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INTRODUCTION

On January 3, 1990, the Massachusetts General Court passed legislation (Chapter 647) to improve the internal controls within state agencies. This law mandates that state agencies be responsible for establishing and maintaining an Internal Accounting Control System. The objectives of an Internal Accounting Control System are to provide agency officials with reasonable, but not absolute, assurance that:

1. Assets are safeguarded against loss from unauthorized use or disposition.

2. Transactions are executed by agency officials within the scope of their authority and that transactions are properly recorded.

Three areas of the law that should be highlighted are as follows:

1. Internal Control Systems of the agency are to be clearly documented and readily available for examination.

2. There should be a senior official, equivalent in title or rank to an assistant or deputy to the department head, whose responsibility, in addition to his/her regularly assigned duties, shall be to ensure that the agency has written documentation of its internal accounting and administrative control systems.

3. All accounted for variances, losses, shortages or theft of funds or property shall be immediately reported to the State Auditor's Office, who shall review the matter.

This internal control document is not intended to be all-inclusive, nor should it be regarded as a substitute for any other personal observations or the effectiveness of a specific system of internal control.

Also, the internal control documents can only be measured for their effectiveness with the proper funding and staffing at the college.
GENERAL ADMINISTRATION

INTERNAL CONTROL OBJECTIVE:

To ensure that overall organizational structure and controls are conducive to accomplishing the mission and objectives of the College.

POLICY:

1. The College shall have:
   a. A mission statement
   b. Documented goals and objectives
   c. Assessed and documented risks that could hinder meeting objectives
   d. An organizational chart
   e. Written job description for all employees
   f. A budgetary, revenue, purchasing, payroll and resource management control system in place with objectives.
   g. A policy and procedures manual
   h. A reporting system, which adequately focuses on management requirements and provides timely information for both internal and external constituents.

2. The College shall make every effort to achieve segregation of duties among fiscal affairs employees.

3. The Internal Control Documents, which include 2 manuals (“Internal Control Plan” and “Internal Controls: Fiscal Accounting Policies and Procedures Manual”), should be read in conjunction with each other. These documents are to be reviewed and updated at a minimum of once per year.

4. All findings as a result of an audit, shall be reviewed and corrected by the appropriate College administrator in a timely manner.

5. All instances of unaccounted variances, losses, shortages or thefts of funds or property are to be immediately reported to the State Auditor’s Office as required by Chapter 647 of the Acts of 1989.
CASH ON HAND AND IN BANKS

INTERNAL CONTROL OBJECTIVE:

The objective of this policy is to protect Cash on Hand and in Banks of the College and to properly deposit funds into the correct account. This objective should limit the chance of loss for both the Commonwealth and the College. The cash internal control system should reflect the following:

1. Internal controls over cash transactions are adequate.
2. All cash transactions are accurately recorded in a timely manner.
3. Cash batches are mathematically correct and agree with the general ledger accounts.
4. Presentation and disclosure of cash, including restricted funds is adequate.

POLICY:

The College shall maintain a system that safeguards cash and includes the following:

1. Collection of cash is in a secure designated area of the College.
2. Cash is deposited promptly.
3. All bank transfers are properly authorized.

PROCEDURES:

1. All funds are collected in the Business Office. These funds are posted directly to the general ledger (Jenzabar) through the cash receipt entry function. All funds are reconciled daily to a general ledger transaction edit report. Once reconciled, a deposit slip is prepared.
2. All checks received are endorsed “For Deposit Only” with the College bank account name and number upon receipt.
3. The Business Office accepts Mastercard, Visa, Discover and American Express credit cards. The funds are drawn from the card processing center daily and are wired directly to the College bank account. In instances where the student is
not the cardholder, a signed note from the cardholder authorizing the use of his/her card is required.

4. Deposits are taken to the bank to minimize the risk of loss or theft.

5. A courier service through TD Banknorth provides bi-weekly bank runs and is available for additional bank runs if necessary.

6. Any funds that are not taken to the bank are placed in the Business Office safe each night to ensure they are secure. Only Business Office staff have keys to the vault and combinations to the safe.

7. All bank transfers are approved by the College Comptroller or his/her designee.
INVESTMENTS

INTERNAL CONTROL OBJECTIVES:

To ensure, within the policies stated that funds available for investments are as fully invested as is practical to meet the College's financial and operational needs.

POLICY:

1. SAFETY:
   a. Funds are to be invested in the manner that the assets of the College are protected to the greatest extent possible.

2. AVAILABILITY/LIQUIDITY:
   a. Funds must be invested in the manner that the College will always have sufficient funds available when necessary.

3. YIELD:
   a. Funds must be invested to obtain a maximum yield only after safety and availability have been fully taken into account.

PROCEDURES:

1. Excess funds are swept every evening from the operating account and are invested in a nightly investment account.

2. The College's long-term investments are managed by Bancnorth Investment Group.

3. Investments are reconciled monthly to bank statements.

4. Interest earnings are recorded monthly to the General Ledger.
RECEIPTS AND REVENUE

INTERNAL CONTROL OBJECTIVES:

To ensure that income is properly recognized in the period that services are provided upon receipt of payment or credit adjustment.

