

Procedure 4.0601

Cash Management Plan Procedure

The College's cash management plan is reviewed and if needed, revised annually.

Introduction

North Carolina law, Chapter [147-86.10](#) of the General Statutes, requires that "all agencies, institutions, departments, bureaus, boards, commissions and officers of the State...shall devise techniques and procedures for the receipt, deposit, and disbursement of monies coming into their control and custody which are designed to maximize interest-bearing investment of cash and to minimize idle and nonproductive cash balances."

Plan Administration Requirements

The State Controller, with the advice and assistance of the State Treasurer, the State Budget Officer and the State Auditor, is charged with developing and implementing a uniform statewide plan to carry out the cash management policy for all State agencies, departments, and institutions. This Statewide Cash Management Plan outlines the policies, duties, responsibilities and requirements for cash management within State government on a broad basis. All community colleges and their officers and employees are subject to the provisions of [G.S. 147-86.11](#) with respect to monies required by law to be deposited with the State Treasurer and with respect to monies made available to them for expenditure by warrants drawn on the State Treasurer. (1985, c. 709, s. 1; 1987, c. 564, s. 9.) It is the responsibility of Beaufort County Community College, hereafter referred to as "BCCC" or "College", to prepare a cash management plan that meets both the requirements of the Statewide Plan and the unique cash management needs of the College.

The Controller is responsible for developing, administering and maintaining the College's Cash Management Plan. The Vice President for Administrative Services is responsible for approving the College's Cash Management Plan.

Plans will be submitted to the Office of the State Controller for approval. Once approved, the Controller will maintain a copy of the approved plan and make available the approved plan for inspection upon request. The Approved Plan will also be prominently displayed on BCCC's web page. As changes in cash operations are identified that impact the Cash Management plan, the Office of the State Controller will be notified in writing. Depending on guidance from the Office of the State Controller, either the change will be submitted for approval on a section by section basis or the entire plan will be re-submitted for approval. The State Auditor has the authority to determine if the College is in compliance with the Statewide Cash Management Plan.

Cash Management over Receipts

The objectives of cash management over receipts are to use diligence in collecting funds owed to the State, to provide internal control over cash and cash equivalents and to expedite the movement of monies collected into interest bearing accounts. To accomplish these objectives, the College abides by the following rules:

Rules: Except as otherwise provided by law, all funds belonging to the State of North Carolina, and received by an employee of the State in the normal course of their employment shall be deposited as follows:

All monies received shall be deposited with the State Treasurer pursuant to [G.S. 147-77](#) and [G. S. 147-69.1](#).

Monies received in trust for specific beneficiaries for whom the employee-custodian has a duty to invest shall be deposited with the State Treasurer under the provisions of [G. S. 147-69.3](#).

Monies received shall be deposited daily in the form and amounts received, except as otherwise provided by law.

All College receipts are presented to the Campus Cashier's Office daily. The Campus Cashier's Office consolidates all receipts and prepares a daily DCA report, which reconciles revenues received to Colleague. Deposits are made by AR Specialist. This deposit must match the Cashier's DCA report. The Controller reviews the information, checks, cash, coin, DCA and deposit slips for reconciliation purposes. The Controller then contacts BCCC Police Department for deposit pick up. The BCCC Police Department then delivers the deposits to a local branch of Wells Fargo® for processing.

Various events or actions on the College campus require receipt of funds in vending machines. Monthly the vending company issues BCCC a check, which is accompanied by a spread sheet which include detail of sales and commission calculations.

The College Cashier's Office accepts the following payment methods: cash, check, PIN based debit cards, and certain credit cards. MasterCard, Visa, and Discover cards are accepted. Payment methods accepted by Continuing Education and the Bookstore are cash, check, credit cards, PIN based debit cards. The Cosmetology Program Lab only accepts cash or checks.

In accordance with [G.S. 25-3-506](#), the College charges a \$35.00 process fee for a check on which payment has been refused by the payer bank because of insufficient funds or because the drawer did not have an account at that bank. Additionally, the College charges student accounts a \$35.00 process fee for ACH Payments returned for whatever the reason. For student accounts, the returned check is posted to accounts, creating a balance due. Hold tags are placed on the student account – blocking registration, and issuance of transcripts until the balance is paid in full. Non-student returned checks are charged to the revenue account where the funds were originally received; departments

Procedure

are expected to pursue collection of the returned check amount and the \$35.00 processing fee.

