

**FORT BERTHOLD COMMUNITY COLLEGE
FISCAL MANAGEMENT POLICIES**



EFFECTIVE – 8/11/09

SUPERSEDES: January 11, 2005

Note: Business Office Policies and Procedures will continue to be reviewed and changes noted to incorporate the Jenzabar processes.

Business Office Policies and Procedures will also change when FBCC is returned to Advance Payment from Heightened Cash Monitoring (HCM2).



Approved by FBCC Board of Directors: **8/11/2009**

Fort Berthold Community College is accredited by the Higher Learning Commission. A Commission of the North Central Association of Colleges and Schools. For information contact:

www.ncahigherlearningcommission.org

“Fort Berthold Community College believes learning is a lifelong process that involves mental, social, physical and spiritual growth. Student learning is the reason the Fort Berthold Community College exists.”

Fort Berthold Community College is an equal opportunity and affirmative action institution that does not discriminate on the basis of race, age, color, national origin, sex or disability in its admissions, employment practice, educational programs or other related activities.

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FISCAL MANAGEMENT

Introduction

This section of the policies of the Fort Berthold Community College, hereafter referred to as the College, cover the management of the fiscal matters of the College. The establishment of these policies is the responsibility of the Fort Berthold Community College Board of Directors, hereafter referred to as the Board. The development of these policies is a continuous process, and will require revisions of current policies, or the development of new policies to handle new situations and issues as they arise.

The Board, which represents the best interest of the community and the college as a whole, develops these policies in accordance with governmental regulations, and periodically appraises the effects of its policies and makes revisions as necessary. The College operates according to these policies established by the Board. The Board further entrusts the College's administration to implement them through more specific regulations and procedures. The responsibility to follow these policies is placed on all of the staff employed by the College.

Financial Management Department Responsibilities

The Business Office is the trustee of institutional, Tribal, state, and federal funds awarded to the College, and has the responsibility for the protection and the prudent fiscal use of those funds. Therefore, the Business Office strives to meet this responsibility by following certain objectives, listed below, to ensure effective and efficient use of those funds.

Policy Objectives

- To ensure and preserve the financial strength of the college through a centralized management of financial resources.
- To ensure the financial strength of the college by monitoring expenditures, budgets, and revenues collected and available cash balances.
- To provide the information required to satisfy federal standards and regulations and to meet management information needs.

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- To provide support and to make the financial reporting process more useful for program directors and supervisor for compliance with all applicable federal, state local, private and college regulations.

Budget Administration

A budget is a plan for the coordination of resources (such as money or manpower) and expenditures, over a definite time period. The operating budget is the overall plan that identifies the expected resources and expenditures for a given future period, usually one year, and that reflects the nature and source of these resources and expenditures.

The budget reflects the short-term activity that is required to meet long-range goals. For example, statements to federal and state agencies and others concerning future actions should be based on a decision that has been included in a budget. In short, if a college does not have a goal, has not dedicated funds to carry out the goal, or has not dedicated personnel (and their salaries) to seek other funds to carry out their goals. Therefore, a budget is not only a basic tool for management control, but also a basic document for internal and external communication.

The college's planning has two direct parts: strategic (long-term planning) and operational planning. Strategic planning is long-term in the sense that it defines the college's direction, that is, where the college should be many years hence, and its priorities. The college's mission statement outlines this strategy in the broadest sense. The strategic plan describes how the organization will attain the broad goal(s) described in its mission statement.

Operational planning is the development of specific, measurable goals that reflect the step-by-step implementation of the broad goals during a short-term period, for example, the forthcoming budget year. Development and implementation of an operational plan is the responsibility of the college administration, with direct involvement by program managers. This activity and the budget process are interrelated. The budget may be currently viewed as the operational plan expressed in terms of dollars.

To assist the President and the Business Manager in the timely formation of the overall budget and the budgets for each program, a Budget/ Facility Committee, is established. This committee is also responsible for monitoring and modifying budgets, and submission to the Board for their approval.

