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SECTION 1: MANUAL INTRODUCTION

This Manual is intended to serve as one of the information resources for employees in the Business Office of Calhoun Community College in their effort to carry out the mission of the College and meet the College's operational objectives. The policies, guidelines, and forms contained in this Manual are designed to be consistent with applicable Federal and State laws and regulations, policies and regulations of the Alabama Community College System Board of Trustees, and the mission, purposes, and objectives of Calhoun Community College.

This Manual is intended to foster the efficient operation of the College. It is not, nor is it intended to be, a contract between the College and any employee. If any statement contained herein is in conflict with any applicable Federal or State law or regulation, then that statement is deemed to be null and void except to the extent that any portion of it may be consistent will applicable laws, policies and regulations. Calhoun Community College reserves the right to revise, supersede, or delete any policy, practice, procedure, or form contained herein, with or without prior notice, but shall make a reasonable effort to inform employees of any and all such changes.

1.1 Introduction to the Business Office
The mission of the Business Office is to provide accurate, timely, centralized accounting and financial analytical services in order to assist the students, administration, faculty, staff and other outside constituencies in the efficient and effective management, monitoring and control of the financial resources of the College.

1.2 Purpose & Philosophy of the Business Office
The Business Office is charged with handling the overall accounting and financial activities of the College. These activities include managing the College’s accounts receivable, purchasing (including preparation of bid invitations in accordance with State law) and keeping appropriate records of these transactions. The Business Office will strive to maintain an atmosphere of friendliness, fairness and openness in all its actions towards students, administration, faculty and staff.
SECTION 2: ADMINISTRATIVE ORGANIZATION & OFFICE MANAGEMENT

2.1 Business Office Structure

Business and Finance

Jason Morgan – Regional Chief Financial Officer
Vanessa Looney – Director of Purchasing and Accounts Payable
Jenny Sewell – Director of Accounting
Shawn Birdwell – Restricted Programs Accountant
Vacant – Cashier (HSV)
Melissa Estes – Accountant / Cashier Supervisor
Angie Evans – Asset Management Accountant
Chealsie Finley – Purchasing Specialist
Daly Franks – Accounts Payable Specialist
Julie Griffin – Cashier
Kimberly Hammons – Non-Student Accounts Clerk
Sharon Holden - Cashier
Judy Kilgore – Student Receivables Specialist
Carla Larry – Business Office Executive Secretary
Nikka Shaneyfelt – Accounts Clerk / AGIDS Program and Student Refunds
2.2 General Business Office Administration

2.2.1 Work Hours
The President of Calhoun Community College has the ultimate authority, under Alabama Community College System Board of Trustees’ policies and State law, to schedule and/or approve the work hours, duties, and responsibilities of each employee of Calhoun Community College, so long as these work hours, duties, and responsibilities are consistent with said policies and law.

All full-time personnel of Calhoun Community College are required to work a minimum of 40 scheduled duty hours, exclusive of lunch breaks (Board of Trustees Policy 608.02). The President has the authority to establish whatever number of scheduled duty hours each position calls for, so long as the number of hours is not less than the minimum set by policy; provided, however, that for those employees who are covered by the overtime provisions of the Fair Labor Standards Act, the College must follow the guidelines established by the Chancellor under Board of Trustees Policy 614.01.

It is the policy of Calhoun Community College to allow supervisors to coordinate the lunch breaks and other breaks taken by employees under their supervision, so long as the employees comply with the scheduled work days and duty hours for the particular position as established or approved by the President, Vice President, or appropriate Dean.

The Business Office’s hours of operation are Monday through Thursday from 7:45 am – 5:15 pm and Fridays from 7:45 am – 11:45 am. Office hours are extended as necessary to meet the needs of the College. The Business Office is also responsible for operating and maintaining the College switchboard.

2.2.2 Mail Services
All interoffice and outgoing mail for the Business Office should be collected daily and placed in the appropriate collection bin in Accounts Payable. The mail is delivered to the Calhoun Community College mailroom once a day.

2.2.3 Public Records
Public officials are legally obligated to create and maintain records that adequately document government business. Government records provide evidence of agency operations and serve as a mechanism of accountability to the citizenry.

The Code of Alabama 1975, Section 41-13-1, defines public records to include all written, typed or printed books, papers, letters, documents and maps made or received in pursuance of law by the public officers of the state, counties, municipalities and other subdivisions of government in the transactions of public business and shall also include any record authorized to be made by any law of this state belonging or pertaining to any court of record or any other public record authorized by law or any paper, pleading, exhibit or other writing filed with, in or by any such court, office or officer.
According to the Code of Alabama 1975, Section 36-12-40, every citizen has a right to inspect and take a copy of any public writing of this state, except as otherwise expressly provided by statute. Provided however, registration and circulation records and information concerning the use of the public, public school or college and university libraries of this state shall be exempted from this section. Provided further, any parent of a minor child shall have the right to inspect the registration and circulation records of any school or public library that pertain to his or her child. Notwithstanding the foregoing, records concerning security plans, procedures, assessments, measures, or systems, and any other records relating to, or having an impact upon, the security or safety of persons, structures, facilities, or other infrastructures, including without limitation information concerning critical infrastructure (as defined at 42 U.S.C. §5195c(e) as amended) and critical energy infrastructure information (as defined at 18 C.F.R. §388.113(c)(1) as amended), the public disclosure of which could reasonably be expected to be detrimental to the public safety or welfare, and records the disclosure of which would otherwise be detrimental to the best interests of the public, shall be exempted from this section.

Since Calhoun Community College is a state-owned institution, our records are open to public inspection. All requests for information must be referred to the President or the Regional Chief Financial Officer.

Effective June 6, 2012, the Business Office policy for public review of bid files will be as follows: Upon written request, bid files will be made available for review by the requesting party on the College premises, in the presence of a member of the business office staff. Original files will be provided. No copies will be released.

### 2.2.4 Confidentiality of Records

The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) is a Federal law that protects the privacy of student education records. The law applies to all schools that receive funds under an applicable program of the U.S. Department of Education.

FERPA gives parents certain rights with respect to their children's education records. These rights transfer to the student when he or she reaches the age of 18 or attends a school beyond the high school level. Students to whom the rights have transferred are "eligible students."

Parents or eligible students have the right to inspect and review the student's education records maintained by the College. The College is not required to provide copies of records unless, for reasons such as great distance, it is impossible for parents or eligible students to review the records. The College may charge a fee for copies.

Parents or eligible students have the right to request that the College correct records which they believe to be inaccurate or misleading. If the College decides not to amend the record, the parent or eligible student then has the right to a formal hearing. After the hearing, if the College still decides not to amend the record, the parent or eligible student has the right to place a statement with the record setting forth his or her view about the contested information.
Generally, the College must have written permission from the parent or eligible student in order to release any information from a student's education record. However, FERPA allows the College to disclose those records, without consent, to the following parties or under the following conditions (34 CFR § 99.31):

- School officials with legitimate educational interest;
- Other schools to which a student is transferring;
- Specified officials for audit or evaluation purposes;
- Appropriate parties in connection with financial aid to a student;
- Organizations conducting certain studies for or on behalf of the school;
- Accrediting organizations;
- To comply with a judicial order or lawfully issued subpoena;
- Appropriate officials in cases of health and safety emergencies;
- and State and local authorities, within a juvenile justice system, pursuant to specific State law.

The College may disclose, without consent, "directory" information such as a student's name, address, telephone number, date and place of birth, honors and awards, and dates of attendance. However, the College must tell parents and eligible students about directory information and allow parents and eligible students a reasonable amount of time to request that the College not disclose directory information about them. The College must notify parents and eligible students annually of their rights under FERPA. The College may provide this notice by any means that are reasonably likely to inform the parents or eligible students of their rights (special letter, inclusion in a bulletin, student handbook, or newspaper article).

2.3 Records Management & Retention

The Records Disposition Authority (RDA) is issued by the State Records Commission under the authority granted by the Code of Alabama 1975, Sections 41-13-5 and 41-13-20 through 21. It was compiled by the Government Records Division, Alabama Department of Archives and History (ADAH), which serves as the commission’s staff, in cooperation with representatives of the Alabama Community College System. The RDA lists records created and maintained by the Alabama Community College System in carrying out its mandated functions and activities. It establishes retention periods and disposition instructions for those records and provides the legal authority for the College to implement records destruction.

Records must be kept in accordance with standards prescribed by the Code of Alabama 1975, Sections 36-12-2 and 36-12-4 and standards prescribed by the Chief Examiner under the authority of the Code of Alabama 1975, Section 41-5-23.

Some of the subgroups that apply to the Business Office include the following:

<table>
<thead>
<tr>
<th>Subgroup</th>
<th>Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title IV Program Files – Federal Pell Grant, FSEOG, and Work-Study</td>
<td>Retain 3 years after the end of the award year in which aid was awarded</td>
</tr>
<tr>
<td>Title IV Program Files – FFEL and Direct Loans</td>
<td>Retain 3 years after the end of the award year in which the</td>
</tr>
</tbody>
</table>
Veteran's Vocational Rehabilitation Files

- Retain 3 years after termination of enrollment

State Waiver Scholarship Files

- Retain 5 years after the end of the award year

Alabama G.I. and Dependent's Educational Benefits Records

- Retain 8 years from date of certification of eligibility

Alabama Student Assistance Program Files

- Retain 5 years after student’s last day of attendance

Scholarship Award Files

- Retain 3 years after the end of the award year

U.S. Department of Education Grant Files

- Retain 3 years after audit after submission of final expenditure report, or if renewed quarterly or annually, retain 1 year after audit from the date of submission of the quarterly or annual financial report

Approved Annual Budgets

- Permanent Record

Records Documenting Budget Preparation

- Retain 3 years after audit.

Purchasing Records

- Retain 3 years after audit

Bid Files

- Retain 7 years after the date bids were opened

Journals, Registers, Cash Receipts, Cancelled Checks, Check Stubs, Deposit Slips, and Other Banking Records

- Retain 3 years after audit of

Sales Tax Records

- Retain 6 years after the end of the fiscal year in which the record was created

General Ledger/Trial Balance

- Permanent Record

Annual Financial Statements

- Permanent Record
<table>
<thead>
<tr>
<th>Category</th>
<th>Retention Period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Records</strong></td>
<td>Retain 3 years after audit after the end of the fiscal year in which the investment matured or was sold</td>
</tr>
<tr>
<td><strong>Travel Records</strong></td>
<td>Retain 3 years after audit</td>
</tr>
<tr>
<td><strong>Contracts, Leases, and Agreements</strong></td>
<td>Retain 6 years after expiration of the contract</td>
</tr>
<tr>
<td><strong>Audit Reports</strong></td>
<td>Retain 6 years after the end of the fiscal year in which the records were created</td>
</tr>
<tr>
<td><strong>Fidelity Bonds</strong></td>
<td>Retain 3 years after the end of the fiscal year in which the records were created</td>
</tr>
<tr>
<td><strong>Inventory Records</strong></td>
<td>Permanent Record</td>
</tr>
<tr>
<td><strong>Real Property Records</strong></td>
<td>Retain 3 years after the end of the fiscal year in which the property was sold or transferred</td>
</tr>
<tr>
<td><strong>Property Insurance/Risk Management Records</strong></td>
<td>Retain 3 years after the end of the fiscal year in which the policy or membership was terminated</td>
</tr>
</tbody>
</table>
SECTION 3: FINANCIAL MANAGEMENT AND REPORTING

3.1 Internal Control
An adequate system of internal control helps to provide assurance that the College's assets are protected from theft, loss, or misuse, and that reliable financial information is produced in a timely manner. At a minimum, a system of internal control should include:

1. Proper authorization of all transactions and activities to reduce the possibility that incorrect or fraudulent transactions or activities occur;

2. Assigning different people the responsibilities of authorizing transactions, recording transactions, and maintaining custody of assets to reduce the opportunity for any individual employee to both commit and conceal errors or theft of assets;

3. Design and use of adequate documents and records to help ensure proper recording of transactions and events; and,

4. Adequate safeguards over access to and use of assets and records to reduce the possibility of theft of those assets and concealment of illegal activity.

Establishing good internal control procedures help minimize potential problems such as theft, fraud and unintentional errors in recording accounting data.

Implementing internal control procedures is of little value if there is no effort to follow up and ensure the College's employees are complying with control procedures. In order to ensure employees are adhering to control procedures, administration should regularly review transactions, cash drawers, petty cash funds and deposits, and property and equipment should be inspected to ensure accountability and verify existence.

Cash is the asset that has the greatest potential for loss and misuse. Controls over revenue and cash are chiefly concerned with providing assurance that all cash that should have been received was, in fact, received, recorded accurately and deposited promptly.

External auditors are required to review and give an opinion in the annual audit report on the adequacy of the College's system of internal control.

3.2 Chart of Accounts
Colleges in the Alabama Community College System are required to maintain uniform accounting records in accordance with the National Association of College and University Business Officers (NACUBO) Manual. This manual, with detailed descriptions of each fund, basic coding structure explanations, and account numbers, has been developed for use by the College and is based upon NACUBO’s procedures, State of Alabama laws, Alabama
3.2.1 Basic Coding Structure
The account codes have been designed to enable the College to accumulate financial data according to several different classifications as fund, function, organization unit, source of income, and type of expenditure.

The coding structure adopted for use by the College consists of up to six digits for each level of financial reporting as illustrated below:

\[
\begin{array}{ccc}
\text{XXXXXX} & \text{Major Fund Group} \\
\text{XXXXXX} & \text{Organization} \\
\text{XXXXXX} & \text{Account Code} \\
\text{XXXX} & \text{Program} \\
\end{array}
\]

3.2.2 Explanation of Codes

**First Series of Digits** – MAJOR FUND GROUP CODE

The major fund group code identifies the fund entity to which each transaction belongs. The major fund groups are:

- 110 Series - Current Fund - Unrestricted
- 200 Series - Current Fund – Restricted
  - 2100 Series – Restricted Federal
  - 2200 Series – Restricted State
  - 2300 Series – Restricted Local
  - 2400 Series – Restricted Private
  - 2500 Series – Restricted Multi-Year Grants
- 310 Series - Auxiliary Enterprises
- 410 Series - Loan Funds
- 510-610 Series - Endowment and Similar Funds
- 710 Series - Annuity and Life Income Funds
- 810 Series - Agency Funds
- 900 Series - Plant Funds: 910 – Unexpended Plant
  - 920 – Renewal and Replacement
  - 930 – Retirement of Indebtedness
  - 940 – Investment in Plant
  - 950 – Multi-year Capital Projects

The term “fund” is defined as “a sum of money or resources segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations and constituting an independent fiscal accounting entity.”
Current Funds
The Current Funds group includes those economic resources of the College that are expendable for the purpose of performing the primary and supporting missions of the College - instruction, research, and public service - and which are not restricted by external sources or designated by the governing board for other than operating purposes. The term “current” means the resources will be expended in the near term and they will be used for operating purposes.

The Current Funds group has two basic subgroups - Unrestricted and Restricted.

1. Current Fund - Unrestricted
This fund includes all monies received for which no stipulation was made by the donor or other external agency as to the purposes for which they should be expended. The only restrictions placed on the use of resources in this fund are those that are imposed by law and the budget.

Auxiliary enterprises will be accounted for in the unrestricted current fund and will be identified by organization codes. Auxiliary enterprise activities are intended primarily to provide noninstructional services to students, staff and/or College departments and are intended to be self-supporting. Examples are: the Bookstore, Vending Machines, Central Stores, Student Activities, and Dormitories. Auxiliary enterprise operations should charge a fee that is directly related to the cost of the goods or services. The general public may be served incidentally by these enterprises.

This category includes all expenditures and transfers relating to the operation of auxiliary enterprises, including expenditures for operation and maintenance of plant and for institutional support; also included are other direct and indirect costs, whether charged directly as expenditures or allocated as a proportionate share of costs of other departments or units.

2. Current Fund - Restricted
Restricted funds are those available for financing operations but which are limited by donors and other external agencies to specific purposes, programs, departments or schools. Externally imposed restrictions are to be contrasted with internal designations imposed by the governing board on unrestricted funds. Internal designations do not create restricted funds, inasmuch as the removal of the designation remains at the discretion of the governing board.

Examples of restricted funds include most all federal grants, special state appropriations (such as an appropriation made for library instructional materials), and donations from the private sector for some specified operational purpose. Since there are different restrictions on the use of funds in this fund group, it may be necessary to maintain separate self-balancing sub funds for the various grants and contracts in this fund group.
The distinction between unrestricted and restricted funds is maintained through the use of separately balanced groups of accounts in order to provide acceptable reporting of stewardship to donors and other external agencies. This distinction also emphasizes to governing boards and other sources of financial support the various kinds of resources of the Current Funds group that are available to meet the College’s objectives.

3. **Annuity and Life Income Funds**
The Annuity Funds subgroup consists of funds acquired by the College under agreements in which money or other property is made available to the College on condition that it bind itself to pay stipulated amounts periodically to the donors or other designated individuals, which payments are to terminate at the time specified in the agreement. Assets of annuity funds belong to the College.

The Life Income Fund subgroup consists of charitable remainder trusts for which the College is trustee and remainder man. These trusts are composed of four types: (1) pooled life income funds, (2) charitable remainder unit trusts, (3) charitable remainder annuity trusts, and (4) charitable remainder trusts made prior to the Tax Reform Act of 1969.

4. **Loan Funds**
The purpose of this fund group is to account for the resources available for loans to students, faculty and staff where the College determines the recipient. Separate accounts should be maintained to indicate the wide variety of fund sources and the diverse responsibilities for their use.

Interest rates on loans are determined under a variety of conditions. Such interest should be credited to the specific fund balance account.

Examples of loan funds include: National Direct Student Loans (NDSL), Nursing Loans, and Institutional Loans.

5. **Endowment and Similar Funds**
This fund includes those funds whose principal is non-expendable and is invested, or is available for investment, for the purpose of producing income. Generally, only the income from these funds may be used.

The three categories of funds in the Endowment and Similar Funds group are as follows:

a. **True endowment** funds are those for which donors or other external agencies have stipulated under the terms of the gift instrument creating the fund that the principal of the fund is not expendable - that is, it is to remain inviolate in perpetuity and is to be invested for the purpose of
producing present and future income, which may be expended or added to the principal.

b. **Term endowment** funds are like endowment funds except that all or part of the principal may be used after a stated period of time or upon the occurrence of a certain event as set forth by the donor or source.

c. **Quasi-endowment** funds (funds functioning as endowment) are funds that the College, rather than a donor or other external agency, has determined are to be retained and invested. The principal, as well as the income, may be totally utilized at the discretion of the governing board.

6. **Plant Funds**

   Generally, these funds are used to:

   a. Account for resources available for the acquisition or construction of physical property to be used for College purposes and resources designated for the major repair and/or replacement of College property. This includes purchase of land, site development, building construction costs (including architect fees), initial furnishings and equipment for new buildings, major repairs, and similar items.

   b. Account for the long-term debt of the College and for the resources that will be used to retire the debt and pay the interest on the obligation(s).

   c. Account for the cumulative cost of plant assets. The assets consist of:

      - Land
      - Buildings
      - Improvements Other Than Buildings
      - Alterations
      - Equipment
      - Construction In Progress
      - Art Museums and Collections
      - Library Books and Audiovisuals
      - Leased Equipment
      - Livestock

   The fund balance should be detailed to show the source of the Investment in Plant account as State and local sources and federal government sources.

   Plant funds consist of those funds to be used for (1) acquisition, rehabilitation, and construction of physical properties for College purposes; (2) renewals and replacements; (3) funds accumulated and available for debt retirement; and (4) funds previously expended for plant properties and their associated liabilities. The plant
funds section of the balance sheet is divided into four self-balancing subgroups as follows:

a. **Unexpended Plant Funds** - Funds available for the acquisition of long-lived assets for College purposes.

b. **Renewals and Replacements** - Funds set aside for the renewal and replacement of College properties.

c. **Retirement of Indebtedness** - Funds set aside for debt service charges and for the retirement of indebtedness on College plant.

d. **Investment in Plant** - Funds reflecting the cost (or fair value at time of donation) of long-lived assets (other than those of endowment and similar funds) and the sources from which the cost is funded, including associated liabilities. All long-term debt is in this account.