The Campus Cashier's Office follows strict safeguarding procedures including but not limited to a secure safe, surveillance cameras, separate locking cash drawers, alarm systems, and other measures to ensure the protection of College assets. BCCC police Department services are utilized to transport the daily deposit to the bank for processing.

The Continuing Education Division, BCCC Bookstore, and Cosmetology department follow similar safeguarding procedures as Campus Cashier's Office.

BCCC Accounts Receivable receives sponsor payments via ACH and paper check. The office maintains payment logs for check payments.

If after thorough research the College determines it is not entitled to an amount received and deposited on behalf of the College, that amount is refunded to the individual/entity that originally remitted the payment. All research is documented and maintained Accounts Receivable for review upon request.

Receivable Management

Monies due to BCCC from students, private persons, and/or governmental agencies for student account balances are promptly billed, collected and deposited. BCCC has established accounts receivable management policies and procedures and has incorporated guidance from the Office of State Controller's "Statewide Accounts Receivable Program." Please reference Statewide Accounts Receivable Program [G. S. 147-86.22](#).

a) Student Receivables Management: BCCC's Accounts Receivable is responsible for billing, collecting, and depositing tuition and fee amounts for the College. At the completion of registration for each upcoming term, billing statements are made available via Web Advisor for students and authorized users to view.

BCCC's Accounts Receivable expects accounts to be paid in full by the published Academic Calendar deadlines to avoid schedule cancellation for non-payment. Student sponsorships, outside scholarships, military benefits, financial aid and other identified funding sources are taken into account when determining if a student's schedule is paid – thus protected against schedule cancellation. Registered students who fail to make payment for the term are dropped for nonpayment after numerous attempts have been made to contact them. BCCC's Accounts Receivable utilizes account holds routinely to prevent future registration and denies other services such as getting official transcripts as long as balances on student accounts are still outstanding.

BCCC's Accounts Receivable establishes an allowance for uncollectible accounts annually. The analysis takes into account annualized write-off percentages, aging of accounts and some specific identification of accounts as needed. BCCC's Accounts Receivable works diligently with enrolled students to ensure balances are paid timely.

Procedure

Once the student is no longer enrolled, the student's account is subject to formal collection procedures.

BCCC's Accounts Receivable has established procedures for writing off uncollectible accounts. The guidance recognizes threshold limits approved by the Attorney General's Office and the Office of State Controller. The Accounts Receivable Specialist, sends two personal letters to the debtor, which detail the date, purpose and amount of the debt. The debtor is advised of the State policy, which states they cannot receive grade transcripts or register for future classes until the debt is settled. If the College gets no response from the debtor, the account is turned over to Williams and Fudge Collection Agency after the beginning of the following fall or spring semester.

Simultaneously the debt is included in the "Set-Off Debt Collection Program" established with the Department of Revenue by [G.S. 105A](#). Use of this program is mandatory for all debts of \$50 and over. The N.C Department of Revenue will notify the debtor of the proposed set off by letter, informing the debtor that a State agency has a claim against his/her state tax refund. The debtor is also informed that the State agency may be contacted if questions arise.

If a debt has been satisfied, and the College has not purged the debtors name with the N.C Department of Revenue, then the College will refund any credit balance to the taxpayer. In order to recover the costs incurred in setting off funds against Setoff Program Agency debts, [G.S. 105A-13](#) allows the Department of Revenue to charge a fee. The fee is deducted from the taxpayer's refund and the remaining refund is applied against the debt.

If there are no collections made on the account within one year, the account is included in the delinquent account bad debt write off process which is approved by the BCCC Board of Trustees. Uncollectible accounts may be written off of the College's financial accounting records and no longer recognized as collectible receivables for financial reporting purposes, but the legal obligation to pay the debts still remains. Additionally, other circumstances that may result in an account being written off are identified at this time.

The Financial Aid department requests funds from Common Originator and Disbursement (COD) websites. These requests are based on Financial Aid Transmittal Postings (FATP). After these funds have been approved COD sends the money to G5 for drawdowns. The Controller reviews Financial Aid Transmittal Register (FATR) and the Institutional revenue and expenses on Colleague reports to insure expenses are covered by G5 deposits. Based on this information the Controller requests money from G5.

Procedure

The Controller requests Title IV Federal Financial Aid funds via the federal funding G5 system. At the beginning of each academic term, Throughout the academic terms, Student Services Financial Aid office reviews the status of Title IV funds and requests and/or returns funds as needed.