This committee will include the President, the Business Manager, and eight (8) members appointed by the President as follows:

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- | | |
|------------------------|------------------------------|
| 1. Dean of Students | 2. Director of Financial Aid |
| 3. Academic Dean | 4. Library Director |
| 5. Registrar | 6. Director of Technology |
| 7. Facilities Director | 8. Member at Large |

The Business Manager will serve as the Chairperson for the Budget Committee. In the absence of the Business Manager, the President will serve as Chairperson. The Secretary for the Budget Committee shall be appointed by the Committee Chair. In the absence of the Secretary, the Chairperson shall appoint a committee member to take minutes. The Budget Committee will meet on the second Wednesday of each month convening at 11:00am.

The duties and responsibilities of the Budget committee shall be as follows:

- 1) Serves as advisor to the President and Business Manager in the establishment of the college's budget. Reviews, analyzes, and recommends on all fiscal matters and concerns.
- 2) Screens all purchases of equipment, maintenance agreements, and leases (from ICCA and General Fund), repairs, remodeling, and consultants. (\$500 consumable and \$2,000 non-consumable)
- 3) Assists in developing institutional short and long-range goals, objectives and financial plans. (i.e., salary schedules, review the impact of external grants, and any absorption of costs to the general fund).
- 4) Reviews and approves budgets for all grants/proposals submitted on behalf of the college. Budgets of grants to be submitted in draft form to committee.
- 5) Monitors college budgets and make corrections as needed on monthly basis.
- 6) Evaluate technology purchasing after the Technology Committee has reviewed to ensure up-grade ability, compatibility, and integration with current and future programs (hardware, software, and networking).
- 7) Reviews manual and formulates policies on fiscal matters to be recommended to the Board of Directors.
- 8) Reviews manual for Business Office.

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Accounting Requirements

Fiscal Year

The College's fiscal year shall be October 1 to September 30.

Annual Audit

An annual audit will be performed by a certified public accountant. The audit report shall serve as a final report to the funding agencies and as a management tool for the Board and its committees.

*OMB A-133 Subpart C.320 states, "The audit shall be completed and the data collection form and reporting package shall be submitted within the earlier of 30 days after receipt of the auditors report(s), **or nine months after the end of the audit period**, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit."*

Audit Planning

The annual audit will be completed in a timely manner to meet federal regulations.

The annual audit will be submitted to the Board of Trustees for approval.

Documentation

Adequate documentation in accordance with the Code of Federal Regulations is to be maintained to support all financial transactions recorded in the accounting records (see also the individual sections for specific documentation requirements, i.e., accounts payable, payroll, etc.). Expenses disallowed under federal contracts are to be identified and paid from non-federal funds.

Supporting documents shall be retained in an orderly fashion. Journals, ledgers, subsidiary records, and un-issued checks are to be properly safeguarded by the accounting office and locked up after business hours.

Accounting Records

Accounting records for grant awards shall be maintained based on the beginning and ending dates of the award. All accounting records are to be maintained in accordance with generally accepted accounting principles and in compliance with federal agencies. The budget and accounting systems are compatible and

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should be maintained accordingly. A double entry bookkeeping system is to be used. The books are to be kept current and shall provide for the consistent identification of all costs. A chart of accounts providing identification of all budget line items shall be established.

Accounting documents will be filed in a manner that permits their reconciliation to financial records on a monthly basis and that provides fully auditable support for entries made to college and program accounts.

All grant or contract compliance and federal reporting requirements (Including tax reporting) will be met on a timely basis. Accounting records will be maintained in a current status to facilitate reporting and to eliminate possibilities for overdrawing cash or incurring penalty and interest charges.

Journal Entries

The college shall maintain an accurate system for making journal entries. The system shall have the following features:

- 1) A distinct number shall be generated for each journal entry,
- 2) The journal entry shall be made on the prescribed form and shall be approved and posted by the Business Manager. Entries made by anyone other than the Business Manager, shall be approved by the Business Manager, and
- 3) Documentation supporting journal entries shall be attached to the journal entry form.

Matching Funds

When funds are needed for matching requirements, the source of these funds shall be identified in order to leave an audit trail prior to the submission of the grant application. This identification shall include:

- 1) The pertinent portion of regulations that allow the funds to be used for such purposes.
- 2) A clear explanation of the transaction shall be given; for instance, if the matching funds have not arrived on a timely basis, this shall be recorded.
- 3) All matching funds must be in place prior to starting the project. Some grantors require that the grantee's funds be used first.