Fund balances represent the unexpended resources of this subgroup, and should be maintained to distinguish between unexpended resources originating from Board-designated unrestricted funds transferred for the purposes of this subgroup and those restricted for these purposes by external parties. Separate accounts for each project within each fund often are maintained to assist in establishing this distinction.

7. **Agency Funds**
These funds account for the resources held by the College as custodian or fiscal agent for individual students, faculty, staff members and/or organizations. The recipient of agency funds must be determined by the party depositing the funds with the College; otherwise, the funds are not agency funds. Examples of agency funds include student clubs’ funds and funds administered under the Guaranteed Student Loan Program.

**Second Series of Digits** - ORGANIZATIONAL CODE

Each organizational unit and program/office designation of the College for which financial information is to be accumulated is assigned to an organizational unit code. When the fund and program numbers are added to the organizational unit numbers, a code number is established which uniquely identifies each organizational unit of the College.

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>Executive</td>
</tr>
<tr>
<td>200</td>
<td>Instruction</td>
</tr>
<tr>
<td>300</td>
<td>Public Service</td>
</tr>
<tr>
<td>400</td>
<td>Academic Support</td>
</tr>
<tr>
<td>500</td>
<td>Student Services</td>
</tr>
<tr>
<td>600</td>
<td>Institutional Support</td>
</tr>
<tr>
<td>700</td>
<td>Operation &amp; Maintenance of Plant</td>
</tr>
<tr>
<td>800</td>
<td>Scholarships</td>
</tr>
<tr>
<td>900</td>
<td>Auxiliary</td>
</tr>
</tbody>
</table>

Adding Organization Codes is not restricted but the existing chart must be adhered.
**Third Series of Digits** - ACCOUNT CODES

Account codes separate entries or transactions into balance sheet (or general ledger) transactions or revenue and expenditure transactions.

1XXXXX -- Assets
2XXXXX -- Liabilities
3XXXXX -- Control Accounts
4XXXXX -- Fund Balances
5XXXXX -- Revenues and Transfers In
6XXXXX -- Expenditures - Personnel and Fringe Benefits
7XXXXX -- Expenditures - Current and Transfers Out
8XXXXX -- Transfers
91XXXX -- Fund Additions
96XXXX -- Fund Deductions

**Fourth Series of Digits** - PROGRAM

The College is a complex organization composed of many organizational units designed to accomplish different purposes or programs. To aid in the classification and analysis of financial information, the following Program areas are to be used in the accounting system. Effective June 1, 2020, a freeze was implemented by ACCS on adding programs at the college level.

For educational and general support funds (Current Funds-Unrestricted and Current Funds-Restricted) use the following Program codes:

10 -- Instruction
20 -- Research
30 -- Public Service
40 -- Academic Support
50 -- Student Services
60 -- Institutional Support
70 -- Operation and Maintenance of Plant
80 -- Scholarships
90 -- Auxiliary

Accounting by the above programs is not required in Funds 410, 510, 610, 710, 810 and 900.

**3.3 General Ledger**

In order to provide maximum flexibility and information capture, the Banner Finance System maintains the General Ledger and an Operating Ledger.

The General Ledger is a book of final entry summarizing all of the College's financial transactions, through offsetting debit and credit accounts. Debits are an accounting entry
which results in either an increase in assets or a decrease in liabilities or net position. Credits are accounting entries which result in either a decrease in assets or an increase in liabilities or net position. The General Ledger maintains information relevant to the College’s Balance Sheet. Required Chart of Accounts elements for valid accounting distribution in the General Ledger are: The Chart of Accounts, Fund and Account Codes. Transaction activity includes the sum of both periodic debits and credits.

An asset is any item of economic value owned by the College, especially that which could be converted to cash. Examples are cash, securities, accounts receivable, inventory, office equipment, buildings, vehicles, and other property. From an accounting perspective, assets are divided into the following categories: current assets (cash and other liquid items), long-term assets (land, buildings, equipment), prepaid and deferred assets (expenditures for future costs such as insurance, rent, interest), and intangible assets (trademarks, patents, copyrights, goodwill).

Liabilities are obligations that legally bind the College to settle a debt. Liabilities are recorded on the balance sheet and can include accounts payable, taxes, wages and accrued expenses. Current liabilities are debts payable within one year, while long-term liabilities are debts payable over a longer period.

Net Position equals total assets plus deferred outflows minus total liabilities and deferred inflows. Net Position is an important determinant of the value of the College.

General Ledger control accounts contain the total debits/credits for their respective expenditure, transfer, budget, encumbrance and revenue transactions. Detail transaction information for control accounts is maintained in the Banner operating ledger.

- Revenue controls (budget, YTD actual for revenue account range)
- Expenditure controls (budget, YTD actual for expenditure account range)
- Transfers controls (budget, YTD actual for transfer account range)
- Encumbrance controls (operating ledger reservations or commitments)

The operating ledger contains transaction data for departmental operating accounts. Required Chart of Accounts elements for these transactions are fund, organization, account and program. Optionally, the transactions may also include activity and/or location codes.

Transactional data that is entered or maintained in the operating ledger can include budget, YTD actual, encumbrance and grant activity. Operating ledger transactions are linked to their corresponding General Ledger control accounts.
3.3.1 Creating a New Chart of Accounts

The Chart of Accounts is a systematic classification of accounts and an essential part of the Banner Finance accounting system. Accounts are developed to be compatible with the College’s organizational structure. The form and content of the Chart of Accounts is arranged to be in agreement with the financial reports that the College issues.

The fund, organization, account, and program codes are the primary chart of accounts elements used for classification, budgeting, recording, and/or reporting. The activity and location codes are used to provide specific performance-related detail for transactions.

The Chart of Accounts is the “key” to Banner Finance. It defines the accounting distribution used on all transactions processed in the Banner Finance module.

3.3.1.1 Chart of Accounts Code Maintenance Forms

You can use the Chart of Accounts Code Maintenance Form (FTMCOAS) to set up a new Chart of Accounts for the College and define FOAPAL elements, encumbrance, and budget carry forward information for this new Chart of Accounts code.

All maintenance forms are in update mode when you enter the form. The third letter of the form name is M indicating it is a maintenance form. Each time you enter or change information on these forms, you must tell the system the date you want it to go into effect. Existing records cannot be deleted. You can terminate an existing record by entering a Termination date in that field. To change a record, you must make a copy of the original record, make the changes, and update the effective date field with the current date. If a record has been updated, the Next Change Date field will be valued. To find existing information, you execute queries. The original records are maintained as an audit trail.

We assign a unique, one-character identification number or letter to our new chart of accounts. This permits the creation of multiple charts within the Finance system. All queries and reports are driven by the chart code.

During the process of setting up your chart, we will set up a user profile for each Finance user and define the chart they will be using on transaction forms on the User Profile Maintenance Form (FOMPROF). This will populate the chart ID into the transaction forms for each user.
The fields on this form are related to year-end processing. All of these budget control parameters may be changed for individual fund types or funds. Here we are setting up system-wide defaults only.

### 3.3.1.2 Establishing Fiscal Year Parameters

Use the Fiscal Year Maintenance Form (FTMFSYR) to establish the fiscal year accounting period parameters for systems operations within the College’s previously created Chart of Accounts.

The Accrual Period field is only for period 14, and automatically displays *Not Opened* until year-end processing.

Change the status of individual periods from *N* (Not Open), to *O* (Open), to *C* (Closed).

If you open a period, you cannot close it and then reopen it. You may not reopen a closed period. Periods must be opened and closed in sequence. You may not open a future fiscal period when preceding periods have a status of Not Open, and you may not close periods when the preceding periods are still Open. The only exception to this is that you may open period 01 in future fiscal years.

### 3.3.1.3 Creating Level 1 and Level 2 Fund Types

You can build and develop Level 1 external (user defined) fund types and link them to the preset internal codes. You can also build and develop Level 2 external fund types and link them to the Level 1 external fund types to organize funds within the Chart of Accounts.

Level 1 fund types represent the highest fund group within the fund hierarchy structure that all Level 2 fund types and Level 1 - 4 fund codes will roll up to. Level 2 fund types represent fund sub-groups within the fund hierarchy structure that Levels 1-4 fund codes will roll up to.
### 3.3.1.4 Developing Fund Codes

The fund codes represent the funding sources for the College. Fund codes consist of five levels of hierarchy and are linked to Level 2 fund types. The hierarchy is built from the top level down to the last level in the hierarchy. The first level does not report to any other level, while all levels below the first level have a predecessor fund code (the fund that it reports or rolls up to). The key thing to remember when building your fund codes is that you must have a separate fund code for every project (grants), loan, and endowment fund. Adding funds is not restricted but the existing chart structure must be adhered.
3.3.1.5 Establishing Organization Codes
You can use the Organization Code Maintenance Form (FTMORGN) to create organization codes for each of the organizations. You can include detailed descriptions and define Chart of Accounts information for each organization. Adding organization codes is not restricted by the existing chart must be adhered.

3.3.1.6 Creating Account Codes
The Account Code Maintenance form (FTMACCT) is used to create user-defined account codes, and tie them to the account types previously defined on the Account Type Code Maintenance Form (FTMATYP).

You can set up the account codes to be used in the new chart of accounts. You can link the new account codes to the Level 2 external account types established previously. Up to four hierarchical levels may be established within the account code structure.

Effective June 1, 2020, a freeze was implemented by ACCS on adding accounts at the college level except for payroll deductions, student fees, other liabilities, and institutional use accounts. Other changes can be requested which will be reviewed by a seven(7) person committee to evaluate the merits of adding an account to the common chart. Requests should be forwarded to Billy Merrill and Ana Foshee using the request form on the Finance Teams site.
3.3.1.7 Establishing Program Codes

Program Codes may have up to five levels of hierarchy. Program codes define all of the functions that the College is involved in. While the Organization codes identify who is spending the money, the Program codes define what the money is being spent on.

Expenditure, encumbrance, revenue, and transfer transactions must have Fund, Organization, Account, and Program codes to post to the Operating Ledger. If you do not track accounting by these elements, you may set up “dummy” organizations and programs. Direct entries to the General Ledger only need Fund and Account.

New programs should only be required if a college adds a campus or site. Changes can be requested by completing the Request Form on the Finance TEAMS site and sending to Billy Merrill and Ana Foshee which will be reviewed by a seven (7) person committee to evaluate the merits of adding a program to the common chart.
3.3.1.8 Defining Control Accounts

You will create and define current and prior year control and offset accounts for the Chart of Accounts. Link your level 1 account types and the internal sequence numbers (transaction codes) with the appropriate control accounts in the new chart of accounts.

The linkages created here will specify the relationship of Revenue, Labor, Expense, and Transfer transactions in the Operating Ledger to the General Ledger (Balance Sheet).

The purpose of the control account processing in Banner is to mirror the operating ledger transactions for the Balance sheet. The Control Accounts represent the current fiscal year activity while the Fund Balance Accounts would represent prior year. Each year, when balances are carried forward, Banner wraps up all the control accounts for each specific fund and totals them to the new year’s fund balance accounts. Then in the new fiscal year, the control accounts begin with a "Zero" balance.

Year-To-Date Actual Control Accounts

Revenue Control - Every year-to-date actual transaction affecting a Revenue account in the Operating Ledger (internal account type of 50) generates an equivalent entry in this General Ledger account.

Expenditure Control - Every year-to-date actual transaction affecting an Expenditure account in the Operating Ledger (internal account type of 60 or 70) generates an equivalent entry in this General Ledger account.
Transfer Control - Every year-to-date actual transaction affecting a *Transfer* account in the Operating Ledger (internal account type of 80) generates an equivalent entry in this General Ledger account.

*Note:* The NET of these accounts represents the actual year-to-date change to Fund Balance resulting from operations.

Encumbrance Control - Every encumbrance transaction or Budget Reservation (Sequence #5) in the Operating Ledger generates an equivalent entry in this General Ledger account and an offsetting entry to Reserve for Encumbrances.

To verify that your control accounts in the G/L equal the transactions in the Operating Ledger, use FGIBDST, FGIBDSR, or FGIBSUM and query on the fund code. The query form will display all of the accounts with a total at the bottom. Compare this total to the control account in the General Ledger.

3.3.1.9 Defining a Fund Balance Account for a Multiple Fund Balance Institution

The Multiple Fund Balance Processing feature allows you to close Revenue, Expense, and Transfer control accounts to more than one fund balance account at year-end and during concurrent year processing. This feature is optional. Implement it on the following forms:

- **FOASYSC:** Check the Multiple Fund Balance checkbox to initiate multiple fund balance processing.
- **FTMCOAS:** Make sure that a Fund Balance Account is defined in the Parameters Window on this form. The system uses this account for closing encumbrance and budget activity.
• FTMFUND: Use the drop-down list to populate the **Multiple Fund Balance Ind** field on this form. This indicator allows the system to determine the criteria for selecting the correct Fund Balance Accounts.

If you are not using the multiple fund balance feature, the system uses the Fund Balance Account defined on the Chart of Accounts Maintenance Form (Procedure 1) as the default fund balance account to which all operating account year-to-date control activity will close to at year-end.
3.3.1.10 Creating a Bank ID
You can create an ID for each of the Banking Institutions that the College does business with.

![ID Form](image)

ID: [Input Field] Generate ID: [Input Field]

3.3.1.11 Defining Bank Codes for the Chart of Accounts
You can set up the bank codes used by the new chart of accounts and to link each bank code to a cash account and cash interfund account.

The Bank fund is a special fund unique to cash processing to facilitate cash management. It is designed to provide a trial balance showing the total cash balance for the College and the breakdown of where the cash is deposited. It also facilitates the bank reconciliation process. The bank code must be entered on all invoices, cash receipts, and cash interfund transactions. It is recommended that you default the bank code on the fund for more efficient processing and error reduction.

We will set up one “Cash Interfund” Account and multiple cash accounts. It is this account residing in the Bank fund that shows the total cash for the College. We will also set up multiple cash accounts, which are the individual fund’s claim on that total cash. For example, you may use one cash account for accounts payable disbursements and another for deposits.
Alternatively, you may have different actual bank accounts that need to be kept separate.

3.3.2 Setting up Processing Level Security
The System Control Maintenance form (FOASYSC) is where Finance-level security can be switched off and on. There are two components of Finance Security: Rule Class Security and Fund/Organization Security. Checkboxes on FOASYSC control these components for the organization.

Rule Class Security checkbox
This checkbox turns on rule class security, which controls the actions (rule codes) a user can perform within a form. If you turn on rule class security; you must set up rule class security using these forms:

- Rule Group/Rule Class Security Maintenance form (FOMRGRC)
- Form/Process to Rule Group Maintenance form (FOMPRRG)
- Rule Group Security Maintenance form (FOMUSRG)

Fund/Organization Security checkbox
This checkbox turns on fund/organization security, which controls the FOAPAL elements that can be used in any form. If you turn on fund/organization security, you must set up fund/organization security using these forms:

- Fund/Fund Type Security Maintenance Form (FOMUSFN)
- Organization Security Maintenance Form (FOMUSOR)
The System Control Maintenance form (FOASYSC) is the control form for turning on and off many of Banner’s features.

Setting Other Features
One of these features, the Receiving/Matching requirement, is accessed through the Procurement Processing Info option in the Options menu.

To require that receiving be entered prior to payment of invoices, set a minimum amount in the Invoice Amount Requiring Receipt field.
Other options that are turned on and off in the FOASYSC form are the Approvals process and NSF checking.

The FOASYSC form is an effective dated maintenance form and you are only permitted to change this record as of the current or future date. Changes to FOASYSC will not take effect until you’ve logged off Banner and log back in again.

### 3.3.3 Establishing User Profiles

Use the User Profile Maintenance form (FOMPROF) to link user IDs to funds and organizations. You need to do this if the College is using fund/organization security.

#### Steps

Follow these steps to establish the profiles.

1. Access the User Profile Maintenance form (FOMPROF). Enter the user ID of the person to whom you are giving security access in the **User ID** field or use the **Search** button to find it.  
   **Note:** You must use a user ID that has already been defined in the Security Maintenance form (GSASECR).
2. Select the **NSF Override** checkbox if the user is to have authority to override non-sufficient funds for a document or transaction.
3. Enter the chart of accounts in the **COA** field or select it from the list of values.
4. Select the value that indicates this user’s fund authority in the **Master Fund** field. Turning the **Master Fund** setting on causes the system to ignore any restrictions that you’ve entered on the Fund/Fund Type Security Maintenance form (FOMUSFN). In multiple COA environments, this setting will apply to all COAs.
5. Select the value that indicates this user's organization authority in the **Master Organization** field.

Turning the **Master Organization** setting on causes the system to ignore any restrictions that you've entered on the Organization Security Maintenance form (FOMUSOR). In multiple COA environments, this setting will apply to all COAs.

<table>
<thead>
<tr>
<th>IF</th>
<th>THEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>you want this user to be able to post expenses to Grant funds</td>
<td>select the <strong>Post after Expenditure End Date</strong> checkbox.</td>
</tr>
<tr>
<td>in the trail-out period</td>
<td></td>
</tr>
<tr>
<td>you want this user to be able to post to the year-end accrual</td>
<td>select the <strong>Post in Accrual Period</strong> checkbox.</td>
</tr>
<tr>
<td>period</td>
<td></td>
</tr>
<tr>
<td>you want this user to be able to override EDI orders</td>
<td>select the <strong>EDI Override</strong> checkbox.</td>
</tr>
<tr>
<td>you want this user to be able to override ACH and require a paper</td>
<td>select the <strong>ACH Override</strong> checkbox.</td>
</tr>
<tr>
<td>check</td>
<td></td>
</tr>
<tr>
<td>you want this user to be able to override purchasing card</td>
<td>select the <strong>Purchase Card Override</strong> checkbox.</td>
</tr>
<tr>
<td>transactions</td>
<td></td>
</tr>
<tr>
<td>you want to associate a user ID with a General Person</td>
<td>enter the ID of a General Person record that you want to associate</td>
</tr>
<tr>
<td></td>
<td>with this user ID in the <strong>ID</strong> field or use the <strong>Search</strong> button</td>
</tr>
<tr>
<td></td>
<td>to find it.*</td>
</tr>
</tbody>
</table>

6. Enter the default organization code for this user in the **User Organization** field or select it from the LOV.

*Note:* The organization code entered here automatically populates the **Organization** field for the requestor in the Requisition form (FPAREQN). In addition, if Organization Security is turned-on, the user must have posting authority for this organization code; otherwise, the user will not be able to complete the Requisition form.
3.3.4 Procurement Maintenance

Follow these steps to complete the process:

1. Select **Procurement Maintenance** tab.
   - **Note:** Completing the fields on this window is not required for Finance security, but is useful for transaction processing, so the steps are provided.
2. Select the type of invoices that this user will be permitted to process from the Invoice Restrictions drop-down list.
3. Enter the maximum percentage that an invoice can be over and still be paid by this user in the Invoice Overage Tolerance field.
4. Enter the maximum monetary amount that an invoice can exceed the purchase order and still be paid by this user in the Invoice Tolerance Amount field.
   - The Invoice Overage Tolerance field is the percentage an invoice may exceed that the user has authorization to pay. The Invoice Tolerance Amount field is the dollar amount an invoice may exceed that the user has authorization to pay. The percentage and the amount fields work together.
5. Select the Invoice Tolerance Override checkbox if you want this user to be able to approve invoices that exceed the tolerances.
6. Enter a default delivery location for goods ordered by this user in the Ship To field.
   - **Note:** “Ship To” codes are defined in the Ship to Address Maintenance form (FTMSHIP). The value entered here defaults into the Requisition form (FPAREQNN) and the Purchase Order form (FPAPURR).
7. Enter the maximum percentage in excess of the ordered quantity that the user has the authority to accept in the **Receiving Quantity Overage Tolerance** field.

8. Enter the maximum quantity in excess of the ordered quantity that the user has the authority to accept in the **Receiving Quantity Tolerance Quantity** field.