POLICY:

1. COLLECTION AND DEPOSIT OF FUNDS:

   All funds collected shall be promptly deposited in the designated bank accounts and credited to the appropriate College records.

2. PERIODIC RECONCILIATION OF REVENUES COLLECTED:

   Periodically (not less than once a month), all amounts received by the College will be reconciled with statements issued by the banks.

3. OVERAGE/SHORTAGE AND NON-CASH CREDIT:

   All overages and shortages shall be reviewed on a periodic basis by the Comptroller or his/her designee. Any material differences shall be reported to the Vice President of Administration & Finance. Non-Cash Credits shall be recorded only upon authorization of the Comptroller or his/her designee.

PROCEDURES:

Student Tuition and Fee Payments:

1. Cash, Checks, Mastercard, Visa, Discover and American Express are the acceptable methods of payment.

2. All tuition and fee payments are received in the Business Office and are posted directly to the student account through the cash receipt entry function of the Accounts Receivable Module in Jenzabar. The Business Office keeps a receipt of the transaction and issues a receipt to the student.

3. All payments received are reconciled daily to a Jenzabar Transaction Edit Report. Once reconciled a deposit slip is prepared.
4. All payments received are deposited to the operating account and are brought to the bank the next business day by a member of campus security.

5. All state tuition receipts are wire transferred to the State Treasurer on a monthly basis.

**Student Scholarships:**

1. Individual scholarships are posted to the general ledger scholarship account in Jenzabar noting the student name. Scholarship funds are brought to the bank through the daily deposit process described above.

2. The Financial Aid office is notified of all scholarship deposits.

3. Financial Aid will disburse scholarship monies to student accounts through scheduled financial aid disbursement runs

4. Monies in excess of tuition and fees are refunded to the student.

**Federal Grant Funds, Including Financial Aid:**

1. The Financial Aid Office informs the Business Office of the scheduled disbursements and determines the amounts to be drawn for each Financial Aid or Federal Grant Program.

2. Federal financial aid and grant funds shall be drawndown based upon scheduled disbursements to occur within three (3) days

3. All drawdowns are processed online by the Accounts Payable Accountant.

4. Funds are drawndown into the “Federal” bank account. The financial aid funds are posted to the appropriate general ledger accounts in Jenzabar by the Accounts Payable Accountant and are credited to the appropriate student accounts through the financial aid disbursement process.

5. Monies in excess of tuition and fees are refunded to the student

**Other Receipts and Revenue:**

**Student Activity Fund**
1. Student clubs bring funds to the Business Office when collected. The Business Office counts the funds and issues a receipt to the student club representative. The funds are posted directly to the appropriate Club general ledger account in Jenzabar through the cash receipt entry function in the Accounts Receivable Module.

2. Monies collected by clubs after hours or on weekends are deposited in the night deposit box located outside the security office. Business Office staff are the only personnel with keys to the night deposit box.

3. The Accounts Payable Accountant distributes club reports monthly to club advisors for review.

**Gifts and Donations**

1. All gifts and donations are handled by the Cape Cod Community College Educational Foundation.

**Bank Reconciliations:**

1. All bank statements are reconciled monthly by the Grants Accountant with the exception of the payroll account which is reconciled by the bank (TD Banknorth).

2. The Grants Accountant is separate from the cash disbursement and cash receipts functions.

3. Operating account bank reconciliation: This reconciliation involves running two reports created in Infomaker from the general ledger (Jenzabar). One report lists all the credit card activity and the second report lists any other transactions that were entered into the operating account. These reports are then reconciled to the bank statements, including any outstanding items from the previous month. All cleared checks, deposits and transfers are marked as such and an outstanding list is generated for use the following month.

4. The smaller bank accounts are reconciled by running an account inquiry report from Jenzabar. This report is reconciled to the bank statement. Cleared items are marked as such and an outstanding item list is generated for use the following month.

5. All overages/shortages are reported immediately to the College Comptroller.
6. The Comptroller or his/her designee reviews all bank reconciliations in a timely manner.
BILLINGS AND RECEIVABLES

INTERNAL CONTROL OBJECTIVES:

To ensure that all amounts the College anticipates receiving from tuition, fees and other sources are billed and recorded in appropriate accounts in accordance with the State Comptroller and Board of Trustee guidelines.

POLICY:

1. **Recognition of amounts due the College:**

   All charges for amounts due the College shall be recorded in a timely manner by the Business Office upon the registration of students.

2. **Billings for amounts due:**

   Billings for tuition and fees will be the responsibility of the Business Office. Billings for other amounts due will be the responsibility of the department initiating the charge. That department is responsible for notifying the Business Office of the charge in order for timely input into the financial system (Jenzabar).

PROCEDURES:

1. Student course registrations generate the tuition and fee charges in the student system (Jenzabar).

2. Students are mailed a bill in a timely manner.

3. All student bills must be paid or receive clearance from the Business Office before the student may attend class. If not, the student's course registrations are canceled.

4. Clearance is given for financial aid, Mass Rehab, third party payers, legislative mandated waivers, College approved payment plans and student scholarships that cover the student’s entire bill. Appropriate documentation for all of the above must be on file in the Business Office.