A project code shall be assigned for all matching funds used for a specific project.

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Record Retention

Financial records, supporting documents, and all other records pertinent to federal awards shall be retained for a period of three years after the award end, with the following qualifications:

- 1) If any litigation, claim, or federal audit is started before the expiration of the three (3) year period, the records shall be retained until all litigations, claims, or audit findings involving the records have been resolved.
- 2) Records for nonexpendable property acquired with Federal funds shall be retained for three (3) years after its final disposition.
- 3) Current accounting records are to be maintained in the business and fiscal offices. Records acquired in the prior two (2) years to the current period are to be retained in the college vault or other authorized storage area.

Cash Management

Cash Depositories

In accordance with the Office of Management and Budget (OMB) requirements all monies advanced to the College which is subject to the control or regulation of federal agencies must be deposited in a bank with Federal Deposit Insurance Corporation (FDIC) coverage, and the balance exceeding the FDIC coverage must be collaterally secured. Separate bank accounts will be maintained when required by the granting agencies.

The College will select a commercial bank to receive direct deposits/wire transfers drawn from granting agencies.

Letters of Credit

When a letter of credit is received from a granting agency, it is notification that the funds are available to be drawn. The College will submit properly completed payment vouchers to the appropriate federal agencies.

Safeguarding of Funds

Safeguarding funds is the responsibility of the Business Office. All funds received by the College shall be properly recorded and deposited in the appropriate bank account at least semi-weekly or when deemed appropriate.

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Checks and cash which remain un-deposited should be properly safeguarded and locked in the vault after business hours.

Bank Accounts

Proper segregation of duties shall be maintained. The bank reconciliation shall be assigned to an Accountant who is not involved in the daily cash transactions.

The transfer of funds, except for the general fund, between federal programs is specifically prohibited. Sums appropriated for the various line items per federal grants and contracts shall be applied solely to the objects for which they are specifically made.

All cash receipts (cash, checks, money orders, etc.) will be receipted by a computerized accounting software program that generates a numbered receipt except cash received through direct deposit. When cash deposits are made the deposit total will equal the total receipts generated by the accounting software program for the period covered by the deposit.

Direct deposits are recorded by using a general journal entry supported by the drawdown request or supporting documents and the bank statement.

All expenditures will be supported by a Purchase Order/Check Request and the appropriate supporting documentation.

All income including investment and interest income shall be reported to the Board quarterly or upon request of the Board.

Checks and Check Signers

All disbursements shall be made by pre-numbered checks.

All checks shall require two signatures. Authorized check signers include the Chairperson, and one other member of the Board of Directors. Signing checks in advance of approval and the practice of drawing checks to cash are prohibited.

Check signers and business office personnel shall be bonded for at least \$25,000.

A list of checks outstanding ninety days or longer shall be prepared monthly by the Accountant. The list shall be reviewed by the Business Manager for determination of actions to be taken.

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“Void after 120 days” shall be printed on the checks.

Check Voiding

When checks are voided before being distributed, the signature line shall be cut out and the word “Void” place on the front of the check. The voided check shall then be placed on file in the voided check file.

Bank Reconciliation

Bank statements shall be reconciled against the general ledger cash monthly.

Departmental Responsibilities

As noted above, the Board entrusts the responsibility to develop the policies and procedures to the College’s administration. The development of these policies are to ensure the assets of the College are safeguarded, that the funds received by the College are expended in the most effective and efficient manner, and that are spent in accordance with the awarding agencies’ grant requirements and regulations. To meet these objectives, the College’s administration is required to establish an internal control system, and has delegated this responsibility to the Business Office. As part of a good internal control system, the Business Office has separated the responsibilities and duties between the office staff. The following lists the main duties and responsibilities of each position within the Business Office.

Accounts Payable

The Accounts Payable person is responsible for maintaining records on all accounts payable and processing of all purchase orders and check requisitions, and payments of travel advances and closeouts.

Maintains records of all accounts payable

Makes payments to all vendors, accounts receivable and other accounts payable

Processes all closed purchase orders and maintain records.

Does filing, and performs other duties as necessary for the record keeping of accounts payable and purchase orders.