9. Select the **Receiving Override** checkbox if this user is allowed to override the limits in the **Receiving Quantity** fields.

*Note:* Purchase orders can be designated as “Regular” or “Standing.” Regular purchase orders are received by quantity. Standing purchase orders are received by dollar amount.

10. Enter the maximum percentage in excess of the ordered monetary amount that the user has authority to accept in the **Receiving Amount Overage Tolerance** field.

11. Enter the maximum monetary amount in excess of the ordered amount that the user has authority to accept in the **Receiving Amount Tolerance Amount** field.

*Note:* You can require receiving for regular purchase orders, but not for standing purchase orders. The receiving requirement is turned on in the System Control Maintenance form (FOASYSC).

### 3.3.5 Assigning Funds and Fund Types to User IDs

You use the Fund/Fund Type Security Maintenance form (FOMUSFN) to assign funds and/or fund types to user IDs. You need to do this if the College is using fund/organization security.

If one user ID has had funds or fund types assigned to it, and you want to copy the set of funds/fund types to another user ID, you can do so by copying.

*Note:* You can insert multiple records to assign multiple funds and/or fund types. Each must be on a separate record and you cannot assign both a fund and a fund type on the same record.
Follow these steps to copy fund/fund-type assignments from one user ID to another.

1. Access the Fund/Fund Type Security Maintenance Form (FOMUSFN).
2. Enter the ID of the user to whom you want to assign funds or fund types in the **User ID** field or select it from the list of values (LOV).
3. Enter the ID of the user whose funds/fund-type assignment you want to copy in the **Copy from User ID** field.

<table>
<thead>
<tr>
<th>IF</th>
<th>THEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>you want to limit the funds and fund types to be copied to those that are in a specific chart of accounts</td>
<td>enter the COA code to be included in the <strong>Include COA Code</strong> field.</td>
</tr>
<tr>
<td>you want to limit the fund type to be copied to a specific one</td>
<td>enter the fund type code in the <strong>Include Fund Type</strong> field or use the <strong>Search</strong> button to find it.</td>
</tr>
<tr>
<td>you want to limit the fund to be copied to a specific one</td>
<td>enter the fund code in the <strong>Include Fund</strong> field or use the <strong>Search</strong> button to find it.</td>
</tr>
<tr>
<td>you want to exclude a specific chart of accounts from being copied</td>
<td>enter the COA code to be excluded in the <strong>Exclude COA Code</strong> field.</td>
</tr>
<tr>
<td>you want to exclude a specific fund type from being copied</td>
<td>enter the fund type code in the <strong>Exclude Fund Type</strong> field or use the <strong>Search</strong> button to find it.</td>
</tr>
<tr>
<td>you want to exclude a specific fund from being copied</td>
<td>enter the fund code in the <strong>Exclude Fund</strong> field or use the <strong>Search</strong> button to find it.</td>
</tr>
</tbody>
</table>

4. Perform a **Next Block** function.
   
   **Note:** If no funds or fund types have previously been assigned to this user, the system displays the message, “Query caused no records to be retrieved.” This is all right, so click **OK**. The system populates the fund block with the same fund/fund types that are assigned to the user ID you are copying. You can now add and delete fund/fund types.

<table>
<thead>
<tr>
<th>IF</th>
<th>THEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>you want to delete a fund or fund type from the list</td>
<td>place the cursor in the <strong>COA</strong> field for the record you want to delete, then delete the record.</td>
</tr>
<tr>
<td>you want to add a fund or fund type to the list</td>
<td>insert a new record and enter values in the fields as explained in Procedure 1.</td>
</tr>
</tbody>
</table>

5. Repeat the steps above until you have assigned the appropriate funds and fund types to this user ID.
3.3.6 Assigning Organizations to User IDs
You use the Organization Security Maintenance form (FOMUSOR) to assign organizations to user IDs. You need to do this if the College is using fund/organization security.

If one user ID has had organizations assigned to it, and you want to copy the set of organizations to another user ID, you can do so by copying.
Follow these steps to copy organization assignments from one user ID to another:

2. Enter the ID of the user to whom you want to assign organizations in the User ID field or select it from the list of values (LOV).
3. Enter the ID of the user whose organization assignment you want to copy in the Copy from User ID field.

<table>
<thead>
<tr>
<th>IF</th>
<th>THEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>you want to limit the organizations to be copied to those that are in a specific chart of accounts</td>
<td>enter the COA code to be included in the Include COA Code field.</td>
</tr>
<tr>
<td>you want to limit the organization to be copied to a specific one</td>
<td>enter the fund code in the Include Organization field or use the Search button to find it.</td>
</tr>
<tr>
<td>you want to exclude a specific chart of accounts from being copied</td>
<td>enter the COA code to be excluded in the Exclude COA Code field.</td>
</tr>
<tr>
<td>you want to exclude a specific organization from being copied</td>
<td>enter the fund code in the Exclude Organization field or use the Search button to find it.</td>
</tr>
</tbody>
</table>

4. Perform a Next Block function.

   **Note:** If no organizations have been assigned to this user, the system displays the message, “Query caused no records to be retrieved.” This is all right, so click the OK button.

<table>
<thead>
<tr>
<th>IF</th>
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</thead>
<tbody>
<tr>
<td>you want to delete an organization from the list</td>
<td>place the cursor in the COA field for the record you want to delete, then delete the record.</td>
</tr>
<tr>
<td>you want to add an organization to the list</td>
<td>insert a new record and enter values in the fields as explained in Procedure 1.</td>
</tr>
</tbody>
</table>

Once you have set up your security parameters for your Banner system, no other day-to-day procedures are required.
3.3.7 Approval Process Introduction
Finance documents are created online in document entry forms. These documents include Journal Vouchers, Automatic Journal Vouchers, Encumbrances, Purchase Orders, Requisitions, Change Orders, Invoice/Credit Memos, Fixed Asset adjustments, and Cash Receipts. You may choose for any or all of these types of documents to require approval before they are posted. The approvals process inserts an additional step between the completion of a document and the posting of that document. In setting up your approvals process, you may specify one or more persons who must review and approve this document before it can be posted.

Several forms and one Banner job are used to have the approval process work. They are:
- Approval Queue Maintenance Form (FTMAPPQ)
- Approval Queue Validation Form (FTVAAPQ)
- Approval Queue Routing Codes Form (FOMAQRC)
- Approval Process (FORAPPL)
- Approvals Notification Form (FOIAINP)
- Document by User (FOADOCU)
- User Approval Form (FOAUAPP)
- Document Approval Form (FOAAINP)
- Document Approval History Form (FOIAPPH)
- Approval History Form (FOIAPHT)

*Note:* You can only approve or disapprove (i.e. deny) documents on the User Approval Form (FOAUAPP) and the Document Approval Form (FOAAINP). The Originating User can disapprove their document using the Document by User Form (FOADOCU).

Flow diagram
This diagram highlights the processes used to perform finance approvals within the overall Finance process.

![Flow diagram](image)
About the process

- The process is set to work globally for all Charts of Accounts when it is turned on.
- The process allows for specific documents to be approved; not all types of documents require approval.
- The approval process occurs after the completion of the document but before it is posted.
- Documents are routed to an approval queue based on matching the FOAPAL on the document to the queue routing criteria.
- The system does not allow for duplicate routing criteria.

How the routing criteria works

On the Approval Queue Routing Codes form (FOMAQRC), queues are routed based on three required fields - Document type (like Requisitions), rule group (REQG), and Chart of Accounts; and six optional fields – Fund, Fund Type, Organization, Account, Account Type and Program. The six optional fields may use their respective hierarchy (predecessor funds, fund types, organizations, accounts, account types and programs) to help route documents without building a queue for each individual fund, organization, account or program. In addition, the optional fields are arranged in priority so that funds are considered first before fund type, fund type before organization, organization before account, etc.

Furthermore, the document’s FOAPALs are matched to these required and optional fields on FOMAQRC and the document will always be routed to the approver on the queue with the most matches. If there is a case where the document has the same number of matches between the two different queues, then document will be routed to the queue that had a higher priority match.

3.3.7.1 Types of Approvals

Bypass Approvals
The approval process will be bypassed for this document type. This means the approval process is “turned off” for this document type.

Explicit Approvals
This means the approval process is “turned on” for this document type. If the originator of the document is also an approver, he/she will have to approve the document in a separate step.

Implicit Approvals
This means the approval process is “turned on” for this document type. If the originator of the document is also an approver, his/her approval will be assumed (implied) when the document is completed. No additional approval by this user will be required.
3.3.7.2 Initiating the Approvals Process

Introduction
The Finance System Control Form (FOASYSC) is used to “turn on” the approvals feature.

Warning: FOASYSC is a system-wide form. Consequently, only one person can make changes to this form at one time. Once any changes are made on this form, users will need to log out and log back on to Banner for the changes to take effect.

Steps
First you must identify the Finance documents that need to go through an approval process, and whether they need explicit or implicit approval. Currently Calhoun uses explicit approvals for requisitions and journal vouchers and bypass approvals for all others, including purchase orders, change orders, encumbrances, invoices, fixed assets, and cash receipts.

Warning: FOASYSC is a maintenance form. You can only make changes to it effective as of the current date. Before making any changes, you must insert a new record (F6) and duplicate the existing record (F4). Then you must change the Effective Date field to the current date.

Click Approval Processing Info from the Options menu to initiate approvals processing.

Result: This will display the Approval Override Information window.
Note: In the Approval Override Information window Banner displays a list of documents for which you can establish an approval process.

Log off the Banner system and then log on again.

Note: One must be signed off for the changes to become effective.

3.3.7.3 Establishing Document Approval Queues
Document approval queues must be established by using the Approval Queue Maintenance Form (FTMAAPQ). In this form you specify whose approval is required for this queue, and what amounts they are authorized to approve. You can specify what types of documents and which components of the FOAPAL are to be routed to a particular queue using the Approval Queue Routing Codes Form (FOMAQRC).

Critical fields – Key block
The critical Key block fields are:
- The **Queue ID** can be up to four characters long. It can be alphabetic or numeric or a combination.
- The **Queue Description** is the name of this queue.
- The **Queue Limit** is the maximum amount that the highest-level approver on this queue is authorized to approve.
- The **Next Queue** specifies a subsequent queue (if applicable) to which you wish to route a document after this queue.

Note: A document will proceed to the **Next Queue** listed only when the document exceeds the Queue Limit of the initial queue and the initial queue has completed the approval process. Queue limits of zero are permitted; a Queue with a Queue Limit of zero can never finalize a document to forward it to posting and therefore would need to go to Next Queue.

The queue itself contains the User IDs of the personnel whose approval is required for this document, and the level of that approval. The approvers need to be set up in User Profile
Maintenance form (FOMPROF). The Level setting assigned in FTMAPPQ ranks the users in that queue. A higher-level setting can “pre-empt” a lower level. If a document is approved by the level 5 user, it does not need the approval of the level 1 user (and it will only need the approval of the level 10 user if it exceeds the level 5 user’s dollar limit). Users in separate queues cannot preempt one another in this way.

*Note:* It is recommended that, for every level of approval responsibility, you assign at least two persons. This is to avoid situations in which documents are held up because an approver is unavailable.

**Other Fields**
The table shows fields you should know when completing the procedure that follows.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Date</td>
<td>The date the approval level takes effect.</td>
</tr>
<tr>
<td>Termination Date</td>
<td>Used to terminate a particular approver’s approval responsibility. In most cases terminating one approver will mean inserting a new one to take over the approval responsibility.</td>
</tr>
</tbody>
</table>

Enter the dollar limit for this user’s approval in the **Limit** field.

*Note:* The Limit listed here can be less than the **Queue Limit** specified in the Key Block, but never more. This Limit applies to the listed user ID. You can list several users with graduated Limits up to the amount specified in the overall Queue Limit.

**NSF Queue**
Set up an NSF queue with a backup approver. The NSF queue will never need routing criteria since the system is built to route unsatisfied NSF conditions to this queue after the document has been approved through other approval queues. Documents will only route to the NSF queue if the approver does NOT override an NSF condition. The NSF queue is a system required queue. The USER ID assigned must have NSF override check in their FOMPROF.

**3.3.7.4 Creating Queue Routing Criteria**
Use the Approval Queue Routing Codes Form (FOMAQRC) to route documents to a particular queue. You can route documents by Document type, rule group, and FOAPAL.

*Note:* Not every queue must have routing criteria. Documents will be routed to a queue that is listed as a **Next Queue**, even if that next queue has no routing criteria of its own.

No two queues may have identical routing criteria. Since all documents of a given type will be routed for approval, it is important to build a “catch all queue” for each document type. Each queue would have the document type, rule group and chart of accounts as its criteria.
The Document Type, Rule Group, and Chart of Account fields are mandatory. Also, you cannot enter both Fund type and Fund, or both Account type and Account.

3.3.7.5 Day-to-Day Operations
The purpose of this section is to explain the day-to-day or operational procedures to handle finance approvals procedures at your institution.

The day-to-day process involves creating a document that goes through the approval process.

Flow diagram
This diagram highlights the processes used to process finance approvals.

What Happens
The stages of the process are described in this table.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Who/what does it</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>End user</td>
<td>completes a document (voucher, requisition, etc.).</td>
</tr>
<tr>
<td>2</td>
<td>Banner</td>
<td>routes the document to the approvals process.</td>
</tr>
</tbody>
</table>
Approver approves or disapproves the document.

Note: Based on the document and approval queues, the document is routed appropriately. The disapproved document is ‘opened up’ again and sent back to the original person who created it to either adjust or delete it. If adjusted, the document will go through the approval process once again.

Banner sends the approved document to the posting process.

Documents for which approvals are required do not post until all required approvals have been obtained.

3.3.7.6 Running the Approvals Process

The Approvals Process (FORAPPL) is the process that reviews completed documents and ‘maps’ their approval requirements, i.e., assigns them to the queues you created. This process collects all documents in the FOBAPPD table and searches for queues appropriate to them. The output for this process lists all documents it has encountered, including errors encountered, e.g., documents for which no appropriate approval queue could be found.

Normally, the FORAPPL process will be set up to run in “sleep/wake” mode in your production environment. That is, it will run in background, checking at regular intervals (between 30 and 120 seconds recommended) for any recently completed documents, and assigning their approvals without any manual intervention. However, you need to be aware of this process and how it runs.

Note: It is important to regularly review the output of the FORAPPL process, even when it is set up to run in “sleep/wake” mode. This output will alert you to documents that are not finding appropriate approval queues (e.g., document exceeds queue limit, FOAPAL not on any queue).
3.3.7.7 Determining if Documents are Awaiting Your Approval

To ensure that documents are not held up in the Approvals Process, it is important that all approvers understand the necessity of reviewing documents awaiting approval in a regular and timely manner. There are two major forms provided for the review of documents awaiting approval. One of these, the Approvals Notification Form (FOIAINP) is a prompting form. When you first log onto Banner it will display automatically when you access any other Banner Finance form if you are an approver and if there are unapproved documents awaiting your approval. FOIAINP will list the types and number of documents awaiting your approval. You may use the User Approval Form (FOAUAPP) to access the documents awaiting your approval.

The User Approval Form (FOAUAPP) is the form used for the actual approval of documents, but it is also the most versatile and useful form for querying the status of unapproved documents.
3.3.7.8 Disapproving Your Own Document Still in an Approval Queue

The Document by User (FOADOCU) form can be used to disapprove your own documents when they are in an approval queue.
3.3.7.9 Approving a Document

The User Approval Form (FOAUAPP) enables you to approve or disapprove a document, view a document's detail, and view all the queues/levels responsible for approving the document.

The **Originator** displayed in FOAUAPP will be the user who last completed the document.

If you can approve the document’s total dollar amount, after you approve it, Banner removes it from the approval queue and moves it to its next processing stage. If you cannot approve the document’s total amount, Banner moves the document to the next user in the queue who can review and approve it.

The document has been approved and the FORAPPL process needs to be run before the document will go to the next approver or go to posting process if the dollar amount of the document was under this approvers limit.

For disapprovals, a pop up window will appear with the message stating that the document is disapproved. Type an explanatory message in addition to the original message as to why the document was disapproved. This message will be forwarded to the originator of the document using the Banner mail function, and to any previous approvers of the document.

**Result:** The document has been disapproved and the FORAPPL process needs to be run before the document is available for correction by the originator.
3.3.7.10 Working with NSF Checking and Approvals

The NSF checking feature of Banner performs differently when you implement the Approvals process. Remember that there are three key places where you control how you want Banner to perform its NSF review of your documents.

- In the System Control Form (FOASYSC) you can specify, by document type, that you want the system to review budget balances for each document processed.
- In the Chart of Accounts Maintenance Form (FTMCOAS), you designate whether NSF conditions are to be treated with a simple warning alone (W), or will generate an error that requires manual override (E).
- In the User Profile Form (FOMPROF) you give each user authority (or not) to override NSF conditions.

If your NSF setting is for warning alone, then a document that exceeds budget will generate a warning message, but, whether you are running the approvals process or not, there are no further processing consequences (for example, the document can be completed and posted and will take its budget line into the red).

On the other hand, if your NSF setting is for an error there is a difference between what will happen with Approvals off versus with Approvals on. In the first case, the user will not be able to complete the document unless they have NSF override authority in FOMPROF. In the latter case, any user can complete an NSF document, since it will be forwarded to the Approvals process. The NSF condition must be overridden, however, by any one of its approvers (someone who has NSF override authority in FOMPROF). If it is not, the document will be forwarded after all other approvals have been obtained, to the “NSF” queue.

*Note:* You must assign personnel to the “NSF” queue. Use the FTMAPPQ form and the Queue ID “NSF.” No routing is necessary for this queue. Documents will only end up in this queue if no one overrides the NSF condition during the normal approvals process.

NSF checking is particularly important in Banner, because, in addition to checking for exceeded budgets, the NSF checking warns of invalid FOAPAL combinations.

**Viewing and Overriding NSF Documents**

You can use the User Approval Form (FOAUAPP) to review these documents and override their NSF conditions. In FOUAPP, NSF documents are approved in two steps.

- First you must override the NSF condition, using the *Detail* button.
- Secondly, you must approve the document, using the *Approval* button.

If the NSF condition is not overridden, the document will be forwarded to the “NSF” queue. When a document has been forwarded to the “NSF” queue it must be approved by someone listed as an approver for that queue, in FTMAPPQ. The document will be approved in the manner described above, with an override of the NSF condition and then with approval.
Note: The **Next Approver** switch at the top of the FOAUAPP form permits an approver to limit the displayed documents to those for which he/she is the next needed approver. This permits a “high-level” approver to ignore documents until they’ve received all necessary lower-level approvals.

User Approval Form (FOAUAPP)

3.3.7.11 Displaying the Approval History for a Specific Document

There are two forms that can be used to display the approval history for a specified document, Document Approval History Form (FOIAPPH) and Approval History Form (FOIAPHT). The Document Approval History Form (FOIAPPH) displays the approval history for a specified document. This form best illustrates implicit approval tracking for a document. The Approval History Form (FOIAPHT) provides an online display of documents sorted by Document Code. A document that has been denied appears with a queue ID of DENY.
3.3.8 General Accounting Transaction Processing
The purpose of the general accounting transaction processing is to provide you with the ability to input the necessary transactions according to the user’s needs within the financial environment. These are transactions other than those related to purchase requisitions, purchase orders, invoices, or check processing.

The general accounting transaction forms are as follow:

- **Encumbrance**
  - Encumbrance/Reservation Maintenance Form (FGAENCB). Used to establish non-purchase order fund reserve, that is, to encumber or reserve funds for future commitments.
- **Journal voucher**
  - Journal Voucher Entry Form (FGAJVCD). Used to enter journal voucher transactions.
  - Journal Voucher Quick Form (FGAJVCQ). Used to enter journal voucher transactions.
- **Automatic journal voucher**
  - Automatic Journal Voucher Form (FGAAUTO). Create recurring journal voucher transactions.