Federal funds received for major federal assistance programs that are governed by the Cash Management Improvement Act of 1990 must be drawn in accordance with the current State/Federal Agreement. All federal fund draws should be timed so that the funds are on deposit with the State Treasurer no more than two business days prior to the disbursement.

All receivables of any dollar amount, due to a State agency, department or institution shall be turned over to the Attorney General for collection no more than 90 days after the due date of the billing. The College may handle these unpaid bills pursuant to its debt collection procedures as referenced above.

The College accepts electronic payments (credit/debit cards [merchant cards] and ACH, in accordance with [G.S. 147-86.22](#), to the maximum extent possible and consistent with sound business practices.

The College deposits receipts daily to receive current day credit in accordance with schedules available from the State Treasurer.

Cash Management over Disbursements

The objective of managing disbursements is to maintain funds in interest-bearing account for the longest, appropriate period. This allows the State to recognize the maximum earning potential on its funds. This is not intended to encourage late payment or have a negative impact on relationships with firms who, in good faith, supply goods and services to the State. To accomplish this objective, the College abides by the following:

Rule: Monies deposited with the State Treasurer remain on deposit with the State Treasurer until the College makes final disbursement to the ultimate payee.

a) **Purchasing:** The College utilizes E-Procurement as its purchasing system. The Purchasing Coordinator receives the approved Requisition. The Staff Accountant approves the GL code and reviews for appropriate approvals. The Requisition is then returned to the Purchasing Coordinator. The Purchasing Coordinator enters the Requisition into E-Procurement, which transfers the information to Colleague. Colleague creates Purchase orders. A pink copy goes to the Equipment Coordinator. The Purchasing Coordinator retains a yellow copy and matches with the vendor invoice copy. When all items have been received, the Receiving Specialist sends the documents back to the Purchasing Coordinator be reviewed and matched again. Documents are then sent to the Accounts Payable Specialist for payment.

b) **Personal Service Agreements (PSA):** PSAs are authorized using the purchase order process. Supervisors complete a PSA questionnaire and forwards it to Human

Procedure

Resources. Human Resources validates the questionnaire against the Internal Revenue Service's criteria on contracted services versus an employee. Once approved by Human Resources, supervisors complete a requisition that requires contractor payee information, descriptions of services rendered, justification for requiring the service, the cost or fee and the general ledger expense account. The Vice President of the initiating department approves the personal services contract by signing a requisition form. Invoices are matched to purchase orders and only then are payments made.

c) Employee Travel: Travel advances and/or travel expenses are reimbursed only upon receipt of approved travel advance requests and/or upon receipt of completed and approved travel documents. Employee travel disbursements will be made via paper check.

d) P-Card: The College issues credit cards to approved, permanent employees for small-dollar purchases. The College collaborates with Bank of America and utilizes the "WORKS" system for on-line review and approval of transactions. P-Cards cannot be used for unauthorized items and P-Card employs several purchasing control techniques. Each P-Card cardholder and reconciler is responsible for reviewing and approving purchases and for signing and reviewing the accuracy and validity of the printed statement and for maintaining supporting documentation in the form of receipts, statement of reconciled and approved charges to Accounts Payable for payment. Only then are funds drafted from the College's account to Bank of America.

e) Capital Improvement Project Payments: Generally, reimbursement requests are processed twice a month in accordance with the funding schedule issued by Office of State Controller. Facilities Services is responsible for managing Capital Improvement projects, for ensuring project, work is completed apace with pay requests, and for approving pay applications prior to forwarding of these documents to Financial Services. Financial Services reviews and approves the pay requests and then requests budget allotments and funding requisitions from the Office of State Budget and State Controller. Office of State Controller sends Financial Services email confirmation of the pending direct deposit into the Disbursement Account with Wells Fargo. Totals for the direct deposit are compared to the payment file.

f) As provided in [Section 147-86.10](#), the order in which appropriations and other available resources are expended shall be subject to the provisions of the Executive Budget Act, [G.S. 143-27](#), regardless of whether the College's disbursement or expensing of the monies is subject to the Act.

g) Federal and other reimbursements of expenditures paid from State funds shall be paid immediately to the source of the State funds.

h) Billings to the State for goods received or services rendered shall be paid neither early nor late but on the discount date or the due date to the extent practicable.