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Property and Procurement

The Property/Procurement/Administrative Assistant gathers all incoming correspondence, records all purchase orders/check requests, and submits the requests for the approval process (FCM). Tracks and monitors purchase orders, orders the request, and records and monitors the fixed assets.

Maintains records of asset purchases and all incoming shipments.

Maintains records of asset purchases to meet grant requirements.

Does all ordering of purchase order requests.

Completes spreadsheet for weekly FCM.

Assigns and tracks purchase order numbers.

Responsible for inventory control.

Accountant Specialist/Grants and Contracts

The Accountant Specialist/Grants and Contracts assists the Business Office Manager in monitoring status of college budgets including state, local, federal and contract funds.

Assists and provides guidance to departmental personnel regarding budgets, expenditures and revenue reports.

Assists in budget development planning and year-end closing.

Consults with the Business Office Manager for necessary budget adjustments.

Prepares reports that include expenditures, revenues, projections and trends.

Prepare grant reports (i.e. 269, 272 reports)

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Administrative Assistant/Bookstore Manager

Administrative Assistant duties are the recording and distribution of all incoming and outgoing mail and correspondence.

Administrative Assistant will log all items (i.e., purchase orders, check requests, budgets, request for staff, timesheets, etc.) entering or sent to the business office by other College staff, recording the date and time of receipt on the documents.

As the Bookstore Manager oversees ordering, distribution, sale and inventory of student classroom books and supplies; keeps accurate financial records of other transactions of the bookstore.

Maintains contact with Accounts Receivable related to student accounts receivable.

Prepares Purchase Orders and places orders for curriculum materials as needed in the Bookstore.

Maintains an inventory of all Bookstore materials.

Payroll clerk

The Payroll Clerk prepares payroll according to established pay schedules and maintains attendance and time card records, payroll and personnel files for all employees at FBCC.

Processes bi-weekly payroll.

Maintains employee personnel records.

Monitors employee benefit eligibility.

Reviews bi-weekly timesheets for accuracy.

Makes any required changes to employee information such as change of address, withholding or regular deductions.

Processes child support deductions and garnishments, and requests checks for appropriate recipients for these funds.

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Records sick, personal and vacation time on payroll records of all employees.

Explains benefit programs available to employees, processes and checks enrollment forms and forwards paperwork to insurance carriers and pension administrator in a timely manner.

Reconciles payroll deductions.

Prepares and records all federal payroll tax deposits and all payroll reports in a timely fashion.

Prepares and submits quarterly payroll tax returns and reports after review by Business Office Manager and Accountant.

Student Accounts/Accounts Receivable

The Student Accounts/Accounts Receivable oversees and maintains records on all records on accounts receivable and Student Accounts, keeps accurate financial records of transactions and financial aid for students, and is responsible for travel arrangements, and monitors the travel advances and closeouts.

Maintains records of all accounts receivable.

Makes payments to students.

Makes travel arrangements and monitors travel advances, closeouts and routes to Accounts Payable or Payroll.

Prepares periodic student billings,

Invoices programs covering students.

Receives and records payments for students.

Records all payments and credits to student account.

Distributes financial aid refund checks.

Prepares monthly plus yearly student account receivable list and a yearly student list of who is served for audit purposes.

Monitors student and employee accounts receivable and invoices accordingly.

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Sends out collection notices and recommends allowance for uncollectable accounts to Business Office Manager.

Business Office Manager

The Business Office Manager oversees Business Office personnel and financial processes of the college and serves as a fiscal liaison with the President and Board of Directors in ensuring budgets are not exceeded.

Review all entries to the financial books and records and monitors the recording of financial transactions to ensure complete, accurate, and timely recording and minimize possibilities for misuse or misappropriation of college assets.

Responsible for the investment of college funds. Accurate accounting records will be maintained for all investments including information on yield expected and actual earnings, maturity dates and restrictions on use. Will carefully safeguard certificates or other evidence of ownership.

Responsible for all bank accounts established to assure that revenues are deposited in the appropriate accounts and to assure that no account should be over drawn.

Responsible to see that each bank account is reconciled monthly to maintain control over cash flow and expenditures.

Responsible for maintaining a standard chart of accounts to provide consistency in financial reporting.