3.3.8.1 General Encumbrance Processing
The Encumbrance/Reservation Maintenance Form (FGAENCB) allows you to establish and adjust budget reservation type encumbrances in Banner. Encumbrances are automatically generated within the Purchasing and Procurement module. Sometimes, however, it is necessary to create an encumbrance that is unrelated to a purchase order.
Making Changes to an Encumbrance
Changes to the general encumbrance form include changing the FOAPAL and increasing and decreasing the encumbrance.

Closing/Liquidating Encumbrances
There are two main ways of liquidating and closing encumbrances;
- Use the invoice form to enter an invoice against an encumbrance. This method is covered in detail in the invoice processing module of Accounts Payable.
- Use a journal voucher and apply the E032 rule code to liquidate the encumbrance.

3.3.8.2 Journal Voucher Processing
Banner provides three Journal Voucher Forms, the Journal Voucher Entry Form (FGAJVCD), the Journal Voucher Quick Form (FGAJVCQ) and the Journal Voucher Mass Entry Form (FGAJVCM). Use the Journal Voucher forms to enter various transactions such as cash, receipts, budget entries, accruals, correcting/adjusting entries. The rule codes used on these forms specify the transaction type and the proper accounting activity associated with the entry. The form you choose depends on your preference; however there are differences.

<table>
<thead>
<tr>
<th>Form</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Journal Voucher Entry Form (FGAJVCD)</td>
<td>Structured horizontally, with unlimited entries per document. This form can be used to process all transaction types.</td>
</tr>
<tr>
<td>Journal Voucher Quick Form (FGAJVCQ)</td>
<td>Structured vertically, with unlimited entries per document. You <strong>cannot</strong> use this form to enter encumbrance activities, bank deposits, reference other documents, or accrual entries, because these fields do not exist on the form.</td>
</tr>
<tr>
<td>Journal Voucher Mass Entry Form (FGAJVCM)</td>
<td>Structured vertically, listing twelve entries per page, unlimited entries per document. You <strong>cannot</strong> use this form to enter encumbrance activities, reference other documents, or accrual entries because these fields do not exist on the form.</td>
</tr>
</tbody>
</table>
Journal Voucher Processing – Quick Form
All processing is the same for the Journal Voucher Entry Form (FGAJVCD). The Quick form does not allow for certain types of processing such as Encumbrance liquidations or Accrual postings.

Journal Voucher Processing – Mass Entry Form
All processing is the same for the Journal Voucher Entry Form (FGAJVCD). The Mass form does not allow for certain types of processing such as Encumbrance liquidations or Accrual postings.
Journal Voucher Processing – Copying Existing Journal Voucher

Once in a while you may have entries that are duplicated on a regular basis and are not necessarily recurring entries. The copy feature of the journal voucher entry forms enables you to copy a journal from an existing completed journal.

1. Access the Journal Voucher Entry form – FGAJVCQ, FGAJVCD, FGAJVCM

2. Put in a document number or type NEXT in the Document Number field for the system to generate a document number.

3. Click on the Copy icon and a copy screen will pop-up.
4. Enter the journal number you want to copy your voucher from in the **Copy From** field and click **OK**. You may also click on the list of values and select from a **PREVIOUSLY COMPLETED** or a **PREVIOUSLY POSTED** list of journal vouchers.

**Journal Voucher Processing – Journal Voucher Reversal**

Clerical errors or erroneous accounting can sometimes result in unwanted or incorrect journal vouchers. Banner Finance system allows you to reverse such vouchers using the journal voucher reversal option.

Follow these steps to complete the procedure.

1. Access the Journal Voucher Entry Form –FGAJVCQ, FGAJVCD or FGAJVCQM.
2. Put in your journal document number or type in *Next* in the **Document Number** field.
3. Click on the **Copy/reverse** icon and pop up will appear.
4. Type in the document number that you want to reverse in the Copy To or Copy From fields.
5. Click on the Reverse JV check box and click OK.
6. Click the Next Block icon.
7. Click the Next Block icon again or use the Options menu to ACCESS COMPLETION block.
8. Complete your journal.
9. Run posting and visit the FGIDOCR to review your journal.

**Automatic Journal Voucher Processing**
The Automatic Journal Voucher process is designed to establish the submission of routine and recurring journal vouchers to the posting and approval process. Automatic journal vouchers may be processed for the purpose of charge backs, postage or duplication, or for journal entries that are made at the end of the month and include numerous line items. The journal entries made at the end of the month may be reversed at the beginning of the next month. Documents attached to the Auto Journal Vouchers differ from the normal JV’s in that changes may be made to documents that are already completed and approved.

![Automatic Journal Voucher Form](image)

**3.3.8.3 General Accounting and Budget Query Forms**
The purpose of the General Accounting and Budget query forms is to review how end users can query transactions in Banner. You can use budget query, transaction inquiry, encumbrance inquiry, or document inquiry forms.
Budget query forms
- Budget Availability Status Form (FGIBAVL)
- Organizational Budget Status Form (FGIBDST)
- Organizational Budget Summary Form (FGIBSUM)
- Executive Summary Form (FGIBDSR)

General Ledger inquiry forms
- General Ledger Trail Balance Form (FGITBAL)
- Trial Balance Summary Form (FGITBSR)

Transaction inquiry forms
- Operating Accounts Transaction Detail Form (FGITRND)
- General Ledger Transaction Detail Transaction Form (FGIGLAC)
- Journal Voucher Summary Form (FGIJSUM)
- List of Suspended Journal Vouchers Form (FGIJVCD)
- List of Automatic Journal Vouchers Form (FGIAUTO)

Encumbrance inquiry forms
- Detail Encumbrance Activity Form (FGIENCD)
- Organizational Encumbrance List Form (FGIOENC)
- Encumbrance List Form (FGIENC)

Document inquiry form
- Document Retrieval Inquiry Form (FGIDOCR)

Querying the Budget Availability Status Form, FGIBAVL
You can query the status of accounts for transaction processing using the Budget Availability Status Form (FGIBAVL). The form provides current information on adjusted budget, year-to-date activity, budget reservations, and available balance for selected index, fund, organization, account, and program combinations.

- Chart, FY and FOAP are required
- FOAP values must be data enterable
- Account is the starting point for display, not only for that account
- Displays Unapproved and Unposted transactions

The Available Balance Drill enhancement adds capability to drill down from Budget Availability Status Form (FGIBAVL) to a new form listing the unposted documents from the Available Balance tables. The new form Transaction in Process Status (FGITINP) can also be accessed directly or from the menu.

When non-sufficient funds (NSF) checking is active, the Available Balance of remaining budget should equal the total of unposted or pending documents plus the operating ledger's posted activity. Certain forms and processes update activity for unposted documents in Available Balance Table
(FGBBAVL) and Back Out Table (FGRBAKO). Transaction in Process Status Form (FGITINP) provides the capability to view the pending documents from the back out table before they are posted and visible with operating ledger queries.

Checkbox indicators have been added to the key block and to each row in the data block to identify when pending documents are present in Back Out Table (FGRBAKO).

Once you successfully enter a query and the form's Control Keys are populated, the checkbox indicators will also be populated if applicable. The key block indicator for Pending Documents is checked if there are unposted documents in the back out table for any one of the Account codes listed, and an Account line indicator is checked if there are pending documents to view for that specific budget control account.

If you select an account row with the Pending Documents indicator checked and then choose Pending Documents from the Options menu or use the Duplicate Item function (F3) you will be able to view unposted documents affecting available balance for the budget control key and the selected control account.
Transaction in Progress Status form (FGITINP)

Transaction in Process Status Form (FGITINP) provides the capability to view the pending documents from Back Out Table (FGRBAKO) before they are posted and visible with operating ledger queries. The new form may be accessed from Budget Availability Status Form (FGIBAVL) whenever pending documents are indicated or it can also be accessed directly.

The form is used to query pending documents and can be used to view the current status of each pending document as well as other details for the transaction in process. Statuses returned with query results are selected from one of the status codes below. The first applicable status is displayed.

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Travel (TEM)</td>
<td>Document type used by Banner Travel &amp; Expense Management</td>
</tr>
<tr>
<td>To Be Posted</td>
<td>Completed document waiting in the posting queue or the deferred edit queue</td>
</tr>
<tr>
<td>In Approvals</td>
<td>Completed document but final approval is not yet recorded</td>
</tr>
<tr>
<td>Error</td>
<td>Orphan record in FGRBAKO (accounting sequence is already posted, or the document no longer exists)</td>
</tr>
<tr>
<td>Receipt Pending</td>
<td>Completed invoice waiting for matching</td>
</tr>
<tr>
<td>Disapproved</td>
<td>Incomplete document with disapproval history (excluding general encumbrance change documents)</td>
</tr>
<tr>
<td>Incomplete</td>
<td>Incomplete documentation in process</td>
</tr>
<tr>
<td>Undefined</td>
<td>Document with an undetermined status</td>
</tr>
</tbody>
</table>
Querying the Organizational Budget Status Form, FGIBDST

You can use the Organizational Budget Status Form (FGIBDST) to query the organizational status of accounts on adjusted budget, year-to-date activity, budget commitments, and available balance for selected index, fund, organization, account, program, activity, and location combinations.

- Chart and FY are required
- Any FOAPAL selection must be data enterable
- Account Type is level 2 only
- Displays Approved and Posted transactions
Querying the Organizational Budget Summary Form, FGIBSUM
You can use the Organizational Budget Summary Form (FGIBSUM) to query the organizational account status at an account type summary level. The financial information is displayed at the internal account type within the fund and organization combination for adjusted budget (i.e., adopted budget plus or minus budget adjustments), year-to-date activity, budget reservations and available balance.

- Chart and FY are required
- Fund must be data enterable
- Organization must be data enterable
- Displays only Approved and Posted transactions

The Executive Summary Form (FGIBDSR) lets you query for the highest level of the account structure hierarchy for adjusted budget, year-to-date activity, budget commitments and available balance for selected index, fund, organization, account, program, activity and location combinations.

- Chart and FY are required
- FOAPL selections can be either data or non-data enterable
- Account Type can be a level 1 or 2
- Displays only Approved and Posted transactions
Querying the General Ledger Trial Balance Form, FGITBAL

The General Ledger Trial Balance Form (FGITBAL) lets you query the General Ledger account balances for selected funds, account types, and account code combinations.

- Chart, FY and Fund are required
- Funds must be data enterable
- Account types can be both level 1 and 2
- Account code must be data enterable
- Account code queries only that code
Querying the Trial Balance Summary Form, FGITBSR
The Trial Balance Summary Form (FGITBSR) lets you query the General Ledger account balances for selected funds, account types, and account code combinations. This enables viewing of values at higher levels within the Fund hierarchy.
- Chart, FY and Fund are required
- Fund can be either data or non-data enterable
- Fund type can be level 1 or 2
- Account type can be level 2 or 2

Querying the Detail Transaction Activity Form, FGITRND
You can use the Detail Transaction Activity Form (FGITRND) to query the detailed transaction activity for selected operating ledger account combinations. This is for Operating Accounts only.
Querying the General Ledger Activity Form, FGIGLAC
You can use the General Ledger Activity Form (FGIGLAC) to query the detail transaction activity for selected general ledger account combinations. This is for Balance Sheet Accounts only.

- Chart, FY and Fund are required
- Fund must be data enterable
- Account (optional) must be data enterable

Querying the Journal Voucher Summary Form, FGIJSUM
You can query the journal vouchers that have not been posted using the Journal Voucher Summary Form (FGIJSUM).

*Note*: You cannot insert, update, or delete information on this query form.

*Note*: This form will only include Journal Vouchers that are not completed.
Querying the List of Suspended Journal Vouchers Form, FGIJVCD

The List of Suspended Journal Vouchers Form (FGIJVCD) lists all incomplete Journal Vouchers.

Querying the List of Automatic Journal Vouchers Form, FGIAUTO

Use the List of Automatic Journal Vouchers Form (FGIAUTO) to view a list of existing recurring journal vouchers.
Querying the Detail Encumbrance Activity Form, FGIENCD
You can use the Detail Encumbrance Activity Form (FGIENCD) to query the detail transaction activity for an encumbrance.

**Note:** This form will only display posted transactions.

Querying the Organizational Encumbrance List Form, FGIOENC
The Organizational Encumbrance List Form (FGIOENC) allows you to query on all open encumbrances by organization for selected index, fund or organization combinations.

**Note:** This form will only display posted transactions.
Querying the Encumbrance List Form, FGIENC

The Encumbrance List Form (FGIENC) allows you to query on all encumbrances listing encumbrance type, description, current balance and status.

<table>
<thead>
<tr>
<th>Encumbrance Number</th>
<th>Type</th>
<th>Description</th>
<th>Current Balance</th>
<th>Status</th>
<th>Establish Date</th>
<th>Last Activity Date</th>
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</tbody>
</table>

* denotes documents containing unposted changes

Querying the Document Retrieval Inquiry Form, FGIDOC

Use the Document Retrieval Inquiry Form (FGIDOC) to query any posted journal voucher.

Document Retrieval Inquiry FGIDOC 8.0 (BANB)
3.3.8.4 Hierarchy Reports

Running the Account Hierarchy Report
Run the Account Hierarchy Report (FGRACHTH) to generate a report showing the hierarchy of the accounts that have been entered.

Once the process has run, check the Auto Hint line. It should indicate that two files were created: a Log file and a List file.

Select the Review Output option from the Navigation Frame to Access the Saved Output Review Form (GJIREVO) to view the report.

Double-click in the File Name field to view the available output files.
Running the Fund Hierarchy Report
Run the Fund Hierarchy Report (FGRFNDH) to generate a summary of the hierarchy of funds.

Once the process has run, check the Auto Hint line. It should indicate that two files were created: a Log file and a List file.

Select the **Review Output** option from the Navigation Frame to Access the Saved Output Review Form (GJIREVO) to view the report.

Double-click in the **File Name** field to view the available output files.
Running the Program Hierarchy Report

The Program Hierarchy Report (FGRPRGH) lets you run a report listing the program codes in the Chart of Accounts.

Once the process has run, check the Auto Hint line. It should indicate that two files were created: a Log file and a List file.

Select the Review Output option from the Navigation Frame to Access the Saved Output Review Form (GJIREVO) to view the report.

Double-click in the File Name field to view the available output files.
Running the Organization Hierarchy Report
Run the Organization Hierarchy Report (FGRORGH) to view a list of all organizations in your Chart of Accounts.

Once the process has run, check the Auto Hint line. It should indicate that two files were created: a Log file and a List file.

Select the Review Output option from the Navigation Frame to Access the Saved Output Review Form (GJIREVO) to view the report.

Double-click in the File Name field to view the available output files.
3.3.8.5  List of General Ledger, Fund, and Grant Reports and Processes
The following reports and processes support General Ledger processing.

FORAPPL
Approval Process - Interrogates the records in the Approvals in Process Table (FOBAINP), as well as the queue and routing information, and sends the entry for the document to the next approver.

FGRTRNI
Interface Process - This process creates records in the Transaction Input Table (FGBTRNI). This process internally documents transactions that have failed budget edits and NSF checking.

FGRTRNR
Transaction Error Report - Displays the error messages for those transactions that do not successfully pass edits or the available balance processing in the Transaction Interface Process (FGRTRNI).

FGRACTG
Posting Process - This process generates the postings to the financial ledgers for those transactions that the system edited, completed, and approved. You may execute this process using a sleep/wake routine. This is the only program that updates finance ledgers. There is no output for this process.

FGRCTRL
GL/Subsidiary Ledger Control Report - Displays the general ledger amount and operating account ledger.

FGRTBEX
Trial Balance Exception Report - Designed to analyze all funds for potential out of balance conditions. When run in summary mode, it displays any out of balance funds for each Chart of Accounts. In detail mode, the report provides a list of all documents that are associated with that out of balance fund.

FGRCASH
Bank Interfund Account Control Report - Balances cash interfund account for each bank fund to the interfund accounts of the funds that have a claim on the bank fund.

FGRIDOC

FGROPNE
Open Encumbrances Report - Displays header information and remaining encumbered or reserved balance amounts for selected purchase orders, requisitions, and general encumbrances.
Available Balance Rebuild Process - Run this process upon request and rebuild the Budget Availability Table when necessary. The system bases the budget rebuild process on the entire FOAPAL distribution for that budget.

Budget Status (Current Period) Report - This report is sorted by fund for each organization. The report displays adjusted budget, current and year-to-date activity, budget reservations, and the available balance for each account.

Fund/Account Activity Report - Prints a balance for all funds and/or accounts, a range of funds and/or accounts, or specific funds and/or accounts within a chart of accounts and fiscal year.


Inception to Date Activity Report - Hard copy output including inception to date activity for account codes within funds.

General Ledger Detail Transaction Report - The General Ledger Transaction Activity Report displays by Chart of Accounts and by fund beginning/ending balances for general ledger accounts and all debit and credit activity against those accounts.

General Ledger accounts have debits, credits, and balances. Beginning and ending balances are obtained directly from the General Ledger Table (FGBGENL). Debit and credit activity is obtained from the Transaction Detail (FGRTRND) and Transaction History (FGRTRNH) tables.

Journal Voucher Listing Report - This report prints header and detail information for selected pending journal vouchers. This report can be used to print comprehensive information for one or more pending journal vouchers based on the journal voucher number, transaction date, status, journal type, or user ID.

Organization Detail Activity Report - This report is sorted by account and fund within each organization. This report displays expenses, budget and encumbrance activity (operating ledgers record budget and encumbrance activity) within a specified period. When a From Date and a To Date are specified that are on period boundaries, beginning and ending balances display on this report. Otherwise, if these dates are not on period boundaries, activity displays within the date ranges without beginning and ending balances.
FGRPDTA
Program Detail Activity Report - This report displays expense, budget, and encumbrance activity for the period sorted by program and fund within an organization. The operating ledgers record budget and encumbrance activity. When a From Date and a To Date are specified that are on period boundaries, beginning and ending balances display on this report. If these dates are not on period boundaries, activity displays within the date ranges without beginning and ending balances. Balances that are opposite an account's normal balance, (that is, credit, debit, or zero) are flagged with an indicator to the right of the balance.

FGRTBAL
Trial Balance Report - Prints a trial balance for all funds, a range of funds, or specific funds within a chart of account and fiscal year.

FGRTOFR
Due To/Due From Control Report - Displays the fund code, description, due to balance, due from balance and the difference for a specific chart of account and fiscal year.

FGRTRNH
Daily Transaction Control Report - Displays the daily transaction information by activity date, document type, and number.

Banner Finance contains nine Comprehensive Annual Financial Reports.

* Combined Balance Sheet - All Fund Types and Account Groups Report (FGRCOBS)
* Combined Statement of Revenues, Expenditures, and Changes in Fund Balances Report - All Governmental Fund Types and Expendable Trust Funds (FGRCREF)
* Combined Statement of Revenue, Expenditures, and Changes in Fund Balances Report - Budget and Actual - General, Special Revenue, and Debt Service Funds (FGRCSSBA)
* Combined Statement of Revenue, Expenditures, and Changes in Retained Earnings/Fund Balances Report - All Proprietary Fund Types and Similar Trust Funds (FGRCSCRE)
* Combining Financial Statements of Individual Funds:
  * Combining Balance Sheets Report (FGRCBSR)
  * Comparative Balance Sheets (FGRCGBS)
  * Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Report (FGRCSSR)
  * Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances Report (FGRCSCF)
  * Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances Report - Budget and Actual (FGRCGBA)
3.4 Year-End Procedures
The following paragraphs detail the College’s year-end procedures to be followed when making year-end closing entries, producing the financial statements and providing the necessary documentation for the financial and federal audits.

3.4.1 Assets
Cash
Reconcile all cash accounts and record adjusting entries. A schedule of all financial institutions used by the College with average daily balances and interest earned on each account will be needed for the notes to the financial statements. Auditors will need a general ledger printout of all cash accounts, a listing of all bank accounts, SAFE letters from all banks, September bank reconciliations, and unclaimed property annual report.

Petty Cash
Reimburse petty cash funds for all outstanding vouchers. Auditors will need a general ledger printout of all petty cash accounts and a listing of all petty cash funds.