5. Student tuition and fee payments are posted upon receipt directly to the student accounts using the cash receipts entry function in the Accounts Receivable
Module of Jenzabar. Payments are allocated to tuition and fees first then to student health insurance. All receipts are deposited in the bank each afternoon.

6. During the first week of classes a student can drop their courses and receive a full refund (less a $35 non-refundable tuition deposit). During the second week of classes a student can drop their courses and receive a 50% refund. After the second week of classes no refunds are given unless the student fills out an appeal form where the student states why they are deserving of a full or partial refund. The appeal is reviewed by a committee who will determine whether the student is eligible for a refund. The student is notified in writing of the committee’s decision.

7. Accounts are reviewed on a periodic basis and delinquent accounts are identified. Dunning letters are sent to the student/responsible party. The college will send up to four dunning letters. The fourth one is sent via certified mail. If payment has not been received within 2 weeks after the fourth letter is sent, the account is turned over to the college’s collection agency and is also sent to the state Intercept Program.

8. Holds are placed on delinquent accounts which prevent students from registering for a subsequent semester, receiving grades or graduating.

9. The College will review delinquent student accounts with its independent auditors in conjunction with its annual financial audit to determine accounts to be written-off.
PURCHASING

INTERNAL CONTROL OBJECTIVES:
To ensure that the acquisition of goods and services are best suited to the College's requirements at competitive prices.

POLICY:
1. To obtain sufficient information about the goods and services to be purchased in order to identify qualified vendors.

2. To make reasonable efforts to solicit competitive quotations from vendors as appropriate within the market for particular goods and services.

3. To provide for terms and conditions which are consistent with good business practices.

4. To make use of MHEC, State, and other existing contracts and resources when in the best interest of the College.

PROCEDURES:
1. All purchasing, with the exception of office supplies, is processed utilizing the College’s financial system Jenzabar.

2. Authorized personnel will place orders by filling out a paper requisition. This requisition must be approved by the cost center head and must contain the source and cost center to be charged.

3. The requisition is sent to the Business Office for processing. The Accounts Payable Accountant will input the information from the requisition into Jenzabar using the Purchasing Module.

4. Jenzabar ensures that sufficient funds are available in the cost center budget to meet the requested obligation prior to any commitment being made.

5. If sufficient funds are not available, the requisition will be sent back to the requester so a budget transfer can be made. The college will not purchase items when funds are not available to pay the vendor.

6. If budgeted funds are available a Purchase Order is produced which is sent to the Vice President of Administration & Finance for approval.
7. Once the Purchase Order is approved by the Vice President of Administration & Finance the order is placed by the Accounts Payable Accountant.

8. Approved Purchase Orders (PO) are automatically encumbered in the College's Accounts Payable System (Jenzabar).

9. The first, (original), PO copy is sent to the vendor. Other copies are sent to the Receiving Department and to the Requestor. One copy is kept on file in the Business Office by the Accounts Payable Accountant to reconcile to the invoice and packing slip once received.

10. All items ordered by the College must be delivered to Central Receiving.

11. The Receiving Clerk verifies the delivery against the Purchase Order and delivers the order to the Requestor.

12. The Requestor verifies the order against the Purchase Order and Packing Slip. Once approved the packing slip is signed and sent to the Business Office.

13. The vendor invoice received by the Business Office is sent to the Cost Center Head for approval if a packing slip has not been received. Their signature on the invoice or packing slip indicates they received the items and the invoice is ready for processing and payment.

14. The Accounts Payable Accountant matches the approved invoice to the Packing Slip and the Purchase Order. The payment is processed and a check is issued.

15. The payment automatically updates both the expenditure and encumbrance files.

16. The payment is approved by the Comptroller or his/her designee, and the check is signed by the Vice President of Administration & Finance or his/her designee. If the check is for greater than $2,500, the check needs to be signed by 2 authorized signatories.

17. To purchase office supplies:
   Authorized personnel utilize the E-Way system, an online software ordering system of Corporate Express. MHEC has approved the E-Way system for use by its members. Authorized personnel are allowed to process purchase orders
for office supplies up to $300.00. Orders in excess of $300 must be processed through the Business Office utilizing the Jenzabar purchasing system described above.

18. If a single item is being purchased with a cost of $5,000 or more, the item must be on State Bid, MHEC Contract or bid locally. Items over $5,000 can be exempted from a competitive procurement by the Vice President of Administration & Finance for emergency situations. The exempted contract is only effective for the period necessary to cure the emergency.

19. Only the President or his/her designee may authorize the use of a College credit card. In all instances the card may be only used for College business.
EXPENDITURES

INTERNAL CONTROL OBJECTIVES:

To ensure all expenditures are recorded in a timely manner and are adequately documented with the approvals from proper authorities prior to being processed.

POLICY:

Expenditures will be processed only after:

1. Goods are received and/or services provided.

2. It is verified that funds are available in the College's Operating Budget and/or accounts to cover payment.

3. It is verified that procedures in the Internal Control Sections: Accounts Payable, Purchasing, Receiving and Payroll have been met.