Have overall responsibility for grants and program budgets by setting guideline to be used by program directors for their contracts.

Responsible for submitting indirect cost proposals in a timely manner and in accordance with federal regulations.

Responsible for preparing and maintaining forecasts of revenue to be collected, for assuring that revenues are collected on a timely basis, and for taking necessary steps to curtail expenditures if actual revenues do not materialized as planned.

Responsible for preparing and distributing financial reports to program directors, other department heads, the President and the Board. Financial reports will be prepared and distributed on a monthly basis.

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Submit a monthly financial report to the Board to include a balance sheet, revenue and expenditures report, investments, bank balances, delinquent receivables, loans and any other information requested.

Responsible for apprising department heads, supervisors and program directors of budget control problems so that corrective action may be taken.

Responsible for initiating the process of conducting an annual audit of all college accounting records by an independent account firm.

Procurement

Fort Berthold Community Colleges wants to control expenditures by obtaining the lowest cost (with satisfactory quality), by not allowing expenditures to exceed budgeted amounts. To ensure such, the Business Office will review all purchases against individual budgets to ensure unencumbered funds are available and are in compliance with grant requirements. However, it is the ultimate responsibility of the Program Directors and department supervisors to ensure that all program purchases are in compliance with federal, state and local contract requirements as they apply to FBCC policies. Therefore, their signature must be on every purchase request prior to submitting the purchase request to the Business Office. In addition, any expenditure in excess of approved budget will not be permitted, unless accompanied by an approved budget modification.

Purchases that exceed budget will be returned to originator stamped denied and reason for denial.

Purchase Orders

Purchase Orders are to be used for planned purchases of equipment, supplies, and maintenance and repair services, subscriptions and miscellaneous purchases not requiring prepayment. Purchase of additional items not previously included on an original purchase order will have to be submitted on a new purchase order form, which also requires the same approval process as the original purchase order.

Purchase orders cannot be transferred to another vendor once the purchase order has been assigned a purchase order number. Should the vendor need to be changed, a new purchase order will need to be done and the other purchase order cancelled.

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Open Purchase Orders will remain with the Property/Procurement person until the Purchase Order is closed. Once all items have been received and invoiced the purchase order is closed.

A complete inventory record of all equipment and instructional materials purchased are tagged and maintained by the Property/Procurement person. A physical inventory of college property will be taken at least annually and upon the closeout of a grant or contract.

Records on all property (including land) owned by the College will be maintained in the Business Office. The property listing for each program will be kept in the program folder with the Property/Procurement person.

Purchases of property must comply with accounts payable and purchasing policies, including regulations for competitive bids.

All purchases exceeding \$5,000 must have Board approval.

Purchase of any item (or group of items) of equipment and other bulk items, unless they are determined to be from a sole source vendor (i.e., bookstore orders, utilities, etc.), will require bids as follows:

- \$5,000 - \$10,000 requires written quotes from at least two sources.
- Over \$10,000 - \$25,000 written proposals are required from at least three sources.
- Over \$25,000 advertising for written bid is required.

Refer to the Property Management section for further explanation of the policies regarding non-expendable property (i.e. construction), the bidding process, and the college's capitalization policy.

Unauthorized Orders

Any purchase made without proper approval will subject the purchaser to an obligation to reimburse the College or pay for the purchase.

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Purchase Order/Check Request Form

The College uses a pre-printed four-part Purchase Order/Check Request Form¹ for purchase requests. All purchase requests must be made on this form with the exception of Consultant Agreements which is addressed further in the purchasing process.

Each part is a different color and the distribution is designated at the bottom of the form.

- White - Business Office Accounts Payable – Master file of purchase orders.
- Canary – Department Copy – For program department files.
- Pink – Receiving Copy – the Purchasing Clerk keeps the receiving copy in an open file and follows up on a timely basis for shipments or orders not received on a specified date or until invoice is received.
- Goldenrod – Vendor Copy – to be mailed, emailed, or faxed to vendor by Property/Procurement person once a purchase order number has been issued.