Petty Cash

The college has established a petty cash fund to reimburse employees using personal funds for the purchase of low-cost items (less than \$25.00). Each receipt must be approved by the department supervisor or VP. Petty cash purchases are not to be used as a means of circumventing normal procurement procedures. Pyramiding (multiple invoicing by the vendor/claimant for the purpose of exceeding the prescribed dollar limit) is not allowed. Petty Cash is used by the Business Office, Continuing Education, Library, and Cosmetology. The Business Office on a quarterly basis audits all Petty Cash funds.

Procedure

- a) Obtain approval from department dean/supervisor for purchase.
- b) Purchase item with personal funds and get a receipt for the purchase.
- c) Present a signed/approved petty cash reimbursement form (with original receipt attached) to the cashier in the business office. Forms are kept in the business office.
- d) Receive reimbursement (cash) from the cashier.

Expenditures will be charged to the appropriate unit in the month of purchase.

Each department is responsible for controlling expenditures by departmental personnel. Any questionable items should be cleared, in advance of purchase, with the business office.

Restrictions

- a) All items must be itemized on a petty cash reimbursement form with original receipts attached. (No photocopies will be accepted). The receipt must list only those items being reimbursed. (No personal purchases may be listed on the same receipt).
- b) The petty cash fund may not be used to cash checks of any kind.
- c) The petty cash reimbursement form must be submitted as soon as possible after the purchase. In no case will reimbursement be made more than 90 days after the date of purchase.
- d) Items normally acquired from Faculty/Staff supplies, through contractual arrangements or routine purchasing procedures should not be procured using the petty cash fund.
- e) The following purchases/transactions may not be authorized from the petty cash fund. The list is not inclusive.
 - advertisements
 - subscriptions
 - drugs or alcohol
 - honoraria or fees for services
 - travel expenses

Procedure

The business office will reject any requisition that does not meet the guidelines for petty cash purchases. In the event that reimbursement is made for a purchase that is subsequently disallowed, the employee who received the reimbursement must repay the petty cash fund within 72 hours. The individual(s) concerned may appeal such disallowance to the vice president of administrative services.

Bank Reconciliation Procedures

All Bank Statements are reconciled monthly by Staff Accountant.

Individuals responsible for bank account reconciliations are not responsible for handling cash.

All reconciliations are reviewed, signed and dated by the Controller. The Staff Accountant prepares all journal entries for adjustments. The entries are then forwarded to the Controller for review and approval prior to entry into Colleague Finance.

All State Treasurer accounts should be reconciled within 15 business days, once the statements become available.

All outstanding items are reconciled prior to the end of the succeeding month. Outstanding checks sent by the state are reviewed and evaluated monthly.

When monies are deposited in error, one of three procedures may be used to correct the situation. If the error is found in the same month and involves only one bank account, a receipt correction will be made debiting monies out of the incorrect fund and crediting the appropriate fund. If the error is not found until after month-end processing, the same procedure will be applied using a journal entry rather than a receipt correction. If monies are deposited to the wrong bank account (rather than the wrong fund number) checks will be written from the incorrect bank account to the correct bank account to reconcile the difference.

Disbursement Cycles

The College establishes disbursement cycles to the extent practicable so that the overall efficiency of the check disbursement system is maximized while maintaining prompt payment of bills due. In order to avoid disbursing account overdrafts, checks should not be released before adequate funds have been requisitioned by the College, and approved by the North Carolina Community College System (NCCCS) for deposit to the applicable disbursing account. Unless indicated elsewhere, the College disburses as follows:

Cash projections are sent to NCCCS Controller monthly.

Invoices are entered in Colleague Finance daily. Data entry is checked and corrections are made as needed.

Blank check stock is stored securely. Checks are generated based on due date by vendor. Printed checks are stored securely overnight and a Positive Pay File is transmitted to

Procedure

Wells Fargo for upload to the Core Banking System. No check is mailed or released until the Positive Pay file is matched and approved.

Automatic Clearing House (ACH)

The Payroll Specialist prepares payroll and retirement, and other liability transactions monthly. The Controller reviews and approves all documents. The Payroll Specialist uploads the payroll data to the Wells Fargo website, and the retirement to the ORBIT website.