Investments
Reconcile investments and record adjusting entries. Auditors will need a general ledger printout of the investments, a listing summarizing investments, a summary of investment income, and any investment statements provided by the bank at September 30th.

Receivables
Receivables occur when goods are provided or services are rendered to other entities on or before September 30th, but payment has not been received. Reconcile the general ledger to subsidiary listings or backup documentation.

- **Student receivables** – These are receivables for student tuition, fees, and books. Auditors will need a general ledger printout of student receivables and a subsidiary listing of each student owing the College.

- **Third party receivables** – These are receivables from third parties for student tuition, fees, and books. Auditors will need a general ledger printout of all third party receivable accounts.

- **Returned checks** – These are checks that have been returned from the bank as nonsufficient. Auditors will need a general ledger printout of the returned check account and a subsidiary listing of all checks.

- **Work orders** – These are services rendered by the students for educational purposes. Accrue any revenue due from work orders that have not been paid. Auditors will need a general ledger printout of the work order receivable account and a subsidiary listing of each work order.
• **Restricted grants** – Record receivables for all restricted grants which have incurred expenditures and have not been reimbursed by the grantor agency. Restricted revenues should equal restricted expenditures. Auditors will need a general ledger printout of all restricted receivable accounts.

**Allowance for Doubtful Accounts**
Run aging of accounts receivables for accounts older than sixty (60) days and analyze to determine which are considered uncollectible and record Allowance for Doubtful Accounts. Auditors will need a general ledger printout of the Allowance for Doubtful Accounts and a subsidiary listing of each receivable written off. Also, if any receivables are written off, written approval from the Chancellor and the Attorney General should also be provided.

**Inventories**
Each department should conduct a physical inventory at September 30th. All departments should forward copies of all physical inventory counts to the Business Office. Since inventory purchases are coded as expenditures to Purchases for Resale, journal entries will need to be prepared to adjust each department’s inventory to the physical inventory count. Auditors will need all physical inventory documentation and general ledger printouts of all inventory accounts.

**Capital Assets**
Reconcile fixed assets making adjustments as necessary. Be sure deletions and donations are adequately documented. Information concerning construction contracts, lease agreements, and construction projects in progress will be needed for the notes to the financial statements. Auditors will need a general ledger printout of all capital assets accounts, including accumulated depreciation, subsidiary listings by category, a listing of additions, and a listing of deletions.

Calculate and record depreciation expense. Auditors will need a general ledger printout of depreciation expense and the depreciation schedules or reports which lists depreciation for each fixed asset category.

**Deposits with Bond Trustee**
Reconcile the bond sinking funds and make adjusting entries. Make sure the amount on deposit with trustee meets the requirements of the bond agreement. Auditors will need a general ledger printout of the account and the September bond statements.

**Bond Discount, Premium, or Issuance Costs**
Amortize the bond discount and/or premium according to the amortization schedule. Auditors will need a general ledger printout of the accounts. Issuance costs should be expensed in the year costs were incurred.
3.4.2 Deferred Outflows
Deferred Outflows represents consumption of resources that is applicable to future reporting periods. Deferred Outflows are reported separately on the Statement of Net Position below Assets. Examples include grants paid in advance of meeting time requirements, hedging derivatives, deferred amounts from debt refundings, and deferred outflows related to pensions.

Deferred Amounts from Debt Refundings
Amortize the loss on bond refunding. Auditors will need a general ledger print out of the account and a copy of the journal entry with supporting documentation.

Deferred Outflows Related to Pensions and OPEB for GASB 68 and 75
This is additional assets added as of the measurement date. Contributions made to the pension plan or for insurance subsequent to the measurement date. Since RSA measures each liability a year behind the College’s fiscal year, the College will need to calculate the amount of the contributions made to the plans subsequent to the measurement date. Prepare a worksheet showing the contributions and refunds subsequent to the measurement date and record the deferred outflows related to pensions and OPEB. Auditors will need a copy of the calculation.

3.4.3 Liabilities
Liabilities occur when goods are received or services are rendered to the College, but the College has not paid for the goods or services. Reconcile the general ledger to subsidiary listings or backup documentation.

Deposits Held for Others
Auditors will need a general ledger printout of all agency accounts.

Agency deposits are initiated and authorized by club sponsors. Cashiers use TFAMISC to receipt the deposit using debit detail code P001 (Cash) or P002 (Check) and credit detail code M999 along with the appropriate account number. Club sponsors prepare memos requesting check disbursements from agency accounts. The Accounts Clerk prepares a check authorization that is sent to the Director of Purchasing and Accounts Payable for approval. The approved request is then sent to the Accounts Payable Specialist. She then processes the request in the same manner as a non-purchase order payment.

Sales Tax Payable
This is the sales tax, net of the applicable discount, for the month of September, but not paid until October. Auditors will need a copy of the sales tax returns as documentation.

Sales Tax Payable is posted net of any discounts based on the monthly sales tax returns reported to the Alabama Department of Revenue, City of Decatur, and Limestone County. The sales tax calculation is based on miscellaneous revenue received and posted by the cashiers utilizing TFAMISC. The Accounts Clerk receives copies of the miscellaneous cash receipts to complete the monthly reports. The Accounts Clerk calculates sales tax monthly
and enters a journal entry via FGAJVCM to post the liability net of any discounts to the general ledger. The Director of Purchasing and Accounts Payable approves the journal entry.

Accounts Payable
Accounts payable represent a liability to the College for goods and services received but not paid by the end of the fiscal year. Year-end procedures include a comprehensive review of the daily Incomplete Documents report and the daily Outstanding Encumbrances report during the month of September each year by the Accounts Payable Clerk. The Clerk manages the completion or deletion of all incomplete requisitions and journal entries as well as the closing of all purchase orders that will not be carried over to the new year. The Clerk reports the remaining encumbrances that will be carried over to the new year to the Director of Purchasing and Accounts Payable.

The Director of Purchasing and Accounts Payable monitors each check register during the month of October following the year-end date to ensure that all payments made for goods and services received prior to September 30th of each year are captured and recorded by journal entry as additional accounts payable at year-end.

The Accounts Payable Clerk and the Director of Purchasing and Accounts Payable review and discuss any unpaid invoices as of October 31st each year to ensure that all accounts payable are properly recorded by journal entry.

The Director of Purchasing and Accounts Payable reviews construction contracts with the appropriate Accountant and the Accounts Clerk to ensure that all amounts payable on construction contracts at year-end are recorded by journal entry, if amounts are due but unpaid on the last day of the fiscal year.

Auditors will need a general ledger printout of the accounts payable accounts and a subsidiary listing of all payments accrued.

Bookstore Payable
The bookstore payable is initiated each term by students making purchases towards their financial aid or third-party scholarship in the college’s leased bookstore and the students authorize the purchase by signing the receipt. The overall term charge dates are created on TZRDCNF and the financial aid term charge dates on TZRFNDT. IT (Hartwell Bentley) exports a file of students with authorized aid to send by FTP to the bookstore. Each morning, IT will import the following day’s charge transactions by FTP back to the college and is imported into Banner in a cashier user session titled ‘BOOKINTG’ using the detail code mapping from TZRBKMP.

Bookstore payables are reconciled to the general ledger each term by the Receivables Clerk using RZRPAID to extract total charges by student into Excel and comparing to the payments made to the bookstore. The balances due are tracked on an Excel spreadsheet
pulling B% charges from TGIACCD and subtracting payments to determine the payable by term.

**Reserve Fee Payable**
Reserve and enhancement fees payable are prepared using Argos report FIAR0035 to determine Fall credit hours has of September 30th and then multiplied by the appropriate percentage for instructional days. It is initiated and recorded by the Director of Accounting annually at September 30th. The payable transaction is recorded by journal entry via FGAJVCM in Banner and presented along with all supporting documentation for review and signature approval. The entry in Banner is also reviewed for entry accuracy and approved via FOAUAPP prior to general ledger posting.

**Unearned Revenue**
Funds that are received prior to the end of the fiscal year that will not be earned until a subsequent fiscal year should be recorded as an unearned revenue. It should be noted that it is an unearned revenue if there are eligibility requirements to earning the revenue other than simply the passage of time. If time is the only eligibility requirement, then it should be recorded as a deferred outflow. Unearned Revenue includes tuition and fee revenue received for the fall semester prior to September 30th, but related to the period after September 30th. Tuition and fee revenue will need to be adjusted based on the number of fall semester days in each fiscal year. Auditors will need access to the general ledger of the account and all documentation of the calculation.

Unearned revenue is prepared using the college calendar to determine the appropriate deferral percentage based on instructional days Argos report FIAR0034 to determine the fall tuition and fees, and the tuition and fees from the general ledger report FGRODTA. It is initiated and recorded by the Director of Accounting annually at September 30th. The payable transaction is recorded by journal entry via FUPLOAD in Banner and presented along with all supporting documentation for review and signature approval. The entry in Banner is also reviewed for entry accuracy and approved via FOAUAPP prior to general ledger posting.

**Bonds, Leases, and Notes Payable**
Reconcile debt to the amortization schedules. The current portion should be the principal payments that will be made in the following year and the long-term portion should be the balance. The principal and interest paid will be needed for the notes to the financial statements. Auditors will need a general ledger printout of the principal and interest accounts and the journal entries with supporting documentation.

Bonds payable is on the ledger by the Director of Purchasing and Accounts Payable once new bonds are created and bonds proceeds are received by the college. Each bond issue will have a unique Banner fund. As annual bond obligations are met, the payment for that particular year reduces the bond liability and is recorded by journal entry via FGAJVCM in Banner and presented along with all supporting documentation for review and signature approval.
approval. The entry in Banner is also reviewed for entry accuracy and approved via FOAUAPP prior to general ledger posting.

Pension and OPEB
Pension and OPEB related assets and liabilities are based on the annual actuarial valuation which may fluctuate significantly for such factors as changes in plan experience or changes in economic or demographic assumptions.

Net Pension and Net OPEB inflows are recorded annually using Journal Entries provided by Retirement Systems of Alabama packet. The last entries are calculated by pulling the amounts paid for retirement and insurance from FGIBDST for the current fiscal year and then exporting the data and sorting by function to determine the percentage expended by function.

Net Pension Liability
The pension liability represents the College’s proportionate share of the collective net pension liability. This collective net pension liability was measured from the prior year September 30th and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation. The College’s proportion of the collective net pension liability is based on the employers’ shares of contributions to the pension plan relative to the total employer contributions of all participating TRS employers.

Net Pension and Net OPEB Liability are recorded annually using Journal Entries provided by Retirement Systems of Alabama packet. The last entries are calculated by pulling the amounts paid for retirement and insurance from FGIBDST for the current fiscal year and then exporting the data and sorting by function to determine the percentage expended by function.

Net OPEB Liability
The OPEB Liability represents the College’s proportionate share of the collective net OPEB liability. The collective net OPEB liability is measured as of the prior year September 30th and the total OPEB liability used to calculate the net OPEB liability is determined by an actuarial valuation. The College’s proportion of the collective net OPEB liability is based on a projection of the College’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined.

Net Pension and Net OPEB Liability are recorded annually using Journal Entries provided by Retirement Systems of Alabama packet. The last entries are calculated by pulling the amounts paid for retirement and insurance from FGIBDST for the current fiscal year and then exporting the data and sorting by function to determine the percentage expended by function.
3.4.4 Deferred Inflows
Deferred Inflows represent the acquisition of resources that is applicable to future reporting periods. Deferred Inflows should be reported in a separate section on the Statement of Net Position below Liabilities. Examples include grants received in advance of meeting time requirements, deferred amounts from debt refundings, proceeds from the sale of future revenues, and deferred inflows related to pensions.

Deferred Inflows Related to Pensions
This is related to additional liabilities as of the measurement date. This amount is calculated by the Retirement Systems of Alabama (RSA). The information provided by RSA should be retained and provided to the auditor.

3.4.5 Net Position
Auditors will need a general ledger printout for all net asset accounts and a list of restatements to fund balance. Also, the auditors will need documentation supporting how the various net position categories were broken out.

3.4.6 Revenues/Receipts
Auditors will need a general ledger printout of all revenues, including Auxiliary, and the work order register which is a listing of all work orders performed in the fiscal year.

State Appropriation
This is the amount of state funds the College is allotted and remitted on a monthly basis. Auditors will need a general ledger printout of the state appropriations account. For special earmarked appropriations, the auditors should be provided the amount of special appropriations received and documentation supporting the appropriation was spent in accordance with the appropriation act.

State Revenue
Auditors will need the state revenues on the LEA listing traced to the detail accounts with receipt numbers.

Facility Renewal Fees
Record the final transfer of facility renewal fees to the plant fund.

Special Building Fee
Record the final transfer of building fees if required by bond issue.

Restricted Grant Revenue
Auditors will need the September 30th Award Balances Report from Department of Education’s G5 website, a listing of all federal awards, copies of all federal grants, copies of all program specific audits, and a listing of all drawdowns of federal funds. The listing of all federal awards should include the federal grantor agency, the pass-through agency, if applicable, the grant period, the approved budget amount, the financial, performance, and special reports required under the grants, the employee who maintains the grant records, how
funds are received (drawdown or reimbursement), a list of all subrecipients, and whether salaries and wages are charged to the grant noting those employees who are paid from multiple grants.

3.4.7 Payroll/Personnel
Auditors will need a general ledger printout of all payroll accounts and a listing of all one-time salary adjustments for the fiscal year.

Payroll Accrual
Record an adjustment to salaries and benefits based on the number of contract days worked in each fiscal year for personnel as necessary. Auditors will need all documentation for this computation.

Salaries payable is prepared using an Argos report run by IT (Paul Hughes) and is initiated and recorded annually at September 30. This captures the faculty pay for August instructional days not paid at September 30 based on whether the instructor is paid based on 9 or 12 months. The payable transaction is recorded by journal entry via FUPLOAD in Banner and presented, along with all supporting documentation, for review and signature approval. The entry in Banner is also reviewed for entry accuracy and approved via FOAUAPP prior to general ledger posting. Additional wages payables represent hourly employees that are paid in October which includes hours worked September 20 through the 30th and those amounts are expensed in September and accrued as wages payable.

Compensated Absences
This computation should be calculated based on the fall salary schedule for employees. This computation should be divided into the current portion (10%) and the long-term portion. Auditors will need all documentation for this computation.

Compensated absences are prepared using an Argos report FIGE0032 and is initiated and recorded at September 30. This captures the year end liability for employee annual leave by multiplying the employee’s daily rate by the number of leave days, with the maximum obligation limited to 60 days. The payable transaction is recorded by journal entry via FGAJVM in Banner and presented, along with all supporting documentation, for review and signature approval. The entry in Banner is also reviewed for entry accuracy and approved via FOAUAPP prior to general ledger posting.

Employee retirements and terminations for the year and amounts expended as compensated absences, the amount expended for unemployment compensation, and the employer costs for teacher retirement and health insurance benefits will be needed for the notes to the financial statements.

3.4.8 Expenditures/Expenses
Auditors will need a general ledger printout of all expense accounts, a list of all Forms 1099-MISC issued, and check ranges for all bank accounts for the fiscal year.
Scholarships
Record an adjustment to scholarship expenses based on the number of fall semester days in each fiscal year. Auditors will need all documentation for this computation.

Adjusting journal entries to defer the appropriate percentage of tuition and fee revenue and scholarship expenses are initiated and recorded by the Director of Accounting annually at September 30th. The deferring transaction is recorded by journal entry via FUPLOAD in Banner and presented along with all supporting documentation for review and signature approval. The entry in Banner is also reviewed for entry accuracy and approved via FOAUAPP prior to general ledger posting.

Restricted Expenditures
Reconcile financial aid expenditures in the general ledger to the COD reports and the G5 reports. Auditors will need all documentation of this reconcilement, the preliminary Schedule Expenditures of Federal Awards, any documentation of the interest earned calculations, if applicable.

3.4.9 Legal Compliance
Auditors will need a Members and Officials letter on College letterhead, all organization charts, all insurance policies, a listing of all bids and the Facilities Master Plan.

3.5 GASB Adjustments
The following adjustments are required by GASB Statement 35. Auditors will need all documentation for these adjustments.

3.5.1 Capital Assets Elimination
All capital assets are recorded as an expense in the general ledger with a 79XX series account code. The GASB adjustment requires an adjustment to expense by debiting the capital asset account number for the appropriate category and crediting Investment in Plant.

3.5.2 Long-Term Debt Principal Elimination
All principal payments for leases, notes, and bonds are recorded as an expense in the general ledger. The GASB adjustment requires an adjustment to expense by debiting the applicable payable and crediting Investment in Plant.

3.5.3 Scholarship Allowances
Financial Aid – Federal Pell Grant, FSEOG, and other restricted scholarship expenditures include each student’s institutional charges for tuition, fees, and/or books, and any applicable credit balance refund. When drawdowns are performed, they are recorded as federal revenue in the Restricted Fund. The revenue for institutional charges is also recorded as tuition and fees in the Unrestricted Fund. Therefore, this revenue is recorded in the general ledger twice. Thus, this GASB adjustment backs out the duplicated revenue and expenditures.

Institutional Scholarships – Scholarship expenditures include each student’s institutional charges for tuition, fees, and books. The entry to record scholarships on the general ledger
records scholarship revenue and scholarship expenses. This same revenue is also recorded as tuition and fees in the Unrestricted Fund. Therefore, this revenue is recorded in the general ledger twice. Thus, this GASB adjustment backs out the duplicated scholarship revenue and expenses. Currently, Calhoun has the alternate Methodist for scholarship allowance.

3.5.4 **Student Loans Elimination**
Student loans and Parent Plus loans expenditures include each student’s institutional charges for tuition, fees, and books, and any applicable credit balance. Student loans and parent plus loans are different from Pell and SEOG in that loans are awarded to students or parents instead of the College; therefore, this GASB adjustment backs out all revenue and expenditures associated with student loans and parent plus loans.

3.5.5 **Indirect Cost Elimination**
Indirect costs earned and received from restricted grants are recorded in the general ledger as federal revenue in the Restricted Fund. Then, a check is issued creating an expenditure in the Restricted Fund and deposited into the Unrestricted Fund as Indirect Cost Revenue. Thus, indirect cost revenue is recorded in the general ledger twice. Therefore, this GASB adjustment backs out the revenue and expense recorded in the Restricted Fund leaving only the indirect cost revenue in the Unrestricted Fund.

3.5.6 **Internal Sales Elimination**
Internal sales are defined as sales between internal departments within the College such as printing. Generally, these revenues are recorded with account code 571800 and expenses with account code 720400 in the general ledger in order to be easily identified at year-end. This GASB adjustment backs out the revenue and expenses associated with internal sales.

3.5.7 **Due To/Due From Elimination**
Due to other funds and due from other funds should net to zero. This GASB adjustment backs out the due to and due from other funds.

3.6 **Budgeting**

3.6.1 **Budget Planning**
Sound educational planning must precede the preparation of the detailed annual budget. The College’s mission statement, current operational needs, and long range goals should be reviewed in the budget planning process. Budget planning should begin early enough to involve the members of each organizational unit. This process can serve two purposes. First, it provides an opportunity for College personnel to examine their areas of responsibility and determine budget needs that will meet current and long-range goals. Second, it provides management with information to establish institutional priorities during budget planning.

An email is sent out with a template for additional funding requests around the first week of March to each Dean and direct report to the President. Each budget manager meets with their
departmental employees to determine program objectives and budgetary needs. These requests should be emailed back to the business office no later than the middle of April. Each departmental budget is allotted a 15-minute time frame to present their additional budget requests to the budget hearing council made up of the Deans and direct reports to the President. Once all presentations have been completed, the council will have a prioritization meeting to rank the requests in order of priority. This prioritization listing of requests is then submitted to the President as a tool to assist in future funding decisions if additional funds become available.

The Asset Management Accountant prepares an operating budget workbook and a payroll budget workbook for each departmental budget. She completes the operating budget workbook using the previous year’s submitted budget totals for level funding. Using a list of full-time employees provided by each departmental secretary and a payroll detail report from Argos, she completes the payroll budget workbooks for each departmental budget. These budget workbooks are emailed to the Deans and direct reports to the President no later than March 15th.

