Financial Overview for Departments wishing to financially support a Registered Student Organization

Overview Context: Registered Student Organizations (RSOs) are *recognized* by the University of Arkansas, but are not the University. This is an important separation to recognize especially when it comes to legal and financial affairs. They are independent, yet dependent. The University of Arkansas is not a charitable foundation; it is not part of the mission to support non-official, non-UA activity.

RSO funds are considered agency funds, which simply means that the UA does not have control over them. They belong to "someone else" in this instance, a group of students.

- **It is not appropriate for a department to transfer funds to an RSO.**
- If an RSO is participating in an activity in which the department has a legitimate interest and professional involvement, then the department should pay for the expenses directly in order to help facilitate the activity.

Through the system that financial affairs upholds, it is not allowed to turn UA funds into agency funds. The best way for departments to 'donate' to an RSO whose activity is parallel to the department's purpose would be to actually pay directly for an expense of that activity. It is the recommendation of both Financial Affairs and the RSO Program that an event be budgeted in advance, and then the department can claim one of the legitimate, state-approved expenses to pay for.

What about fundraisers?

- Departments cannot purchase anything for an RSO to sell in a fundraiser.
- Fundraised money cannot be put into a departmental account.
- Funds cannot be transferred from RSO (1102) accounts into 0392 foundation accounts.
- RSO's cannot "donate" to a department (from a fundraiser or otherwise) .

What about shared expenses?

We recognize that at times, the department might make a large purchase which the RSO is expected to contribute toward (such as airfare for a conference which is being split between the RSO and department). There are only two ways that money in an RSO 1102 account can be accessed by a department:

- An II (internal invoice) initiated by the department for goods and services, which the RSO has to approve via the processes set up in our On Campus Charges policy; or
- An expense transfer in which particular expenses incurred by the department can be transferred to the 1102 account. The RSO would need to approve this as well, either by going to the Student Accounts office or via email to Kathy White before the transfer could go through.

When in doubt remember the cardinal rule – RSO's are not the University. There are ways to incorporate partnerships between RSO's and departments, but all funds are handled separately through established processes and procedures.