#)

[Searching for a Vendor Using FTMVEND Job Aid](#)

[Emburse Enterprise Resources](#)

[Vendor Setup and Update](#)

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