The preparation of the Purchase Order/Check Request includes:

1. Enter Today's Date
2. Enter the date needed
3. The Purchase Order number will be assigned by Property/Procurement person using the funding source code
4. Check the appropriate box whether a purchase order or check requisition is being made.
5. Enter name and payment address of vendor.
6. The "Ship to and Bill to" information will always be the College. This information is pre-printed on the form.
7. In the "Attention: Special Instructions box, check the appropriate box. The Business Office will use this box as you request the check to be handled.
8. Enter the quantity ordered
9. Leave the stock number blank – Business Office use
10. Enter specific description of items/services being ordered. Use item numbers whenever possible

¹ Appendix 1 Purchase Order/Check Request Form

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11. Enter the unit price of item.
12. Enter total cost of each item.
13. Enter the total of the entire purchase order/check requisition.
14. Enter the “Project Code” and “Charge to Account No.” (*The Business Office maintains a list of vendors and can provide account numbers when possible.*)
15. Signature of the person requesting the purchase
16. Signature of the Program Manager/Supervisor/PI (if purchase is through a grant) who is responsibility to ensure that all program purchases are in compliance with federal, state and local contract requirements as they apply to FBCC policies.

All incomplete purchase order/check requests will be returned to the requestor.

Each Purchase Order/Check Request must be accompanied by the proper original supporting documentation. What will constitute proper supporting documentation depends on the type of purchase request that is submitted. The following list, **although not all-inclusive**, notes some of the documents that would be required for a prudent person to be able to determine the legitimacy of the request:

- Agendas/itineraries, list of attendees, catalog listings, program/grant requirements, activity reports, etc.
- For check requests; original invoices, packing slips, receiving documents, etc.
- For check requests on pre-payment items, such as student emergency fund, petty cash, some student stipends; supporting documentation i.e. sign in sheets must accompany the check request before it is closed.

Example: If a check is being requested for a Conference registration fee. The documentation would include the document that states the amount of the fee and where the check should be mailed to and a conference agenda.

- **EXCEPTION:** Pre-approved consultant/contract service agreements. (See below)

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Check Requisitions

Check requisitions are submitted through the same approval route as purchase orders as noted above, and the payment or check distribution timeline as noted below.

Check requisitions are to be used for the following types of purchases:

- Pre-payment is required. (Subscriptions, registration fees, etc.)
- Employee reimbursement for miscellaneous purchases with proper approval and documentation.
- Recurring bills-monthly lease agreements, rent, utilities, maintenance agreements, and consultant agreements.

Check the appropriate box “Check Request” on the Purchase Order/Check Request Form.

.Check requisitions for student stipends must be routed through the Financial Aid office.

All necessary support documentation must be attached to confirm the request. See the Purchase Order section above.

All individual stipends or service agreements must have a W-9 on file prior to cutting checks.

- **EXCEPTION:** Pre-approved consultant/contract service agreements

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Purchase Request Process

1. When the Purchase Order/Check Request has been verified and given approval by the Program Manager/Supervisor/PI it is then forwarded to the Property/Procurement person. The Property/Procurement person will stamp the date and time the purchase order/check request is received in the Business Office. The stamped purchase order/check request will be entered on the spreadsheet for Financial Committee² Meeting (FCM). See AP and Payroll timeline.
 - a. The Property/Procurement person will initially review all incoming purchase order/check requests for substantial required documentation. If not substantially complete, according to the required items noted above, the Property/Procurement person will return the purchase order/check request to the requestor to complete.
 - b. The spreadsheet listing all requests for the prior week will be forwarded via e-mail to all FCM members for review. If there are no changes/questions from FCM members and missing documentation, the requests are forwarded to the Accountant Specialist/Grants and Contracts person.
2. The Accountant Specialist/Grants and Contracts person reviews the purchase order/check request, and verifies from the supporting documentation grant compliance, and forwards to the Business Office Manager.
3. Business Manager reviews the request for contract and budgeting compliance and makes sure that all supporting documentation is attached including the requirements of having bid obtained. The Business Office Manager signs the Purchase Order/Check Request and forwards it to the President.
4. The President (or his designee) will review all requests for final approval and sign the Purchase Order/Check Request Form, and then forwards the purchase order/check request to the Property/Procurement person.
5. When all signatures and approvals have been obtained, the Property/Procurement person will assign a purchase order number to the purchase orders and forward the check requests to the Accounts Payable person. The Property/Procurement person will order all items on the Purchase Order, and send to the vendor a copy of the Purchase Order via email, fax, or mail.