PROCEDURES:

1. Goods and services are verified as having been received/provided when the cost center head sends the Business Office a signed packing slip. If a signed packing slip is not on file in the Business Office when the invoice arrives the Accounts Payable Accountant will send the cost center head a copy of the invoice to approve.

2. The Business Office matches the Purchase Order, Packing Slip and Invoice checking for accuracy and cost center approvals. Once all three documents are present the invoice is ready to be processed for payment.

3. All approved invoices are entered into the Jenzabar Accounts Payable System (for local trust fund & state invoices) and/or NewMMARS (for state invoices).

4. Expenditures are checked against the budget to verify funds are available.

5. Checks are prepared by the Accounts Payable Accountant.
   a. Bills paid from Trust Funds require the approval of the College Comptroller or his/her designee (review supporting documentation and initials check stub). Checks issued from trust funds require one
signature unless the check is over $2,500 then two signatures are required. College signatories are the President, Vice President of Administration & Finance, Dean of Human Resources, Assistant Vice President of Administration & Finance.

b. Bills paid from State Funds require the approval of the College Comptroller or his/her designee (review supporting documentation and initial the Payment Voucher (PV) form or substitute). The PV is then approved by the Vice President of Administration & Finance and paid by the State.
ACCOUNTS PAYABLE

INTERNAL CONTROL OBJECTIVES:

To properly record and maintain all obligations of the College in a timely manner.

POLICY:

1. The College shall adhere to all laws and regulations of the Commonwealth and the College with regard to the maintenance of accounts payable.

2. The College will periodically prepare, maintain and update a record of all accounts payable.

3. There will be regular reviews over all outstanding accounts payable to ensure that they are accurate and valid.

4. Payments shall be processed in a timely manner.

PROCEDURES:

1. Once goods or services are received/provided, the amount due becomes an accounts payable.

2. All Purchase Orders issued for goods and services are maintained in the College’s Purchasing system (Jenzabar) as an Encumbrance which becomes an Accounts Payable in Jenzabar once the goods/services are received.

3. A periodic review of all outstanding Purchase Orders and Encumbrances will be conducted to determine if they are still valid and outstanding.

4. Questionable Purchase Orders are researched.

5. Purchase Orders that are no longer valid are voided and the funds will be unencumbered.

6. Purchase Orders that are paid will be unencumbered and the expense will be posted to the cost center budget.

7. All accounts payables are processed in a timely manner according to vendor terms taking advantage of any discounts available.
8. A reconciliation of the individual subsidiary accounts payable ledgers to the general ledger will be performed periodically.
PAYROLL

INTERNAL CONTROL OBJECTIVES:

To prepare the payroll accurately and completely so as to ensure every employee receives the proper gross pay, on time, with the proper deductions.

POLICY:

The payroll internal control system should reflect the following:

1. All paperwork and the approval process for hiring all employees must be complete and on file before the employee can start work and be compensated.

2. Employees shall only be compensated for actual time worked or for previously earned leave.

3. There will be a segregation of duties between preparing the payrolls and issuing checks.

4. All payrolls processed shall be in compliance with all Internal Revenue Service and Massachusetts Department of Revenue laws and regulations.

5. All additions or changes to a payroll must have proper authorization before the payroll can be processed.

PROCEDURES:

The HRCMS State Payroll System:

1. The Human Resources Clerk collects time sheets by department, which are authorized by the Department Head.

2. The Human Resources Clerk posts time and attendance information to the employees records in HRCMS; vacation, sick leave and personal days.

3. The Payroll Clerk calculates bi-weekly overtime requests.

4. The Payroll Clerk enters information into the State HRCMS System for
over time and other changes in deductions for affected employees.

5. A check with the Human Resources Office for any last minute changes, additions, deletions, relating to step increases, new employees or employees who are being terminated is conducted.

6. The Payroll Clerk meets with the Human Resources Director the second week of each payroll month to review the College's preliminary payroll, making any last minute changes.

7. The Payroll Clerk checks totals on the College's preliminary payroll with the totals in the HRCMS System before the payroll closing date to verify employee counts and gross payroll amounts by appropriation account.

8. The Payroll Clerk prepares payroll checks/pay advices for distribution, including any relevant explanations of changes to the employee’s monthly gross pay.

9. Checks/pay advices are distributed by a Human Resource employee separate from the payroll processing function.

10. The Payroll Clerk prepares any salary advance requests received from the Department Head which must be pre-approved by the Director of Human Resources. The Payroll Clerk gives the approved salary advance paperwork to the Accounts Payable Office who processes the checks in accordance with the internal control rules for Expenditures.


12. The Payroll Clerk prepares and submits any required Payroll Reports to the Higher Education Coordinating Council on gross payroll and FTE totals.

13. The Payroll Clerk reviews all HRCMS Reports received relative to deductions (union dues, TSA's, etc).

14. The Payroll Clerk meets with, explains and resolves any problems or questions from employees during the month.

15. The Payroll Clerk calls the State Treasurer's and State Comptroller's
Office with any problems or questions related to the HRCMS payroll system.

16. The Payroll Clerk responds to any inquiries from the State Treasurer, State Comptroller, Group Insurance Commission and Retirement Board.