Each budget manager reviews and revises their budget workbooks, and emails them back to the Asset Management Accountant around the first week of May. The Asset Management Accountant compiles all of the departmental budget workbooks into one operating summary budget workbook and one payroll summary budget workbook for the college. She checks each departmental budget for any revisions, and ensures that the requestor and the VP or Dean has signed the workbook. She prints each departmental budget out for the CFO and President to sign.

At the conclusion of each legislative session, when revenues are known, budget disbursements are made and each area is given the amount of their budget for the new fiscal year.

3.6.2 Annual Budget

An annual balanced budget for the College must be prepared in the prescribed format and submitted to the Chancellor of the Alabama Community College System. The budget is submitted electronically on a date set by the Alabama Community College System Office, usually the latter part of June, and submitted to the Alabama Community College System Board of Trustees for approval in August. The budgets are reviewed, analyzed, and processed by the Fiscal and Administrative Services Division for approval by the Board of Trustees. The Business Office is responsible for entering the approved budget amount into the accounting records and maintaining budgetary control. Using the approved budget numbers, the Asset Management Accountant loads the unrestricted budget for expenses using the FUPLOAD process. The Banner screens involved with this process are GJAJFLU with FUPLOAD in the job field, FUPLOAD (process submission controls on GJAPCTL page), FURFEED, FGRTRNI, FGRTRNR. The Asset Management Accountant and the Director of Purchasing and Accounts Payable check the totals in Banner to the approved budget numbers and make sure that it balances.
All policies and state laws governing the Alabama Community College System must be complied with during budget planning. The President should formulate basic policies to (1) provide for current expenditures, (2) provide for an unrestricted current fund contingency, (3) prepare a capital maintenance plan, and (4) fund the capital maintenance plan by transferring appropriate amounts to the plant fund.

The College’s annual budget estimates current revenues and expenditures for a twelve-month period. The Business Office is assigned the responsibility of combining all organization budget requests into an institutional budget. The revenue portion of the budget is based on the State appropriation allocation, estimated tuition collections, state, local, and federal grants and contracts, and other miscellaneous revenues. Estimated tuition collections should be based on the Dean of Instruction’s and the Dean of Students’ estimate of credit hour production. Revenues should be carefully projected by the Business Office, in order to adequately plan the current expenditure level and estimate ending fund balance. Budget expenditures may at no time exceed estimated available funds. The Alabama Community College System Office will not accept budgets with a negative fund balance.

A fund balance is the difference between the assets and liabilities of a fund. Fund balances can be composed of cash, investments, accounts receivable, and inventories. The estimated fund balance available on September 30th (year-end) must be considered in the budget planning process. The available fund balance on September 30th plus the estimated revenue equals total funds available. The deduction of estimated expenditures from total available funds equals the estimated fund balance at fiscal year-end. Sound budget and fiscal management practices should allow for a contingency amount for unforeseen or emergency situations. Alabama Community College System Board of Trustees Policy 308.01 requires that, to the extent funds are available, the College should maintain a minimum of two months’ operating contingency in cash and short-term investments (maturing one year or less).

After preparing a realistic budget of current revenues and expenditures, the College should continue the financial planning with the capital maintenance budget. Deferred maintenance and provisions for the future replacement of plant facilities are usually the primary unrecognized cost items. A plan for equipment, replacement, renovation, and new construction (especially in the absence of State bond issues) should be updated periodically throughout the fiscal year. When it is determined that there may be an excess of unrestricted funds not needed for current operations (the twelve month period), such funds should be transferred to Unexpended or Renewals and Replacement within the College’s Plant Fund.

3.6.3 Budget Amendments
The President is authorized by the Alabama Community College System Board of Trustees to amend the College’s budget within a functional area as instruction, academic support, and student services. When actual conditions require budget revisions, the Business Office must make the changes and communicate the nature of the changes to the organizational units affected within the College.
Funds may be transferred from one function to another only with the approval of the Chancellor of the Alabama Community College System. The budget amendment provides the same detail as the original budget. Budget amendments may be submitted at any time during a fiscal year and should be completed at such time a material item occurs. August 15th is the deadline for budget amendments; therefore, the Alabama Community College System Office will not accept any budget amendments after August 15th of each year, unless proration is declared.

3.7 Financial Statements
In November 1999, the Governmental Accounting Standards Board (GASB) issued Statement 35, Basic Financial Statements and Management’s Discussion and Analysis for Public Colleges and Universities. As component units of the State of Alabama, colleges in the Alabama Community College System implemented GASB Statement 35 in 2001-2002. Under the provisions of GASB Statement 35, the College is required to present the basic financial statements for an enterprise fund that includes the Management’s Discussion and Analysis (MD&A), a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, a Statement of Cash Flows, notes to the financial statements, and other applicable required supplemental information (RSI).

The required basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Accrual accounting measures not just current assets and liabilities but also long-term assets and liabilities. It also reports all revenues and all costs of providing services each year, not just those received or paid in the current year or soon after year-end. In addition to these statements, the College must also submit a detailed statement of expenditures and capitalization of fixed assets.

Notes to the financial statements reflect conditions that affect the College’s financial position. It is important that notes be completed, and additions made when necessary. The Alabama Community College System Office may advise the College of procedures to be used in completing required notes to the financial statements.

The financial statements, prepared by the College in the prescribed format, is electronically submitted to the Alabama Community College System Office in mid November of each year. Accuracy of the financial statements depends upon the accounting procedures, internal controls, and internal audit functions maintained by the Business Office during the fiscal year.

Occasionally, a situation may arise at the College dictating the need for the College to submit an interim financial report to the Chancellor. The College should then provide the Alabama Community College System Office with the financial information requested in the format requested. This process provides the documentation needed by the Chancellor to advise administrators in making decisions regarding College finances.

3.8 External Audits
Alabama State law created the Department of Examiners of Public Accounts in 1947 and required them to examine and audit the books, accounts and records of every state and
Types of External Audits
There are two types of audits performed by external auditors. They are:

1. Financial and compliance audit of state and local funds. The purpose of this audit is to ascertain whether the financial statements present fairly the financial position and results of financial operations of the College, in accordance with generally accepted accounting principles, and whether the College has complied with applicable laws and regulations.

2. Federal Single Audit

   - For the audit of the fiscal year ending September 30, 2015:

     Federal audits performed under OMB Circular A-133, Audits of Institutions of Higher Learning and Other Non-Profit Institutions. The circular requires each audit to encompass all of the financial operations of the College and to report the results of financial and compliance requirements with generally accepted accounting principles and applicable laws and regulations. The objective of the audit is to determine compliance with OMB Circular A-133, Audits of Institutions of Higher Education and Other Non-Profit Institutions.

   - For audits of fiscal years ending September 30, 2016 and beyond:

     Federal audits performed under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the Uniform Guidance, codified at 2 CFR part 200). The Uniform Guidance (UG) will supersede OMB Circular A-133.

In accordance with Alabama Community College System Board of Trustees Policy 318.01, all compliance audits will be conducted by the Alabama Department of Examiners of Public Accounts (EPA). The fee for the Federal audit is negotiated with the EPA Education Audit Division Director and a contract is executed.

Effective for fiscal year ending 2022, the Examiners will perform the compliance audit and colleges will engage Public CPA firms from an approved list for their financial and federal single audit.
3.9 Restricted Grants and Contracts
The Grants Office will secure a copy of the grant application, grant authorization and the negotiated budget. The Grants Office will forward a copy to the Business Office. A separate file will be maintained for each grant. The file will contain a copy of the grant authorization and the negotiated budget. A separate fund number will be established for each grant in the Banner Chart of Accounts.

The Business Office will establish a budget code for the approved grant and enter the budget center for the grant in the administrative software.

The restricted programs accountant will enter the approved budget in the administrative software system for the approved funding year. The accountant will establish a receipt code for the current budget year. The Grants Office and the Program Director will be notified that the grant has been entered in the administrative software so that the grant can be monitored. The Payroll Department will be notified of the grant budget for payroll distribution for the current funding year.

Once the grant has been set up in the administrative software, the Program Director can process requisitions or make awards to students. All expenditures made from the grant will be coordinated through the College’s purchasing process.

Requisitions are entered by the Department Assistance. Once the requisitions are approved by the Project Director and/or Instructional Dean, Vice President’s Office, Grants Office and the Restricted Programs Accountant, they are electronically forwarded to the AP Clerk for review then to the Director of Purchasing and Accounts Payable for approval. Purchases are made using established state guidelines.

When the purchasing cycle has been completed:
1. Materials and supplies have been received
2. Approved travel request processed
3. Accounts payable check has been issued to the vendor

When all transactions have been input and updated in the accounting system for the current operating period, the restricted programs accountant will prepare a reimbursement for cash from the funding agency. Total expenditures are compared to total revenues from cash drawdowns to determine the reimbursable amount.

The reimbursement for cash may use any of the following:
1. Approved Invoice from Funding Agency
2. Online Web Portal
3. Funding Agency’s Website

The restricted programs accountant prepares a monthly/quarterly approved agency invoice with supporting documentation for reimbursement. The invoice and documentation is
submitted to the Regional Chief Financial Officer and/or President for approval and signatures. The approved invoice is mailed or emailed to the funding agency.

3.10 Uniform Guidance for Federal Awards
In December 2013, the OMB issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, hereafter referred to as the Uniform Grants Guidance, or UGG. The UGG establishes uniform cost principles and audit requirements for federal awards to nonfederal entities and administrative requirements for all federal grants and cooperative agreements. These regulations became effective December 26, 2014.

The UGG consolidates the requirements from OMB Circulars A-21, A-87, A-89, A-102, A-110, A-122, and A-133, and the guidance in Circular A-50 on Single Audit Act follow-up. The UGG will supersede the circulars when the cost principles and administrative requirements of the UGG are effective for all federal awards to nonfederal entities. The UG is effective for all nonfederal entities for all federal awards and certain funding increments provided on or after December 26, 2014. However, the requirements in Subpart F, "Audit Requirements," of the UG are effective for audits of fiscal years beginning on or after December 26, 2014 (for the College, it is effective for FYE 9/30/2016).

The effective date provisions mean that the College’s auditor is required to use the cost principles and administrative requirements found in the circulars for awards and funding increments awarded prior to December 26, 2014, and the UG cost principles and administrative requirements for federal awards and certain funding increments awarded on or after December 26, 2014. This situation will exist until all pre-UG awards are expended.

3.10.1 College Responsibilities
When receiving and administering federal awards, the College has many responsibilities. Among other things, the College must:

- Procure or otherwise arrange for audits required by the UGG and ensure they are properly performed and submitted when due;
- Prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards;
- Promptly follow up and take corrective action on audit findings; and
- Provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit.

Additionally, the College has certain responsibilities when providing subawards to a subrecipient to carry out part of a federal program. The College must fulfill the following responsibilities for the federal awards it makes:

- Identify federal awards made by informing each subrecipient of the CFDA title and number, federal award name, date and federal award identification number, award
year, name of the federal agency, period of performance, and other information required by Section 200.331 of the UGG.

- Inform the subrecipient of all requirements imposed by the College on the subrecipient so that the federal award is used in accordance with federal statutes as well as any supplemental requirements imposed by the College.
- Evaluate each subrecipient’s risk of noncompliance with federal statutes for purposes of determining the appropriate subrecipient monitoring.
- Monitor the activities of subrecipients as necessary to ensure federal awards are used for authorized purposes in compliance with federal statutes and performance goals are achieved. Monitoring must include the following:
  - Reviewing financial and performance reports required by the College
  - Following up and ensuring the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award detected through audits, on-site reviews and other means.
- Ensure that subrecipients expending $750,000 or more in federal awards during their fiscal year have met the audit requirements of the UGG for that fiscal year.
- Consider whether subrecipient audits necessitate adjustment of the College’s own records.
- Require each subrecipient to permit the College’s auditors to have access to the records and financial statements.
- Prepare a written management decision for audit findings that relate to federal awards it makes to subrecipients.

3.10.2 College Responsibilities Regarding Internal Controls
The UG requires the College to:
- Establish and maintain effective internal control over federal awards that provides reasonable assurance the College is managing federal awards in compliance with federal statutes;
- Comply with federal statutes, regulations and the terms and conditions of the federal awards;
- Take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings; and
- Take reasonable measures to safeguard protected personally identifiable and other sensitive information.

3.10.3 Record Retention
Unless requested to extend the retention period, financial records, supporting documents, statistical records and all other records pertinent to a federal award must be retained for a period of three years from the date of submission of the final expenditure report. If any litigation, claim or audit is started before the expiration of the three year period, the records must be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.
3.10.4 Cost Principles
The UGG establishes principles that must be used for determining allowable costs of work performed by the College. The cost principles do not apply to fixed amount awards, loans, loan guarantees, interest subsidies, insurance or food commodities.

Costs
The cost of a sponsored agreement is comprised of the allowable direct costs incident to its performance, plus the allocable portion of the allowable F&A costs of the College, less applicable credits. The College is responsible for ensuring that no one person has complete control over all aspects of a financial transaction and that costs charged to a sponsored agreement are allowable, allocable, and reasonable.

Allowable Costs
To be allowed under an award, costs must:

1. be reasonable for the performance of the award and be allocable to the award under the cost principles;
2. conform to any limitations or exclusions set forth in the cost principles or in the award as to type or amounts of cost items;
3. be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the College;
4. be treated consistently (that is, as either a direct or indirect cost);
5. not be included as a cost, or used to meet cost-sharing or matching requirements, of any other federally financed program in either the current or a prior period; and
6. be adequately documented.

Reasonable Costs
A cost may be considered reasonable if the nature of the goods or services acquired or applied, and the amount involved, reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made. Major considerations involved in the determination of the reasonableness of a cost consist of the following:

1. Whether or not the cost is of a type generally recognized as necessary for the performance of the sponsored agreement;
2. The restraints or requirements imposed by such factors as arm’s-length bargaining, Federal and State laws and regulations, and sponsored agreement terms and conditions;
3. Whether or not the individuals concerned acted with due prudence in the circumstances, considering their responsibilities to the College, its employees, its students, the Federal Government, and the public at large; and,
4. The extent to which the actions taken with respect to the incurrence of the cost are consistent with established institutional policies and practices applicable to the work of the College generally, including sponsored agreements.
Allocable Costs
A cost is allocable to a particular federal award if the goods or services involved are chargeable or assignable to that federal award in accordance with relative benefits received or other equitable relationship. A cost is allocable to a federal award if it is incurred solely to advance the work under the federal award; it benefits both the federal award and other work of the College, in proportions that can be approximated through use of reasonable methods, or it is necessary to the overall operation of the College and is deemed to be assignable in part to the federal award in accordance with the cost principles.

Applicable Credits
The term "applicable credits" refers to those receipts or negative expenditures that operate to offset or reduce direct or F&A cost items. Typical examples of such transactions are: purchase discounts, rebates, or allowances; recoveries or indemnities on losses; and, adjustments of overpayments or erroneous charges. This term also includes “educational discounts” on products or services provided specifically to educational institutions. To the extent that such credits accrued or received by the College relate to allowable costs, they are to be credited to the federal award either as a cost reduction or cash refund as appropriate.

Direct Costs
Direct costs are those costs that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easy with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or F&A costs. Identification with the sponsored work rather than the nature of the goods and services involved is the determining factor in distinguishing direct from F&A costs of sponsored agreements.

Costs charged directly to a sponsored agreement generally include compensation of employees for performance of work under the sponsored agreement and related fringe benefit costs such as social security, retirement, health insurance, annual leave, sick leave, holidays, etc. The costs of materials consumed or expended in the performance of the work and other items of expense incurred for the sponsored agreement, including travel, equipment, service contracts on equipment, software, consultants, other contractual services, and expenses for students such as supplies, books, testing, stipends, and room & board are charged directly to sponsored agreements. The costs of postage and printing supplied from other institutional service operations are also included as direct costs of sponsored agreements, since these items are consistently treated, in like circumstances, by the College as direct rather than F&A costs and are charged under a recognized method of computing actual costs, and conform to generally accepted cost accounting practices consistently followed by the College.

Facilities & Administrative Costs (F&A Costs)
F&A costs are those costs that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. “Facilities” is defined as depreciation and use allowances, interest on debt associated with certain buildings, equipment and capital
improvements, operation and maintenance expenses, and library expenses. “Administration” is defined as general administration and general expenses, departmental administration, sponsored projects administration, student administration and services, and all other types of expenditures not listed specifically under one of the subcategories of Facilities.

A base period for distribution of F&A costs is the period during which the costs are incurred. The base period normally should coincide with the fiscal year established by the College. F&A costs shall be distributed to applicable sponsored agreements and other benefiting activities within each major function on the basis of modified total direct costs, consisting of all salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants and subcontracts up to the first $25,000 of each subgrant or subcontract. Capital expenditures, tuition remission, rental costs, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of $25,000 shall be excluded from modified total direct costs.

A cognizant agency is the Federal agency responsible for negotiating and approving F&A rates for an educational institution on behalf of all Federal agencies. Cost negotiation cognizance is assigned to the Department of Health and Human Services (HHS). The negotiated rates shall be accepted by all Federal agencies.

Where the total direct costs of work covered by 2 CFR Part 220 at an institution does not exceed $10 million in a fiscal year, the use of the simplified procedure may be used in determining allowable F&A costs. Under this simplified procedure, the College’s most recent annual financial report and immediately available supporting information shall be utilized as basis for determining the F&A cost rate applicable to all sponsored agreements.

The College may use either salaries and wages or modified total direct costs as the distribution basis. If the salaries and wages base is used as the distribution basis, apply the F&A cost rate to direct salaries and wages for individual agreements to determine the amount of F&A costs allocable to such agreements. If the modified total direct cost base is used as the distribution basis, apply the F&A cost rate to the modified total direct costs for individual agreements to determine the amount of the F&A costs allocable to such agreements.

3.10.5 Key Differences between the Uniform Guidance Audit Requirements and Circular A-133

1. The total federal awards for noncash assistance and loan programs are required to be reported on the face of the Schedule of Expenditures of Federal Awards for each program. Under Circular A-133, these programs could be reported on either the face of the Schedule or in the notes.

2. Cluster names must be shown on the Schedule. Circular A-133 did not require this.

3. The total amount provided to subrecipients for each federal program is required to be reported. Circular A-133 stated this should be shown to the extent practical.
4. The single audit threshold is increased from $500,000 to $750,000.

5. The minimum threshold for type A or B major program determination increases from $300,000 to $750,000.

6. The UG now requires the College to take reasonable measures to safeguard protected personally identifiable information.

7. The UG now requires the College’s corrective plan and summary schedule of prior findings address findings related to the financial statements.

8. The UG requires the College to assess the risk of noncompliance of its subrecipients.

3.11 Bond Continuing Disclosure Requirements General

Pursuant to Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the Board has covenanted for the benefit of the holders and beneficial owners of the Bonds, pursuant to a Continuing Disclosure Agreement, to provide or cause the College to provide certain financial information and operating data relating to the College by not later than 270 days following the end of the College's fiscal year, which currently would be September 30 (the "Annual Report"), commencing with the report for the 2020 fiscal year, and to provide notices of the occurrence of certain enumerated events, as described below. In its Continuing Disclosure Agreement executed in connection with the Bonds, the Board has delegated its compliance responsibilities under such Agreement to the College. The Annual Report and notices of enumerated events will be filed by the Board or College with the Electronic Municipal Market Access System ("EMMA") maintained by the Municipal Securities Rulemaking Board and with a State of Alabama State Repository, if any is established.

Annual Reports

Each Annual Report will include an audited annual financial statement of the College and certain annual financial information and operating data of the kind set forth in this Official Statement under the captions "THE COLLEGE – Student Enrollment" and "– Tuition and Fees", "ANNUAL DEBT SERVICE ON THE BONDS – Debt Service Coverage" and "ACCOUNTING AND FINANCIAL INFORMATION – Summary Financial Information" and the balance in the System reserve fund described under the caption “THE BONDS – Covenant Regarding Other Available Revenues.”