² *Appendix 2 Finance Committee Structure*

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6. The Property/Procurement person distributes the color coded sections of the form as noted above.
7. All Purchase Order/Check Request forms that required changes from the requestor, or the missing documentation is not provided within the procurement period as noted in the timeline below, will then be moved to the subsequent procurement period.

Timeline/Schedule

Accounts Payable Week					
	Monday	Tuesday	Wednesday	Thursday	Friday
Program Manager Supervisor, PI				Submit Purchase Order/Check Request to AP by 5:00 pm	
Property/Procurement					E-mails listing of Purchase Orders/Check Requests from prior week to FCM by 12:00
Accts Payable Procurement	Enters Check Requests into accounting system, prepares checks				Distributes Checks after 1:00pm

Payroll Week					
	Monday	Tuesday	Wednesday	Thursday	Friday
Finance Committee	Reviews listing, provide missing documentation, or changes	FCM Review			
Grants Manager Contracts		Reviews listing & Purchase Orders/Check Requests for budget/grant compliance			
Business Office Manager		Reviews listing & Purchase Orders/Check Requests for budget/grant compliance			
President		Reviews listing & Purchase Orders/Check Requests for budget/grant compliance			
Property/Procurement		Purchase Order numbers are assigned, and PO items are ordered, PO copies distributed			

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Accts Payable Procurement	Completes other duties/tasks i.e. filing, reports, etc.
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Receiving

1. All purchases will be delivered to the receiving room located in the Business Office.
2. The Property/Procurement person will sign for incoming shipments and inspect goods for conformity with specifications on the Purchase Order/Check Request copy.
 - deliver point is checked
 - damages are noted
 - Packing slip and purchase order are matched.
 - quantities listed will be counted (discrepancies are noted)
3. The Property/Procurement person tags all tangible personal property over \$500 with a FBCC number and documented.
4. Property tags will be maintained for each property item showing, at a minimum, a number, description, ownership, location, account number, date of acquisition, and cost (see Property and Equipment below for further detail required by Code of Federal Regulations).
5. The requesting department is notified of the shipment. If there are any damages or quantity errors associated with the shipment, the vendor is notified, and the Business Office works with the vendor to rectify the situation. The requesting department can pick up their supplies or items when notified.

NOTE: If the property received is IT related (i.e., computer, laptop computer, printer, etc.), then the item(s) are turned over to the IT Dept. for setup before given to the recipient. The IT Director will sign the AP copy of the Purchase Order/Check Request for the items moving into the IT Department for setup, and will notify the requesting department when IT is finished with their procedures.

6. The Property/Procurement person attaches the packing slip, invoice, and other pertinent documents to the purchase order, and forwards it to the Accounts Payable person.

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Property/Equipment

1. All non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000.00 or more, shall be referred to as “Capitalized Equipment”, and shall be capitalized. All other equipment shall be referred to as “Non-capitalized Equipment” and shall not be capitalized. Both categories of equipment will be recorded in the property and supply records (i.e., capitalized equipment that is tagged with bar coded tags and non-capitalized equipment will be tagged with numbered tags, or non-bar coded tags), in addition to the accounting records.
2. All items not considered equipment shall be classified as “Supplies”, or materials. Supplies, materials, etc. may be purchased according to program contracts and budgets, or as considered necessary for the operation and administration of the College programs. Supplies, materials, and etc., are any expendable goods.
3. Purchases of property and equipment with grant funds are recorded as expenditures of the fund making the purchase. The property and equipment is not reflected in the financial statements or in a depreciation schedule. Property and equipment is moved to College’s fixed asset account at the termination of the grant as its cost basis, and a depreciation schedule is set at that time.

Note: Need to obtain further clarification on the depreciation methods for grant requirements.

For Grants – the definition as established by the granting agency.

But, for General Fund – Any non-consumable time with a value \$5,000 or more.

