

Organization Verification

Establishing an Off-Campus Banking Account

The Ole Miss Student Union works with local banks and credit unions to establish a process for Registered Student Organizations (RSOs) to open checking accounts to manage their organizations' finances. Please review the following information for procedures for RSOs to open off-campus accounts. In order to open an account, you will need to get a letter from the Ole Miss Student Union to verify your organization's status at the University of Mississippi. Email getinvolved@olemiss.edu to request a letter.

Financial Controls

Because RSOs are responsible for managing their own finances, it's important to establish financial controls to limit the risk of mismanaging organization funds, specifically the use of funds for personal gain.

Examples of easy-to-implement financial controls:

- **Require double endorsement of expenses**
 - Requiring two (2) signatures on checks prevents purchases by check without the consent of a second student organization officer or advisor.
 - You can give your president, treasurer, and UM faculty/staff advisor to serve as signature authorities.
 - Paper checks are used less often these days in favor of ATMs or check cards. As a result, double endorsement of all expenses is difficult to enforce. However, try to use paper checks when possible to avoid people abusing cards.
- **Separate financial duties**
 - The student organization's financial officer should reconcile the bank's financial statements regularly.
 - While the financial officer could theoretically be the second signer on a check, they should not be the primary purchasing officer or have access to a debit or credit card. If so, another person needs to reconcile the bank statements.
 - Ask your advisor for assistance in reviewing financial statements regularly.
- **Use a central mailing address**
 - Student organizations can use their campus mailing address to receive bank statements and notifications. This way, statements and other notifications that might identify financial mismanagement cannot be easily hidden from the student organization's membership.
 - Checks and paper statements are becoming increasingly rare. If statements are being emailed or require online access, multiple recipients or users should be authorized.

Financial Controls cont'd

Examples of easy-to-implement financial controls:

- **Keep records public**
 - Purposeful mismanagement of funds is difficult to conceal when financial records are made public or readily available to the student organization's members. Public records let members question all expenses, which virtually guarantees generally accepted the use of the organization's resources and protects against prolonged collusion.
- **Define consequences for embezzlement**
 - Address embezzlement in their your organization's constitution or bylaws. Include:
 - Definitions
 - Methods for policing
 - Consequences for breaking the rules
- By doing so, the student organization states its intentions to police the financial management of organization funds. This acts as a deterrent and leaves no ambiguity about the risk of being caught. The point is to deter the activity and outline a course of action in the rare event embezzlement occurs.
- **Tax Identification Number**
 - Most bank accounts are required to have a tax identification number or social security number associated with them.
 - Student organizations are **NOT** eligible to use the University of Mississippi's tax ID number for the purpose of setting up a student organization bank account.
 - It is recommended that the organization apply for an Employer Identification Number (EIN) from the IRS for use in the bank's tax reporting requirements. See our "Applying for an Employer Identification Number" information sheet under "Financial Information for RSOs" on our website (union.olemiss.edu).
- **Remove your information from accounts when you leave**
 - When you are no longer associated with the student organization, due to graduation or any other reason, be sure to communicate with the bank and have your personal information removed from any accounts. If you don't remove yourself from the accounts, you can be held responsible for financial obligations.
 - Transferring your account status to a current organization member ensures a smooth transition for the organization.