Material Events Notices

Notices of the following events will be provided in a timely manner not in excess of 10 business days after the occurrence of the event:

- Principal and interest payment delinquencies
- Non-payment related defaults, if material
- Unscheduled draws on any reserve fund reflecting financial difficulties
• Unscheduled draws on credit enhancements reflecting financial difficulties
• Substitution of credit or liquidity providers, or their failure to perform
• Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability. Notice of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds
• Modifications to rights of Bond holders, if material
• Bond calls, if material and tender offers
• Defeasances
• Release, substitution or sale of property securing repayment of the Bonds, if material
• Rating changes
• Bankruptcy, insolvency, receivership or similar event with respect to the Board or the College
• The consummation of a merger, consolidation, or acquisition involving the Board or College or the sale of all or substantially all of the assets of the College, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
• Appointment of a successor or additional trustee or the change of the name of a trustee, if material
• Incurrence of a financial obligation of the Board or College, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Board or College, any of which affect security holders, if material; and
• Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Board or College, any of which reflect financial difficulties.

In addition, the Board must give notice within a reasonable time of any failure to file its required Annual Report on or before the date specified in the Continuing Disclosure Agreement.

The Board may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above if, in the judgment of the Board, such other event is material with respect to the Bonds, but the Board does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Other Provisions of Continuing Disclosure Agreement
The Board reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Board; provided, that the Board agrees that any such
modification will be done in a manner consistent with the Rule. The Board reserves the right to terminate its obligations to provide annual financial information and notices of enumerated events, as set forth above, if and when the Board no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The Board acknowledges that its undertaking, pursuant to the Rule described under this heading, is intended to be for the benefit of beneficial owners of the Bonds and that the Board's obligations may be enforced by any beneficial owner of the Bonds; provided, that the beneficial owner's right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Board's obligations under the Continuing Disclosure Agreement and any failure by the Board to comply with the provisions of such undertaking shall not be in event of default with respect to the Bonds.
SECTION 4: REVENUE AND CASH RECEIPTS

4.1 State Appropriation
Annual requests are made to the Governor and the Legislature for the state appropriation from the Education Trust Fund (ETF). The Alabama Community College System Office prepares the Executive Budget Office (EBO) Request for the community and technical colleges. State appropriations are allotted to the colleges electronically on a monthly basis.

State appropriations received by ACH direct deposit are recorded by the Director of Accounting in an electronic Excel spreadsheet on the Business Office shared drive. The Director of Accounting uses TFAMISC to receipt the deposit using detail code M001 for the O&M revenue, M002 for the prison revenue, and M100 for the ACA appropriation.

4.2 Accounts Receivable
All funds due the College must be recorded as an accounts receivable. The Alabama Community College System’s Chart of Accounts must be used to assign an accounts receivable account code. The Business Office is responsible for including in its internal control system practices that provide the following:

   a. Collecting information for accounts receivable for all funds due the College.
   b. preparing detailed billings and transmitting them to the responsible agency in a timely manner, so as not to delay the receipt of cash.
   c. Recording all funds due the College as an accounts receivable.
   d. Reconciling the accounts receivable balance shown in the general ledger to the unpaid billings each month.
   e. Aging the accounts receivable and following up on uncollected amounts.

State law prohibits any college, or state agency, from lending its credit to any individual or corporation. Student accounts receivables should consist of only tuition payments due from third parties. The Banner Accounts Receivable System along with Banner and Elevate are used to maintain charge and payment information for individual accounts. The Business Office staff will create detail codes with accounting data, assess charges, process payments, handle third party contracts, exemptions, generate billings, process returned checks, handle collection activity of past due accounts and perform various audit and control functions using the Banner Accounts Receivable modules.
4.2.1 Flow diagram of A/R Process
This diagram summarizes the overall Accounts Receivable process.

1. Set up detail codes
2. Define tuition and fee assessment rules
3. Create and maintain third party contracts
4. Create and maintain exemptions
5. Receive and process payments
6. Verify and record installment plans and special credits
7. Process and collect returned checks
8. Refund credit balances
9. Generate appropriate student and third party bills
10. Close and finalize cashier sessions
11. Generate the Feed to finance
12. Perform the reconciling of receipts
13. Reconcile Student AR with the Finance GLs
4.2.2 Process Flow Diagram

1. Perform User/Account Maintenance TCAUPRF
   - Enter Changes
   - Perform Aging Analysis TCRAGES
   - Refund Credit Balance Accounts TFRFND, TSRRFND

2. Calculate Credits T3ASPAY
   - Conversion of Currency TSADETF TFADETF

3. Update Account TSDAETL TFADETL T3AAREV

4. Perform Cashiering TGACREV TGACSPV
   - Application of Payments TCRAPPL
   - Run Accounting Feed TCRFEED

5. Enter Misc. Transactions T3AMISC TFAAMISC

6. Produce Invoice/Bill T3RCBILL TFRBILL

7. Enter Billing Messages TGAMECSG
   - Process Penalty & Interest charges TFRLATE, TSRLATE
4.2.3 Establishing Detail Codes

The Detail Code Control Form (TSADETC) is used to define the detail codes that are used throughout Accounts Receivable. Detail codes are the most important items linking the Accounts Receivable Module to the General Ledger. Each is defined as either a charge or a payment and contains the description that will appear on invoices and statements.

Priorities are established to determine which charge a payment may be applied, and in what order payments may be applied for each detail code used in the Application of Payments Process (TGRAPPL). Also, default amounts and effective dates may be specified.

Behind each detail code is an accounting distribution and a series of Finance Rule Classes that determine the postings made to the General Ledger. Detail codes create the accounting transactions that are fed to the General Ledger through the interface process.
4.2.4 Establishing User Profile Definitions

The User Profile Definition Form (TGAUPRF) is used to grant access to detail codes based on the category of the detail code. Define the user as a supervisor and grant permission for specific charge and payment transactions.

If the supervisor/cashier relationship is being enforced on the Accounts Receivable Billing Control Form (TGACTRL), cashiers may be assigned to supervisors on TGAUPRF. A supervisor is not allowed to finalize his/her own sessions; therefore, a supervisor user ID should only perform supervisory functions. The supervisor should have another user ID defined for daily cashiering and account activity or be assigned as a cashier to another defined supervisor.
4.3 Tuition and Fees

4.3.1 Tuition
The in-state tuition rate shall be established by the Alabama Community College System Board of Trustees. The in-state tuition rate shall be extended to students who reside outside of Alabama in a state and county within fifty (50) miles of a campus of the College, provided, however, that the campus must have been in existence and operating as of January 1, 1996. A detailed list can be found in the Guidelines for Alabama Community College System Board of Trustees Policy Number 803.01. The in-state tuition rate shall be extended to students who have graduated from Alabama high schools, or have obtained a GED in the State of Alabama within two years of the date of their application for admission, in accordance with the requirements set forth in the Code of Alabama 1975. The out-of-state tuition rate shall be 2.00 times the in-state tuition rate, rounded up to the nearest dollar.

4.3.2 Fees

Technology Fee
The Technology Fee is $9.00 per credit hour and is charged each semester. The resource of this subgroup provides for the acquisition and provision of technology and technological applications for students. The Technology Fee may be waived for those students receiving scholarships (tuition waivers) authorized by the Alabama Community College System Board.
of Trustees. Authorized scholarships include academic, performing arts, leadership, athletics, and prison students. However, the College must be consistent in waiving or charging the fee to scholarship students. The established fee is charged to part-time students.

**Facility Renewal Fee**
The Facility Renewal Fee is $9.00 per credit hour and is charged each semester. The resource of this subgroup provides for the renewal and replacement of plant fund assets as distinguished from additions and improvements to plant. The Facilities Renewal Fee may be waived for those students receiving scholarships (tuition waivers) authorized by the Alabama Community College System Board of Trustees. Authorized scholarships include academic, performing arts, leadership, athletics, and prison students, etc. However, the College must be consistent in waiving or charging the fee to scholarship students. The established fee is charged to part-time students. Revenues from the fee should be expended for structural renovations, roof replacement, repairs/replacement, asbestos removal, and heating, ventilation and air conditioning repair or replacement. Any other use must be submitted to the Chancellor for approval.

The actual cash collected for facilities renewal should be transferred from the Unrestricted Fund to the Plant Fund – Renewals & Replacements sub-fund – using the code *Mandatory Transfer Out*. *Mandatory Transfer In* is used in Plant Fund. Expenditures of the fee proceeds shall be coded within the expenditure account codes as appropriate to properly classify an expenditure. Note: The Mandatory Transfer of Facilities Renewal Fees Revenue must be equal to the actual amount recorded in the revenue account code.

**Special Building Fee**
The Special Building Fee is $12.00 per credit hour and is charged each semester. This fee may be levied as approved by the Chancellor in order to secure bonded indebtedness.

**Reserve Fee**
The Bond Reserve Fee is $1.00 per credit hour and is charged each semester. This fee is restricted to the creation of a Bond Surety Fund to be managed by the Chancellor and a Presidents’ Advisory Council. Effective Fall 2022, the established Reserve fee is a non-waivable fee.

**ACCS Enhancement Fee**
The ACCS Enhancement Fee is $10.00 per credit hour and is charged each semester. This fee is for implementing comprehensive advancements at both the statewide and local levels.

**Access/Wellness Fee Per Semester**
An Access/Wellness fee of $10.00 will be charged to every student each semester, with the only exception of employees since that is an employee benefit. Employees are identified using Argos report FIAR0004 after the drop/add non-payment purge. This fee will be used to offset the cost of maintaining parking lots and equipment and manager at the Wellness Center on the Decatur campus and Huntsville Campus. This fee is not charged to employees.
Other Fees

- Late Registration Fee (optional): $25. Not applicable at this time.
- Returned Check Fee: $30.00
- Graduation Fee: Set by the College to cover cost of cap, gown, diploma, etc. Not applicable at this time.
- Punitive Fees: Set by the College (library fines/traffic fines, etc.)
- Student Insurance: Set by the College (to cover costs of student accident insurance, student nurses’ malpractice insurance, etc.).
- Parking Fee (optional): A fee not to exceed $20 per academic year may be assessed to students registering their vehicle to park on campus. Not applicable at this time.
- Healthcare Fees: Set by the College to cover costs associated with healthcare programs (background checks, drug testing, and testing fees).
- Other Fees: Approved by the Alabama Community College System Board of Trustees (room/board, deferred payment fee, and other individualized special fees).

Tuition and fee revenues are initiated by students via MyCalhoun when registering for courses. Fee assessment occurs upon registration based on the number of credit hours enrolled using the tuition and fee rates on SFARGFE and is viewable on TSAAREV. Tuition and fee reversals for drops and withdrawals are calculated using the refund dates and percentages on SFARSTS. Tuition and fees revenue and receivable assessments are made electronically based on system tables rates that are approved.

Defining Fee Assessment Rules

Before assessing any fees, the Fee Assessment Control Form must be set up, one time per semester. Rules may be copied from one term to another, future or past. The Registration Fee Assessment Rules Form (SFARGFE) allows you to define basic tuition and fees for your students.

Use the Registration Fees Process Control Form (SFARGFE) to build the College’s registration fee assessment policy by student, course level, and campus for student billing. This form allows the College to define the rules to be used in the registration fee assessment algorithm.

- The rules provide you with the ability to assess fees based on student criteria of campus, residency, level, college, major, class, rate, department, student attribute, student type, degree code, admit term, residency, program, and/or course criteria of part of term, grade mode, schedule type, and instructional method.

- Rules can be further limited by range of billing hours for the minimum and maximum charges for the rule, original registration dates, and flat hour ranges.
In addition, the rules or charging can be grouped by course level, course campus, course attribute, study path, or study path with course attribute using all of the above criteria.

### 4.3.3 Establishing Rules for Online Fee Assessment

Now that the Fee Assessment rules have been defined, you may assess fees in one of two ways: online fee assessment at the time of registration, or batch assessment after registration and after drop/add. The following will establish rules for online Fee Assessment.

Use the Term Control Form (SOATERM) to establish controls for a specific term, such as registration fee assessment rules, registration error checking, and part-of-term information. If you do not want to use online fee assessment, but do all assessment by batch, make sure the Online Assessment checkbox on the Term Control Form (SOATERM) is not checked. This prevents Fee Assessment from taking place online and will not put any collector records in the Registration Batch Fee Assessment Collector table (SFRBTCH) when using the Student Course Registration Form (SFAREGS). To perform batch assessment, run the Batch Fee Assessment Process (SFRFASC).

Fee Assessment Collector table (SFRBTCH) when using the Student Course Registration Form (SFAREGS). To perform batch assessment, run the Batch Fee Assessment Process (SFRFASC).

The Reverse Non Tuition/Fee Charges checkbox enables you to allow registration fee assessment to reverse non-tuition or non-fee charges for detail codes with a category code other than TUI or FEE.
4.4 Posting a Charge on an Account

The Student Account Detail Form (TSADETL) allows for the entry of all charges and payments by detail code and amount, and to create deposits and memo items. Comments on the account (account text) may also be entered on this form. Balances and the NSF total indicator are displayed. Invoice numbers may be generated, and unapplication of payments may be requested.

The Account Detail Form is used for detail entry of transactions to individual accounts. The Accounts Receivable Distribution Initialization Form (TOADEST) will appear the first time you access any form in the Accounts Receivable module. You may specify printer identification for invoices and for receipts, which are required if each user is printing at a different printer or if preformatted forms are being used for invoices, receipts or student summary.
4.5 Payments
Payment of tuition and fees is due before the first day of class. According to the Constitution of Alabama, 1901, Section 93, a state agency shall not lend money or its credit to any individual, association, or corporation, except as may be expressly authorized by the Constitution of Alabama, or amendments thereto. Pell Grant and other scholarship students should be the only students allowed to attend class before the College has received full payment of tuition and fees.

Acceptable methods of payment for tuition, fees and books include cash, checks, money orders, and legitimate bank cards. Transaction fees vary anywhere from one to four percent depending on the bank.

The College allows students to access their MyCalhoun account 24 hours a day. Students use this site to view his/her account balance details for the term, make payments to the balance, or setup a payment plan.

A student can make online student account payments with a credit or debit card in Banner and Elevate. The College accepts Visa, MasterCard, Discover, and American Express. The option to pay by credit or debit card is available online or in person only. The College does not accept payments by phone. Once logged in to the MyCalhoun Portal, click the MyCalhoun icon, then select the following:

- Student
• Student Landing Page
• Make a Payment, Deposit or Payment Plan
• Select the applicable term and click Add
• Complete the process by entering the requested card information

The payment confirmation will be emailed. If you do not receive a confirmation, first check to see if the email on your account is correct. If the email is verified correct, then the payment has failed and payment must be resubmitted. Any future refunds will be refunded to the debit or credit card up to the total paid.

Cash and check payments may be presented in person at the Decatur or Huntsville Campus during the Business Office hours of operation or Check payments and money orders may be mailed but must be received by the payment deadline. Calhoun does not accept out-of-state, starter, or counter checks.

Transactions for cash receipts are entered into the TouchNet Cashiering module daily by a cashier. The cashier uses the Cashiering Business Office interface to process student payments and miscellaneous deposits.

Checks made payable to Calhoun Community College should be mailed to the following address:

Calhoun Community College  
Business Office – Student Accounts  
PO Box 2216  
Decatur, AL 35609-2216

Checks should have the correct physical address and phone number as well as the student’s ID number on the memo line of the check. In the event a check is returned from the bank, the student’s account will be assessed a $30 return check fee.

Calhoun Community College has partnered with TouchNet to provide payment plan options for tuition and fees. The cost to enrolled is a $40 non-refundable enrollment fee per semester. Students can sign up with your debit or credit card. Payments will auto draft monthly from card of your choice. The down payment AND enrollment fee are processed immediately. Students are required to have paid 50% of the current terms charges plus the $40 setup fee by the last day of the full-term drop/add period of the semester or the payment plan will be terminated and the student will be subject to deletion of classes due to nonpayment of tuition and fees.

Balance email reminders are sent from CampusCast at several different intervals during a semester. Reminders typically are sent a couple days prior to every purge.

After the payment deadline, schedules can be deleted for nonpayment of tuition and fees. Students may not attend class if tuition or fees are unpaid. A financial hold will be placed on the student’s account when there is any past due financial obligation to the College during
the billing process once all purges are done. When there is a financial hold, the student will not be permitted to register for classes, receive transcripts, nor any other service from the College.

4.6 Processing Third-Party Contracts
Requiring that students be authorized for contracts prior to the release of funds is controlled via the **Student Authorization Required for Contracts** box on the Student Billing Control Form (TSACTRL). When this check box is selected, it indicates that each student must be authorized by the third party prior to receiving third party credit.

The Contract Authorization Form (TSACONT) is used to establish third party contract authorizations for student accounts. A third party must first be established on the Identification Form (FOAIDEN or SPAIDEN) with an ID number as a non-person.

List the values for the **Payment Detail Code** or the **Charge Detail Code** by clicking on the down arrow which will pull up a list of all detail codes. Query for a payment detail code (**Type** field = P) with CNT in the **Category** field or a Charge detail code (**Type** field = C) with CNT in the **Category** field.

4.6.1 Third-Party Contracts
A third-party contract exists on the system as an ID number and a non-person name. Each contract ID number may have multiple contracts. Each contract is established as an account level, a category level, or a detail level contract. At any level, the contract may be based on a percentage and a maximum amount to be paid by the contract. A maximum amount to be paid by the contract to the student can be established as well as a minimum amount to be paid by the student.

After the contract is established, students may be assigned to the contract on this form.
Contracts should be established before the beginning of the Billing process. Payment by the contracts take place online using the Student Payment Form (TSASPAY), or in batch prior to or during the Billing process (TSRCBIL). Students may also be assigned to a contract on the Account Detail Review Form (TSAACCT). You can query on students associated with a contract by using the form TSICONT. Contracts are billed using the Third-Party Billing Process (TSRTBIL). All contracts require an EIN.

A Third-Party Sponsorship Agreement and/or Sponsorship Data Sheet must be completed by the entity (company, corporation or other agency) that wishes to be invoiced/billed for student(s) charges or make upfront payment toward student accounts. All third-party payments or sponsors must make payment directly to Calhoun Community College and NOT to the student’s account. Any funds received from the third party in excess of the student’s current eligible charges will remain in the third party’s account and processed in the manner detailed on the Sponsorship Agreement/Data Sheet or according to college policy in the absence of the Sponsorship Agreement/Data Sheet.

Third party receivables for students are initiated by companies that present scholarship award letters notifying the college that students have been awarded a scholarship that usually states the eligibility requirements, period available, and instructions on how to handle if not utilized. Once received, a Business Office employee (Accountant/Cashier Supervisor – WIOA/TRA; Accounts Clerk – VA Programs; Executive Secretary – all others) creates a contract in Banner using TSACONT that defines what charges the scholarship will pay and the applicable amount for each awarded student. Once the student registers for classes, the scholarship will disburse to pay the student’s charges and create a balance on the third party nightly when the Automic job scheduler runs TSRRBIL and TGRAPPL.
Training for business and industry revenues are initiated by invoice requests from the CWS department secretary. Cashier raises invoices in Elevate once an invoice request is received by CWS. The invoice is then mailed or emailed to the company requesting payment. (See Cashier manual).

Third party receivables for company services are initiated by invoice requests from the printshop, mailroom, testing or CETV. Cashier enters the non-student AR detail code charge on the third-party company through TSAAREV using a CE term code. The cashier monitors the status of all prepared invoices to ensure timely payment using an Excel spreadsheet that shows 30/60/90 days past due for each on the Business Office shared drive.

4.6.2 Recording a Payment from a Third-Party
Checks received through the mail are recorded by the Asset Management Accountant in an electronic Excel spreadsheet on the Business Office shared drive. This check log contains the date received, company name, check amount, check purpose, employee responsible for receipt, and the cash receipt number. Once logged, checks are hand delivered to the responsible employee who prepares an Accounts Receivable Cashier Authorization form. This form instructs the cashiers the correct screen to receipt the payment, the detail code or account number to debit and credit, the deposit amount, deposit description, employee signature, and date completed. The responsible employee attaches the form to the deposit and forwards to the cashier for receipt. ACH direct deposit notifications are emailed by BB&T to the Director of Accounting who forwards the information then logs an entry to the check log and follows the same procedures as checks.