**The CC In-House Payroll System (ADP):**

1. The Payroll Clerk collects all time sheets from department supervisors.

2. The Payroll Clerk contacts department supervisors to obtain any late time sheets and for resolving any discrepancies.

3. The Payroll Clerk checks with the Human Resource office for any changes, additions or deletions relating to salary, hourly rates, new hires and terminations.

4. The Payroll Clerk calculates the regular hours worked for each employee and inputs the information into ADP.

5. The Payroll Clerk using ADP prepares the Trial Payroll Register, which calculates total wages and deductions. Once the payroll is verified by the Payroll Clerk, it is transmitted electronically to ADP for processing and check printing.

6. The paychecks and payroll reports arrive via courier two days later and are signed for by authorized payroll or human resource personnel.

7. The payroll register is reviewed for accuracy and the checks are sorted for distribution by a Human Resource employee separate from the payroll processing function. Work study students pick up their checks in the Business Office or are mailed if requested or not picked up after one week.

8. The Payroll Clerk verifies the total OBRA and TSA deductions and distributes payments to the appropriate companies.

9. The Payroll Clerk runs any supplemental CC payrolls during the month as needed. (i.e. Evening Faculty)

10. The Payroll Clerk gives the Comptroller or his/her designee payroll
information for cash to be transferred to the payroll bank account to fund the payroll.

11. The Payroll Clerk downloads an encrypted file of the weekly payroll from ADP’s website. The Payroll Clerk decrypts the file and gives it to the Accounts Payable Accountant along with a paper report of the weekly payroll. The Accounts Payable Accountant will import the payroll file into the General Ledger (Jenzabar) through the External Payroll Interface function in the General Ledger Module. The file is imported into Jenzabar as a suspended journal entry, which can be edited if necessary. The suspended journal entry is then posted to the appropriate General Ledger accounts.

12. ADP is responsible for filing and paying taxes on the College’s behalf in a timely manner.

13. The Payroll Clerk meets with, explains and resolves any questions or problems from CC employees regarding their pay.
INVENTORY CONTROL: EQUIPMENT & FIXED ASSETS

INTERNAL CONTROL OBJECTIVES:

To ensure that all equipment, fixed assets, and surplus/obsolete property of the College are properly safeguarded, accounted for, and when appropriate, disposed of.

POLICY:

The College shall maintain an inventory system which includes:

1. Affixing a College Inventory Tag with a unique ID number:
   a. To any College owned item (Non-Information Technology) that has a cost of $1,000 or more.
   b. To any College owned Information Technology item that has a cost of $500 or more.

2. Maintaining the inventory listing on the appropriate computerized inventory system:
   a. All College owned assets are listed in a computerized inventory system.
   b. All leased Information Technology equipment is listed in a separate computerized system (spreadsheet).

3. Designating 3 employees to perform/oversee the annual inventory processes:
   a. An employee from the Facilities Department shall be designated as the Physical Inventory Control Coordinator for all Non-Information Technology items.
   b. An employee from the Information Technology Department shall be designated as the Physical Inventory Control Coordinator for all Information Technology items (College owned & leased).
   c. The Comptroller shall be designated as the Obsolete/Surplus Property Officer to facilitate the identification and disposal of surplus or obsolete property.

PROCEDURES:

College Owned Items (Non-IT):
   1. All Non-IT orders are delivered to the Central Receiving Area.
   2. The Facilities Physical Inventory Control Coordinator will review all Non-IT
orders to ensure the shipment is complete and not damaged by matching the shipment to a copy of the College Purchase Order that they received from the Business Office when the order was originally placed.

3. If everything is in order, the shipment is accepted.
4. All accepted Non-IT items, with a cost of $1,000 or more, is assigned a unique CCCC Inventory Tag Number that is affixed to each item.
5. The Physical Inventory Control Coordinator then enters the inventory information into the College's Inventory System as follows.

For College Owned items (Non IT):

- The Best Software Inventory System is used for items with a cost of $1,000 or more
- The unique CCCC Inventory Tag Number and description of the item is entered.
- If the item has a cost of $50,000 or more, the cost entered by the Comptroller or his/her designee, in order for depreciation expense to be calculated. If the cost is less than $50,000, a value of $1.00 is entered in this field by the Physical Inventory Control Coordinator.

6. Once the item is tagged and inventoried, a Central Receiving staff member delivers the item to the respective Department that placed the order along with an inventory form.
7. The inventory form is to be filled out by the ordering department and sent back to the Facilities Physical Inventory Control Coordinator noting where the equipment is physically located once it is placed in service.
8. The Facilities Physical Inventory Control Coordinator will update the Best Software upon receipt of the inventory form as to the physical location of the equipment (noting room # and building name).
9. Upon receipt of the order, the Department will sign and date the packing slip and forward it promptly to the Business Office for attachment to the Business Office copy of the College Purchase Order and Invoice for payment processing.
10. The signed Packing Slip serves as verification that the order has been received and is ready to be processed for timely payment.
11. If the department does not accept the item, it is returned to Central Receiving.
12. Central Receiving will make the necessary arrangements to return the items to the vendor and remove the item from the College Inventory Database.
Information Technology Equipment:

1. All IT equipment orders are delivered to the Central Receiving Area.
2. A Central Receiving staff member, upon receipt of the shipment, will deliver it to the IT Department (as indicated by the College Purchase Order they received when the order was initially placed by the Business Office).
3. IT will review the order and ensure it is complete and not damaged by matching the shipment to their copy of the College Purchase Order (which they received when the order was initially placed by the Business Office).
4. All orders that are not accepted are returned to Central Receiving by the IT Department.
5. Central Receiving will make the necessary arrangements to return the items to the vendor and no inventory procedures will be performed.
6. If the order is accepted, the Packing Slip is signed and dated by the IT Department and is promptly forwarded to the Business Office for attachment to the Business Office copy of the College Purchase Order and Invoice.
7. The signed Packing Slip serves as verification that the order has been received/accepted and is ready to be processed for payment.
8. Once the order is accepted, the IT Physical Inventory Control Coordinator will affix a unique CCCC Inventory Number Tag to each item that is College owned, if the IT equipment is leased no Inventory Tag will be affixed to the equipment.
9. The IT Physical Inventory Control Coordinator enters inventory information into the appropriate College Inventory Database. The database to use is determined by whether the equipment is college owned or leased and procedures for each system are as follows:

For College Owned IT equipment:
- The Best Software Inventory System is used provided the equipment has a cost of $500 or more.
- The unique CCCC Inventory Tag Number, a description of the equipment, the cost of the equipment and the equipment's physical location (Room # and building name) is entered into the system.
- If the item has a cost of $50,000 or more, the cost entered by the Comptroller or his/her designee, in order for depreciation expense to be calculated. If the cost is less than $50,000, a value of $1.00 is entered in this field by the IT Physical Inventory Control Coordinator.

For Leased IT equipment:
- A spreadsheet is maintained for all leased IT equipment regardless of cost
- The equipment serial number is used to identify the asset as opposed to a
unique ID Tag that is affixed to the actual item.
- A description of the equipment and the equipment’s physical location (Room # and Building Name) is listed
- Depreciation expense is not applicable to leased IT equipment.

Physical Inventory:

1. Throughout the year, the Physical Inventory Control Coordinators will conduct a physical inventory of their respective assets.
2. The physical inventory count is reconciled to the appropriate Inventory Database System by the end of each fiscal year.
3. Any corrections or changes should be entered into the system and documented.
4. Also, any items that are moved are documented and the respective inventory system is updated as to the asset’s new physical location (noting the new room # and building name).

Obsolete/Surplus Equipment:

1. The College Obsolete/Surplus Property Officer reports, in writing, all obsolete/surplus property on campus to the State Surplus Property Officer (SSPO). The report describes the property as well as its age and condition.
2. No property may be transferred or otherwise disposed of without the prior, written approval from the SSPO.
3. Until the property has been disposed of in accordance with the approval of the SSPO, the College is responsible for its security and shall be held accountable for the property.
4. When the property is properly disposed of the inventory system is updated accordingly.
FINANCIAL AID

INTERNAL CONTROL OBJECTIVES:

To ensure financial aid funds are available, safeguarded and disbursed in the best interests of the students, providers of funds and the College.

POLICY:

1. The College shall adhere to all Federal, State, Trustee and Donor guidelines and regulations regarding the acquisition, disbursement and record keeping of financial aid funds.

2. There shall be a separation of duties between the office awarding financial aid funds and the office disbursing financial aid funds.

PROCEDURES:

1. The College applies to the U.S. Department of Education each year for federal financial aid allocations in the Pell, SEOG, and Work Study Programs.

2. Students attending the College who request financial aid must complete and file a Free Application for Federal Student Aid each year (FAFSA).

3. The student receives their FAFSA approval/denial notification by mail or e-mail. The College’s Financial Aid Office receives the student information electronically from the Federal Processing Center.

4. Once the FAFSA has been processed and approved the Financial Aid Office packages the student's financial aid based on the student's financial need, family contribution, course enrollments, etc.

5. The College Financial Aid Office issues an Award Letter to the student.

6. The Financial Aid Office enters the student's award information into the College's Financial Aid System (PowerFaids).

7. At the end of the semester drop period (4 weeks), the Financial Aid Office certifies student’s attendance and credit load status, and adjusts student awards if necessary in PowerFaids.
8. The Business Office views the student's financial aid awards in the Accounts Receivable Module (Jenzabar) via the interface with PowerFails.

9. The Business Office verifies tuition and fee charges, book charges and other miscellaneous charges owed by the student. The Business Office then receives a Financial Aid Disbursement File from the Financial Aid Office which is posted directly to the student accounts through the Accounts Receivable Module in Jenzabar.

10. The Business Office produces an Expected Disbursement Report by student name. The Business Office works with the Financial Aid Office to ensure that authorizations for payment of miscellaneous charges (books, insurance, etc) by financial aid funds are on file. Where appropriate the Business Office issues checks to the students for amounts above the student charges after financial aid has covered the entire bill. Checks go through the internal control procedures in the Expenditure section.