According to Part 34, 74:34(f), of the Code of Federal Regulations (CFR), which states, “The recipients’ property management standards for equipment acquired with federal fund and federally-owned equipment shall include all of the following:

4. Equipment records shall be maintained accurately and shall include the following information:
5. A description of the equipment
6. Manufacturer’s serial number, model number, federal stock number, national stock number, or other identification number

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7. Funding source of the equipment, including the award number
8. Whether title vests in the recipient or the Federal Government
9. Acquisition date or date received, if the equipment was furnished by the Federal Government) and costs.
10. Information from which one can calculate the percentage of Federal participation in the costs of the equipment (not applicable to equipment furnished by the Federal government)
11. Location and condition of the equipment and the date the information was reported.
12. Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates ED for its share.”

Land, Buildings, and Building Improvements

All real property, including land, land improvements, structures and appurtenances thereto, excluding moveable machinery and equipment, shall be capitalized. Such expenditures shall be recorded in the accounting records. Subsidiary records shall be maintained to show the detailed accumulation of real property acquisitions.

Disposition of Equipment

When a program no longer needs a specific piece of equipment or if the equipment becomes worn out or obsolete, the Program Director of that program must notify the Business Office.

Any loss, damage or theft of equipment, the Program Director of that program must notify the President and the Business Office. The event shall be investigated and documented in writing by local police or other law enforcement officials and must be on file in the Business Office.

All transfers of property between programs and/or locations must be approved by the Business Office Manager and must comply with grant or contract

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requirements. *Notice of Transfers of Property*³ must be sent to the Business Office ten days prior to the date of transfer.

For property and equipment with a fair market value of less than \$1,000, advertisements for bids shall include the College website, KMHA, and email to all College email recipients, and word of mouth.

For property and equipment with a fair market value of more than \$1,000, advertisements for bids shall include the local surrounding area newspapers, in addition to the College website, KMHA, and email to all College email recipients, and word of mouth, as it is for items less than \$1,000 noted above.

The following pertains to equipment that has a depreciated value based on the schedule set forth in this document:

- If equipment is transferred to another institution, the value of the equipment will be determined in accordance with the depreciation schedules.

Depreciation Methods

The Business Office will be responsible for calculation of depreciation schedules. Depreciation of property is computed on the straight-line method over the following estimated useful lives:

Buildings and land improvements	20 years
Machinery and equipment	5-20 years
Furniture and fixtures	5-20 years
Vehicles	5-10 years
Instructional and IT equipment	3 years

The beginning date for determining the depreciated value of equipment is October 1 of the current fiscal year. For example: if a piece of equipment is purchased November 30th, the beginning date for figuring depreciation will be October 1 of the current fiscal year.

The percentages for three-, five- and ten-year property are given in the following table:

1. Three-year property: 1st year-33%, 2nd year-33%, and 3rd year-34%
2. Five-year property: Each year – 20%

³ Appendix 3 – Notice of Transfer of property (create form)

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3. Ten-year property: Each year – 10%

Consultant/Contract for Services Agreement

Consultant agreements are to be used when services are needed on a short-term basis or intermittent basis. The agreement forms must be completed by the programs requesting the services and submitted for approval to the Admin Committee if over

Non corporate Vendors

- Any **non-corporate vendors** are required to have a W-9⁴ Request for Tax Payer Identification Form completed on file prior to cutting checks.

Consultants

- All consultants are required to fill out a W-9 as required for issuance of 1099.
- Payment for consulting services will be made only upon acceptance of the consultant's interim work product or report or final work product and reports. Billings must be accompanied by supporting documentation regarding services performed and costs incurred

Services rendered should be inspected or reviewed by the user department to determine that the work was done in accordance with the purchase order or contract. Approval by the user department should be documented on the purchase order copy or stated in memo form and sent to the Business Office.

Types of services that may require a consultant agreement are:

1. Workshop Presenters or speaker fees
2. Grant Writing
3. Professional Services: legal, financial, technical support, etc.
4. Emergency services for maintenance, clerical, etc

⁴ Appendix 4 – W9 Form – Request for Tax Payer Identification Form

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Appendices

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Appendix 1, Finance Committee Structure

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Appendix 2, Purchase Order/Check Request Form

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Appendix 3 Notice of Transfer of property (create form))

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Appendix 4 W9 Form – Request for Tax Payer Identification Form