VISA Procurement Cards

The primary purpose of the College's VISA P-Card program is to procure supplies and services in accordance with State, federal, county and College guidelines. Users of the College's Visa P-Card must understand that they are being entrusted with a valuable tool, a State of North Carolina VISA Purchasing Card, and will be making financial commitments on behalf of Beaufort County Community College. The Business Office will audit VISA P-Card transactions and will report and take appropriate action on any discrepancies or misuse. Abuse of the Visa P-Card may be investigated by Beaufort County Community College Campus Police and/or the State Bureau of Investigation. [The North Carolina Procurement Manual](#) contains complete details of the Visa P-Card Program.

State administered procurement cards should be used to provide employees with food, lodging and other applicable subsistence in emergency situations. The College has designated specific P-Cards for emergency use and in the case of an emergency - these cards would be updated with the designated emergency profile. These cards will have expanded purchasing limits and restrictions on purchase types are relaxed. Depending on the severity of the emergency situation, Purchasing has authority to update other card profiles as needed. Please reference the Office of State Controller's policy statement on Cash Management in Emergency Situations as linked in Additional References.

Internal Controls

BCCC participates in the North Carolina Office of State Controller's statewide internal control program called [EAGLE](#) (Enhancing Accountability in Government through Leadership and Education). The purpose of the EAGLE Program is not only to establish adequate internal control but also to increase fiscal accountability within state government. Under the EAGLE Program, each agency is required to perform an annual assessment of internal control over financial reporting and compliance. By performing this assessment, the College can identify risks and compensating controls that reduce the possibility of material misstatements, misappropriation of assets, and noncompliance with governmental rules and regulations. The assessment will also assist the College in recognizing opportunities to increase efficiency and effectiveness in business processes and operations.

Separation of Duties

Ensuring that the positions involved in performing departmental financial processes do not have conflicting duties is critical to reducing the risk of errors, misappropriations, fraud, and maintaining a strong financial transaction control environment. In a financial process having good separation of duties, it is expected that at least one individual involved in the process will identify and/or prevent a transaction processing error, misappropriation, or fraud from occurring. Establishing adequate separation of duties in a financial transaction process requires that no one individual be assigned job functions in more than one of the following three categories of duties:

- a) Asset handling and disposition:
 - These duties include having physical access to College assets or being in a position to control where an asset is directed.
 - Assets include cash, purchasing cards, supplies, equipment, books, BCCC vendor and payroll checks, and purchase orders.
 - Being in a position to direct where an asset goes involves duties like initiating a vendor or payroll payment in the Financial Information Module, setting up a new employee in the Payroll Personnel Module, making an adjustment to a student account transaction in the Student Information Module, placing an order for supplies, distributing payroll checks, and specifying where supply orders are to be delivered.
 - Positions handling duties of this type include cashiers, E-Procurement order initiators, Financial Information Module requisition and purchase order initiators, Payroll Personnel Module timekeepers, payroll check distributors, and equipment managers.
- b) Booking, or recording, transactions to the general ledger, subledgers, and journals:
 - These duties include recording, or posting, a financial transaction in the Colleges' general ledger, which is maintained within the Financial Information Module.
 - The recording of a financial transaction in the Financial Information Module ledger occurs when a vendor invoice, direct payment, or journal voucher is approved.
 - Positions handling duties of this type include E-Procurement order approver, Financial Information Module requisition, purchase order, invoice, or journal voucher approver; cash deposit preparer; and Equipment Inventory approver.
- c) Comparison or review of transactions or balances:
 - These duties include reviewing transactions appearing in the general ledger for validity and reasonableness, reviewing payroll and comparing transactions to supporting independent records or documentation, such as employee timesheets, or vendor invoices or statements.

Procedure

- Positions handling duties of this type include ledger transaction reviewer/certifier, payroll expense report reviewer, and transaction edit report reviewer.

Delegation of Authority

“Delegation of Disbursing Authority” agreements must be kept current. The State Controller requires a Delegation of Disbursing Authority when a disbursing account(s) is authorized for a State Agency or institution. When one of the parties to the agreement changes a new agreement must be signed and forwarded to the State Controller for approval and signature. Reference is made to the State Controller’s policy: State Disbursing: Policy - Delegation of Disbursing Authority.

References

Legal References: *Enter legal references here*

Cross References: [Cash Management Policy](#)

History

Leadership Council Review/Approval Dates: 4/12/2024

Senior Staff Review/Approval Dates: 3/21/2016; 2/28/2024

Board of Trustees Review/Approval Dates: *Enter date(s) here*

Implementation Dates: *Enter date(s) here*