11. The Business Office mails credit balance checks to students after disbursing the funds to the student’s accounts.

12. Federal Financial Aid Funds are drawn down online in accordance with existing procedures (See Receipts and Revenue Section).

GRANTS MANAGEMENT

INTERNAL CONTROL OBJECTIVES:

To ensure all Federal, State and/or Local Grants are properly and accurately accounted for.

POLICY:

1. Applications for grant funds should follow established internal review, approval and sign-off procedures.

2. Grant terms, restrictions and regulations should be adhered to at all times.

3. For each grant an individual shall be designated who will be responsible for coordinating all aspects of the Grant in the best interest of both the funding agency and the College. This designated individual will also be responsible for monitoring and managing in concert with the Business Office, all fiscal activities of the grant.

4. Grant fiscal activity should follow existing College policies and procedures and be recorded in accordance with applicable Federal, State and Local accounting practices and principles.

5. The designated individual (Grant Coordinator) will ensure all required reporting of Grant activity will be done in a timely manner.

PROCEDURES

1. A draft proposal is prepared by interested College faculty/professional staff.

2. The draft proposal is reviewed by the appropriate Division Chair, Vice President of Academic & Student Affairs and the Vice President of Administration & Finance updating and revising as needed. The Vice Presidents determine if the grant proposal is to proceed.

3. The grant budget is reviewed by the Vice President of Administration & Finance for proper salary rates and appropriate justification of other budget amounts requested.

4. The grant proposal is finalized and circulated for signature approval from all
appropriate senior management staff.

5. The final approved grant proposal is submitted to the outside funding agency under the President's signature.

ACCEPTANCE OF AWARD

1. The College is notified of the approval for funding of the grant proposal from the funding agency.

GRANT IMPLEMENTATION AND MANAGEMENT

1. The Grant Coordinator is identified as the overall manager of the grant. He/she is responsible for monitoring the Grant's progress and for filing all required reports in a timely manner.

2. The Business Office assigns each Grant its own source and cost center in the General Ledger (Jenzabar). On a monthly basis, the Business Office Grants Accountant will produce a Monthly Grant Report for each grant which reconciles to Jenzabar. This report is distributed to each Grant Coordinator. The Grant Accountant will file all RF1’s (Request for Funds) and FR1’s (Final Financial Reports) for all state awarded grants.

3. The Grant Coordinator, in conjunction with the Business Office, conducts all fiscal activities in accordance with the terms of the grant and College policies and procedures.
FINANCIAL REPORTS

INTERNAL CONTROL OBJECTIVES:

To ensure that all financial reports are filed accurately and timely to the respective Federal or State agencies, designated College administrators and local Board of Trustees.

POLICY:

The College shall designate those employees responsible for preparing and submitting all financial reports. The designated employees shall submit reports including but not limited to the following:

1. **Board of Trustees:**
   
   a. Quarterly Trust Fund Reports of Expenditures.
   
   b. Annual Projected Trust Fund Budget Reports.
   
   c. Financial Fiscal Year Receipt and Expenditure Report for Trust Funds.
   
   d. Independently Audited Financial Statements

2. **Board of Higher Education:**
   
   a. Independently Audited Financial Statements
   
   b. Budget Formula Worksheets
   
   c. Capital Adaptation & Renewal Worksheets
   
   d. IPEDS Annual Report

3. **Federal Government:**
   
   a. FISAP Annual Report
   
   b. Grant Reports as required.
4. **State Government:**
   
a. Annual GAAP Report to the State Comptroller.

b. Independently Audited Financial Statements

c. Grant Reports as required

5. **College Administrators:**
   
a. Monthly Cost Center Budget Reports.

**PROCEDURES:**

1. The Vice President of Administration & Finance, Assistant Vice President of Administration & Finance, and the Comptroller are the designated employees responsible for preparing and issuing all financial reports for internal/external purposes with the exception of the FISAP which is the responsibility of the Financial Aid Director and IPEDS which is the responsibility of the Institutional Research Director.

2. All required financial reports will be prepared in a timely manner in order to meet deadlines.

3. The Cost Center Budget Variance Reports will be issued to Department Heads at the end of each month.

4. All required Federal and State Grant Reports will be filed in accordance with the Grant guidelines.
PERSONNEL/HUMAN RESOURCES

INTERNAL CONTROL OBJECTIVES:

To ensure that personnel records are properly safeguarded and maintained and the confidentiality of those records are protected to the greatest extent allowed by law. To ensure that employees are made aware of and have the opportunity to receive all employee benefits to which they are entitled.

POLICY:

1. The College shall adhere to existing collective bargaining agreements and all Federal, State and Trustee guidelines and regulations regarding sound personnel administration.

2. Aside from Human Resource Staff, access to employee personnel files shall be available only to the employee and for College business purposes only to those members of the College staff who have supervisory responsibility over the employee.

3. The Human Resource Department shall maintain a log documenting all access to employee personnel files.

4. Ads for personnel shall comply with the Affirmative Action Plan as approved by the Board of Trustees.

PROCEDURES:

1. All job vacancies are posted, internally and externally, in accordance with applicable collective bargaining agreements, and federal and state statutes, with a deadline for application. Vacancies are advertised in outside publications, locally and nationally depending on the vacancy.

