

BUSINESS & FINANCE

[Accounting & Budgeting](#)[Buying & Contracts](#)[Paying People](#)[Travel](#)[Equipment Management](#)[Payments to the University](#)

Policies & Procedures

[Policies & Procedures](#)[2 Custodial Funds](#)[2.1 Policies for Managing Custodial Funds](#)[2.2 Determine the Need for a Custodial Fund](#)[2.3 Request Approval for a Custodial Fund](#)[2.4 Comply with Unit Liaison Responsibilities for a Custodial Fund](#)[2.5 Expend Custodial Funds on Behalf of Owner](#)[2.6 Process a Transaction](#)

2.3 Request Approval for a Custodial Fund

Policy Statement

University Accounting and Financial Reporting (UAFR) must approve the establishment of a custodial relationship before receiving the deposits of money owned by others and held by the University of Illinois System as a custodian.

Acquaint yourself with the information in [2.1 Policies for Managing Custodial Funds](#).

As a non-system unit, the owner is not entitled to the privileges of system units.

Procedure

To request approval for a custodial fund:

1. Confirm that the activity qualifies as a custodial fund by consulting [2.2 Determine the Need for a Custodial Fund](#).
2. Obtain unit head approval to proceed with the request for a custodial fund.
3. Review custodial fund limitations and owner responsibilities with the owner of the money (or a responsible member of the owning entity) as outlined in the [Custodial Fund Agreement](#).
4. Obtain the owner's signature on the [Custodial Fund Agreement](#).
5. Verify that the unit is approved as a cash handling unit. If not, complete the steps in [10.1.1 Obtain Approval as a Cash Handling Unit](#).
6. Complete the [Banner Fund, Program, Index Code Request](#) form. Provide all the requested information on the two agency tabs:
 - o FPI Code Request

**between the
System and the
Owner of a
Custodial Fund**

**2.7 Return
Custodial Funds
to the Owner**

- Fund Supplemental Info
- 7. Send the completed form to UAFR.
- 8. If the request is approved, UAFR establishes a fund code in Banner and notifies you.

Forms Used in this Procedure

- [Custodial Fund Agreement](#)
- [Banner Fund, Program, Index Code Request](#)

Related Policies and Procedures

- [2.1 Policies for Managing Custodial Funds](#)
- [2.2 Determine the Need for a Custodial Fund](#)
- [10.1.1 Obtain Approval as a Cash Handling Unit](#)
- [19 Contracts](#)

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Business and Finance

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Locations

Urbana-Champaign

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Directory/A-to-Z list

Employment opportunities

Freedom of Information Act requests

Make a gift

News and media resources

System Offices

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