2. Applications received are filed in hiring folders by vacant job title.

3. If the job vacancy is for a faculty or professional position, in most instances a Search Committee is formed.

4. After the job vacancy deadline has passed, the appropriate hiring manager, search committee members (if applicable) and Dean of Human Resources
review the applications/resumes and select candidates for interviews based on the qualifications, credentials and experience listed on their applications/resumes.

5. The selection is reviewed with the AA/EEO Officer to ensure compliance with all Federal AA/EEO regulations.

6. The Human Resource Department schedules interviews with the selected candidates and hiring manager/search committee members.

7. The hiring manager/search committee members recommends the most qualified top candidates to the area Dean, area Vice President and Dean of Human Resources who determine the finalist to offer the position to.

8. Once hired, the employee participates in an orientation session with the Human Resource Department where College/State rules, regulations, benefits, etc. are explained and the employee fills out appropriate hiring paperwork (I-9, W4, etc.)
RECORDS RETENTION

INTERNAL CONTROL OBJECTIVES:

To ensure that records are properly safeguarded, maintained and/or disposed of in accordance with all existing State and Federal regulations.

POLICY:

1. To adhere to the current records retention schedule and regulations as issued by the Records Retention Board.

2. To transfer those records, designated for permanent retention by the State Comptroller's Office, to the Records Conservation Board on a schedule provided to the College.

PROCEDURES:

1. At the close of each fiscal year, the Business Office files and stores all financial records in a secure dry location.

2. The storage boxes are labeled as to their contents and fiscal year. The files are organized in the storage boxes in accordance with the State Comptroller's filing procedures.

3. Periodically permission to destroy certain records is requested from the Records Conservation Board in accordance with State regulations.

4. Records approved for destruction are destroyed and discarded as necessary.
RECEIVING

INTERNAL CONTROL OBJECTIVES:

The receiving operation acts to ensure that goods are received by the College as ordered, in proper condition, and are delivered to the appropriate parties/locations in an expeditious manner.

POLICY:

1. All goods ordered by the College will be received under the supervision of the Central Receiving Staff who will have been provided with prior notification of the expected delivery from the Business Office via a copy of the College Purchase Order.

2. All received goods shall be delivered to the College Departments in a timely manner.

PROCEDURES:

1. All goods delivered to the College are received at the central receiving area.

2. Goods are inspected as to condition and are matched against Central Receiving's copy of the College Purchase Order for completeness.

3. All damaged goods are refused and returned to the vendor.

4. The Central Receiving staff member signs for accepted goods.

5. Goods are delivered to the College department that placed the order.

6. The packing slip or invoice is signed by the Department Head and submitted to the College Business Office as verification that the goods were received/accepted and payment can be made.
ADMINISTRATIVE DATA PROCESSING

INTERNAL CONTROL OBJECTIVE:
Administrative data processing systems should accurately gather information and report on the operations of the College.

POLICY:

1. All systems should contain appropriate security measures to limit access to authorized employees only.

2. Whenever possible, systems should be on-line and integrated with other relevant systems used by the College.

3. A program of continuing maintenance, program updating and staff training should be followed.

4. Systems should be as "user friendly" as possible and provide sufficient flexibility to respond to ever changing recording/reporting needs of the College.

PROCEDURES:

1. The Executive Director of Information Technology has overall responsibility for all administrative computer services at the College.

2. The Executive Director of Information Technology or his/her designee issues security/password access to College employees. The level of access is based on the employee's role and the needs of the appropriate department.

3. All employees should receive training for the systems used by their Departments.

4. All departments must submit, in writing, a request to the Executive Director of Information Technology, for review and action, for all modifications they are requesting.

5. The Information Technology Staff schedules work, projects, printing, printing requests, etc., in accordance with priority considerations and the needs of the College.
BUDGETING

INTERNAL CONTROL OBJECTIVE:
To ensure that revenue and expenditures are carefully budgeted and periodically reviewed on an on-going basis in keeping with the fundamentals of sound financial management.

POLICY:

1. All projected revenues and expenditures of the College will follow a budget process.

2. Annual budgets and when appropriate budgetary adjustments and modifications must be submitted to the College's Board of Trustees for approval.

3. Departmental and College-Wide budgets shall be reviewed periodically to ensure that actual revenues and expenditures are in line with projections.

4. Periodic budget reports will be distributed to departments for review.

5. All budgetary activities shall be in keeping with State, College and other applicable rules and regulations.

PROCEDURES:

1. The College employs a very detailed Cost Center Budget Process for all departments.

2. The Vice President of Administration & Finance approves all cost center budgets and develops the overall annual operating budget for the College.

3. The annual operating budget is approved by the Board of Trustees.

4. The operating budget is entered into the College financial system (Jenzabar) by source and cost center by the Comptroller or his/her designee.

5. All budget adjustments are approved by the Vice President of Administration & Finance and if material by the Board of Trustees.
6. Once approved, budget adjustments are entered into Jenzabar by the Comptroller or his/her designee.

7. Budget variance reports are distributed to department heads on a monthly basis for review.