The Account Detail Review Form - Student (TSAAREV) and the Contract Payment Detail Form - Student (TSACPDT) provide the ability to record details about a payment received from the sponsor of a third-party contract. In the event of an overpayment, a credit can easily be transferred to the student account, or a refund to the sponsor can be initiated. You can review payments from a third-party by accessing the Contract Review Form (TSACONR).

4.7 Processing Exemptions
The Exemption Authorization Form (TSAEXPT) is used to create exemption authorizations for student accounts by term. Each exemption authorization is established as an account level, category level, or detail code level exemption. At any level, the exemption is based on a percentage. A maximum amount to be paid by the exemption and a minimum amount to be paid by the student can be established. After the exemption is defined, students can be assigned to the exemption on this same form.
Enter a detail payment code in the **Detail Payment Code** field. List the available values by clicking on the down arrow which will pull up all detail codes. Query for a payment detail code (**Type** field = P) with EXM in the **Category** field.

### 4.7.1 Attaching a Student
You must also attach a student (who has tuition/fee charges) to the exemption using the Person Assignment block of the TSAEXPT form or the Exemption Person Authorization Form (TSAEXPP) before the exemption can pay against the student’s account.

### 4.8 Accepting Charges and Posting a Payment on the Student Payment Form
The Student Payment Form (TSASPAY) is used to process a payment for a student who has registration and/or housing (location management) charges for a term. Student registration
and housing (location management) charges not previously assessed in the individual modules will be assessed on this form. The form is term-specific. Charges for the term are accepted on this form indicating that the student plans to attend.

This form calculates exemptions and contracts for eligible students and releases any deposits set to automatically release. It can also display the available Financial Aid if it is interfaced with the College’s Financial Aid system. If the Banner Financial Aid System is installed, it can call the Financial Aid disbursement process.

Upon entering an Accounts Receivable form for the first time, the Accounts Receivable Distribution Initialization Form (TOADEST) appears. Click the Exit icon.

The number of credit hours, the number of bill hours and the amount of the term charges display in the top half of the form.

The Accept Charges block will pop up if new charges and/or credits are available. If the Charges/Credits are accepted by clicking return, this sets the AR Indicator in registration and location management to Y for students. This was designed to allow the College to choose whether or not to update the accept charges flag which is used in the Drop for Non-Payment process (SFRRNOP).

The account balance displays at the bottom of the form. Enter the amount of the payment and click Save to update the collector file for printing the student receipt using the Sleep/Wake feature of the system.

Note: The sleep/wake process will need to be started for TGRRCPT for receipts to be printed.
4.8.1 Posting a Payment on the Account Detail Review Form – Student
The Account Detail Review Form (TSAAREV) is used to enter charges and payments to a student's account and to display information in a condensed format. It is also used to view the account transactions for a student.

4.8.2 Distributing a Single Payment to Multiple Charges
The Application Distribution of a Single Payment Form – Student (TSAADSP) is used to apply a single payment to one or more charges. Use it to specify how Banner will distribute a payment among multiple charges. You can specify whether the payment amount will post as a single transaction or as multiple transactions. If you select the single payment option, you must select the charges to which you want the payment applied. If you select the split payment option, you must enter the amount of the payment you want to apply to each charge in the Split Payment field. The total dollar amount in the Split Payment column must equal the payment amount entered in the Key block. A transaction will be generated for each charge that receives part of the payment.
4.8.3 Using Mass Entry for Student Charges and Payments

The Billing Mass Data Entry Form (TSAMASS) is used to quickly enter charges and payments in amount form, deposits, and memo items. Totals and the NSF indicator are displayed. Invoice numbers may be generated upon request. The form is used to enter many like transactions to large numbers of accounts on a single form.
4.9 Reviewing a Student Account

The Account Detail Review Form (TSAACCT) is used to review account information about a specific account. Overall account summary data is displayed, including account status, balances including future and aging balances, exemptions, third party contracts, collection agency assignments, and installment plan information.

4.9.1 Query Records in the Account Charge/Payment Detail Table

The Account Query Detail Form (TGIACCD) allows for the ability to query all records in the Account Charge/Payment Detail Table (TBRACCD) without specifying an ID number or to specify an ID number to view just one student account. It can be used as a tool while reconciling Banner Accounts Receivable to Banner Finance or to non-Banner Finance systems. A query can also be processed for just one detail code.
Since the query is being performed on the TBRACCD table, the query can be very large; therefore, the following recommendations should be considered.

- Allow a select group of users to have access to this form.
- Perform queries in an efficient manner. The table, which is being queried, has indexes. The indexed data elements should be used for the best performance.

The form is entered in Query mode. Use the scroll bar to view the fields that can be used to select your query criteria. Combinations of any fields are possible.

4.10 Performing Miscellaneous Routine Cash Receipts
The Miscellaneous Transaction Forms are used to collect money that is not applied to a specific account. (The Miscellaneous Transaction Form – Finance (TFAMISC) is used if Banner Finance is installed; the Miscellaneous Transaction Form – Student (TSAMISC) is used if Banner Finance is not installed.) These forms provide a method for cashiers to record these transactions and generate a receipt.

Whenever a payment is made or money is collected, a corresponding charge must be entered for the same amount to produce a balanced entry. These forms allow for direct entry of general ledger account information when the detail code used permits it. The forms also have a pop up box, accessible only by a supervisor (as specified on the user profile form), for the purpose of allowing adjustments to a cashier’s closed session.
4.10.1 Using the Receipt Form
The Receipt Form (TGARCPT) is used to display and reprint previously processed transaction receipts. Any transaction receipt created may be displayed on this form. This form may also be accessed from TSASPAY, TSADETL, TSADETF, and TSAAREV when a receipt number is generated.

4.10.2 Using the Receipt Query Form
The Receipt Query Form (TGIRCPT) is used to view and copy receipts. View receipts based on the type of receipt entered previously, and produce a duplicate copy.

Note: Since miscellaneous transactions entered on TFAMISC/TSAMISC do not appear in an account, this is the only form in Banner Student Accounts Receivable where the transactions entered on those forms may be viewed.
4.11 Reviewing and Closing Cashier Sessions
The Accounts Receivable module supports online processing of all types of payments and charges. A cashiering session is created whenever charge or payment activity is entered into the system.

The data entry forms listed below are used for the cashiering function. Individual cashier review and supervisory checkout of cashiers ensures that all funds are properly accounted for and that all accounting entries are properly sent to the Finance system.

Access the Cashier Session Review Form (TGACREV).

Enter your Banner User ID. The Session number should default to 0, allowing you to view the current open/active session. The current session for the user is always ‘0’. A number will be assigned by the system when the session is closed. Select Display User Sessions from the Options menu to access data from past cashiering sessions.

Select Review Cashier Session Detail from the Options menu. All processing is shown by detail transaction.
Close the session by selecting **Close Session** from the **Options** menu.

### 4.11.1 Adjusting a Closed Session

The User Profile Definition Form (TGAUPRF) is used to identify users as supervisors and to assign cashiers to a supervisor. You can also restrict users to the processing of specific categories of transactions and transaction types.

Adjust a closed session for a simulated data entry error. The adjustment updates the individual’s account and the cashier session totals, but does not create a new session. A payment entered by another cashier (in this case, another class member) needs to be reversed. Ensure that you have supervisor privileges by querying the User Profile Definition Form (TGAUPRF).

Select **Process Supervisory Adjustment** from the Options menu. Enter the Cashier User/Session ID and Session Number of the Cashier session being adjusted. Locate the transaction that you recorded above as being in error.

For regular cashier receipts, insert a blank record. Enter the same detail code with a negative adjusted amount. Indicate a short reason for the adjustment in the **Description** field. Insert another blank record. Enter a different detail code with a positive amount. Select **Create Additional Text** from the Options menu to enter a more thorough explanation for the adjustment.

To reverse an original miscellaneous entry, switch the entry of the detail codes between the **Debit** code and the **Credit** code fields. Enter the same amount and General Ledger Account information. Change the **Description** field to Reverse Receipt #x.
4.11.2 Finalize a Cashier Session

The Cashier Supervisory Form (TGACSPV) is used to finalize a cashier session. Finalize cashier sessions for daily cash deposit by accessing the Cashier Supervisory Form (TGACSPV). The cursor appears in the Active Cashier Session Query block and only the current active sessions are displayed. These sessions have not been closed.

Select **Review Inactive Cashier Sessions** from the **Options** menu. These sessions are either in C (Closed), F (Finalized), or R (Reported) status.

Select a closed session with a status of C. Finalize the session by putting an F in the **Status** field.
4.11.3  Cashier Session Close Process - TGRCLOS
Close sessions automatically by using the Cashier Session Close (TGRCLOS) process. This report/process can close/finalize a session based on the transaction’s source code. There is an indicator on the Charge/Payment Source Code Validation Form (TTVSRC) that ties the ability to auto-close a session with the source code.

Run the automated session close for sessions that do not contain cash transactions, using the Cashier Session Close process (TGRCLOS). Set it to run each night so it will correspond with the bank statement. Set Parameter 01 Close or Finalize Sessions to B for both – close and finalize.

At the close of business, cashiers view the details of the cashier session by accessing the TouchNet Business Day Report which will detail the amount of cash, checks, money orders, credit cards, direct deposits, etc. by category total for the day. The money in the cash drawer is counted and compared to the session and any differences are resolved. Once the totals match, the cashier closes the session and prepares the deposit slip to attach to the deposit and lock it in a bank bag and place in the cashier safe until the campus police officer takes the daily deposits to the bank. The cashier prints the details of the cashier session and attaches a carbon copy of the deposit slip to file in the cashier office.

Each cashier prepares a daily deposit report that consists of the cashier session report, deposit slip, credit card batch settlement report, and Touchnet report to the Accountant/Cashier Supervisor for review and approval. Any differences between the session and deposit slip are investigated and resolved. All Cashier Supervisor sessions are reviewed and approved by the Director of Accounting.

4.11.4  Cashier Detail Report - TGRCSHR
Reports on specific cashier(s) sessions and summary of transaction data by category. Run the Cashier Detail Report (TGRCSHR) to review the detail of what is being fed to Finance. Always update finalized cashiers to R, (set Parameter 08 Update Finalized Sessions to R to Y).

4.12  Application of Payments
The Application of Payments Process (TGRAPPL) exists to allow the College maximum flexibility in determining which payments apply to which charges, the order in which payments should be used, and the order in which charges should be liquidated. It handles the internal application of a line item with a negative balance to a line item with a positive balance. Generally, the payment is applied to a charge, but could also be a negative charge (cancellation or reduction) against a charge, or a payment against a negative payment (such as a reduced PELL Grant or a canceled exemption or contract payment).

4.12.1  Direct Application of Payment
Perform a direct application of payment on the Account Detail Review Form (TSAAREV). Note the transaction number (Transaction Number field) of the charge. Use the scroll bar on
the payment to access the Transaction Paid field and enter the Transaction Number of the charge. Click on Options and Apply Transactions.

Entering a payment on TSASPAY, TSADETL, TSAAREV or TSAADSP can be directly applied to a specific charge or invoice using the Transaction Payment field. This will override all other application of payment specifications. If a direct application (TPay) is not specified, then when TGRAPPL is run, the payments will be applied based on a list of criteria.

### 4.12.2 Review the Application of Payments

When the Application of Payment Batch Process (TGRAPPL) is run, results may be viewed for each account on the Application of Payment Query Form (TSIAPPL), which shows the charge Detail code, the payment Detail code, and the amount applied. Once a payment has been applied to a charge, the balance of the payment and charge will reflect the amount that has been used. The unused or outstanding balance for each transaction may be viewed on the Student Account Detail Form (TSADETL) or the Account Detail Review Form (TSAAREV).

If a payment is the result of an exemption or a third party contract payment, an additional requirement must be met when running TGRAPPL in order for the payment to apply to a charge transaction. If **Apply Contracts or Detail Code Priority** is set to C, then the exemption or contract payment is matched to the transaction that was read by the rule that produced the Payment. To bypass this requirement, when defining the parameters on TGRAPPL, set the **Apply Contracts or Detail Code Priority** to D.

Future dated transactions will be handled in one of two ways, depending on the status of the Feed Future Effective Transactions check box on the Accounts Receivable Billing Control Form (TGACTRL). If this check box is checked, then the effective date is not used (i.e., all transactions are candidates for application of payments). If this check box is not checked, the Application of Payments process will only apply to those transactions that have a current or less than current effective date. Future charges or payments will not be applied until they become effective.

### 4.12.3 Unapplication of Payments – Student

After a payment has been applied and it is determined that it was applied incorrectly, the payment(s) may be unapplied using the Unapplication of Payments Form (TSAUNAP) for a specific transaction number, term, or effective date.
Enter either the transaction number, term, or applied date in the Unapplication of Payments block. You cannot use both the Term and the Unapply Date. Click Save. Remove the transaction number from the transaction pay field. This transaction is now available to be applied to a different detail code (if the new detail code entered has a higher priority) when the Application of Payment report (TGRAPPL) is run again.

Unapplication of payment can also be done while viewing the Account Detail Review Form - Student (TSAAREV). To do so from that form, select Unapply Transactions from the Options menu.

4.13 Returned Checks
A check returned from the bank for insufficient funds or other valid reasons must be treated as any other receivable. Checks should be recorded in the accounting system of the College and Returned Checks as a receivable in the fund where it was deposited.

4.13.1 Processing NSF Checks
The Returned Check Code Control Form (TGARETC) establishes penalty codes and amounts for returned checks, to be automatically assessed upon entry of a returned check code. Entry of a returned check code onto an account also automatically increases the NSF flag field, which is viewable on the different account forms (TSADETL, TSASPAY, and/or TSAAREV).
The penalty code associated with the returned check does not need to be entered by the user. The system will apply the penalty when the transaction for the returned check is saved.

Returned check receivables are initiated by notifications sent by mail from BB&T with a legal copy of the check. The Accountant/Cashier Supervisor forwards the notification to the Cashier who places a detail code RC01 on the student’s account via TSAAREV which also automatically places a $30 returned check fee on the student’s account upon exit. Then the Cashier prepares and enters a journal entry via FGAJVCM to record the returned check out of return check clearing and cash. The journal entry along with all supporting documentation are forwarded to the Accountant/Cashier Supervisor for review and signature approval. The Supervisor also reviews the entry in Banner for entry accuracy and approves the entry via FOAUAPP in Banner prior to general ledger posting. The Cashier sends a Calhoun letter to the check owner allowing 10 days to respond with payment, followed by a certified letter allowing 10 additional days prior to being turned over either to the District Attorney or collection agency if not paid within the 10 days.

Only cash, money order, or cashier’s check will be accepted as payment for a returned check. When payment is made for a returned check, the payment is applied to the student’s account using the term in which the RETC charge was placed; and, the hold is removed from the student’s account.

It is very important that all checks are deposited daily and returned checks are reconciled monthly. The returned check reconciliation is performed using an Excel spreadsheet and submitted to the Accountant/Cashier Supervisor for review each month.

4.14 Refunds
The Alabama Community College System Board of Trustees Policy No. 803.02 establishes a tuition refund policy as follows:
**Partial Withdrawal** – Students who do not completely withdraw from the College but drop a class during the regular drop/add period will be refunded the difference in the tuition paid and the tuition rate applicable to the reduced number of hours, including fees appropriate to the classes dropped. There is no refund due to a student who partially withdraws after the official drop/add period.

**Complete Withdrawal** – A student who officially or unofficially withdraws from all classes before the first day of class will be refunded the total tuition and other institutional charges.

Students who officially or unofficially withdraw completely on or after the 1st day of class but prior to the end of the third week of class will be refunded according to the official withdrawal date, as follows:

- Withdrawal during first week – 75% of tuition and other institutional charges
- Withdrawal during second week – 50% of tuition and other institutional charges
- Withdrawal during third week – 25% of tuition and other institutional charges
- Withdrawal after end of third week – No refund
- For calculating refunds during the fall and spring sixteen-week terms, a “week” is defined as seven calendar days. Refunds of tuition for terms shorter than sixteen weeks, such as summer terms, mini-terms, split terms, and weekend terms, will reflect a prorated week based on the number of days in the term.

All pertinent dates affecting withdrawal should be noted on the College’s website. Late registration fee date should also be noted in College publications as general information.

Students who add credit hours during the drop/add period will be charged additional tuition and fees at the applicable rate.

**Administrative Fee** – An administrative fee not to exceed 5 percent of tuition and other institutional charges shall be assessed for each withdrawal within the period beginning the first day of class and ending at the end of the third week of class.

**Refund in Compliance with Federal Regulations**
All colleges shall comply with federal regulations relative to refund of tuition and other institutional charges for the first time, first-term Title IV recipients.

**Refund for Alabama National Guard and Reservists Called to Active Duty**
Students who are active members of the Alabama National Guard or reservists or who are active duty military who are called to active duty in the time of national crisis shall receive a full tuition refund at the time of withdrawal, if such student is unable to complete the term due to active duty orders or assignment to another location.
The President has the authority to make exceptions to the refund policy in the event of the death of a student or of a family member requiring the student to leave school.

4.14.1 Refund Procedures
Students wishing to withdraw from some or all of their classes must do so through MyCalhoun.

Amounts that may be due students by the College as a result of dropping classes will be refunded as applicable after the 2nd week of the term as long as the student account balance is zero. Students that drop classes prior to the first day of class are refunded in the first round usually a week prior to the first day of class. The remaining drops prior to class after that date will be refunded during the second round usually a week after classes start, which includes drops during the official drop/add period or total withdrawals during the first week of class. Students purged for nonpayment are excluded from this refund run until after the reinstatement deadline in order to prevent students having to repay in the event of reinstatement of courses. Financial aid refunds are usually the next refund run followed by another refund run for those students deleted for nonpayment or nonattendance. Thereafter, refunds are issued on a regular, weekly schedule by the Business Office, with financial aid refunds by Fridays followed by regular refunds on Mondays.

4.14.2 Refund Methods
If payments are made with a debit or credit card on MyCalhoun, any refunds must first be refunded back to that debit or credit card up to the amount of the payments with any remaining refund amount issued through BankMobile using the reimbursement method selected by the student.

The Accounts Clerk uses TGIACCD to query for all accounts with detail code P005 that have a balance less than zero to determine students that need refunds applied to a debit or credit card. She creates a list of web refunds to the Director of Accounting for review and approval then processes the refunds using the Payment Returns feature in TouchNet. Once the debit/credit card is refunded, TouchNet changes the R001 detail code to R005 so it can never be picked up for refund. Any errors will be refunded on the next BankMobile payment file.

We use BankMobile for all refunds in an effort to get students their money as fast and as easy as possible. All students need to register with BankMobile once the green envelope has been received in the mail. During registration, students will select a reimbursement method consisting of either the Calhoun Vibe Account debit card, direct deposit to an existing checking or savings account or paper check.

The address information with BankMobile is sent by the College. If the address information is incorrect, students must update their mailing address using MyCalhoun. Address changes will be submitted to BankMobile.

Reimbursement Method Timeframes
Calhoun Vibe Account……..Same business day funds are released by the College
Direct Deposit to Existing Checking or Savings Account………..2-3 business days
4.14.3 Financial Aid Refunds

All financial aid funds, except work study, are credited to individual student accounts. Students must complete all steps in the financial aid application process before the funds will appear as authorized aid on the student account. If students need to check the status of their financial aid, they need to contact Student Financial Services.

If student payments and financial aid credits exceed charges, the credit balance will be issued to students according to the reimbursement method selected in registering with BankMobile. The first issuance of credit balance refunds will be within fourteen (14) calendar days from the date the funds are posted to the student’s account. Thereafter, credit balance refunds are issued on a regular, weekly schedule by the Business Office. First-time loan students should note that there is a 30-day delay on delivery of student loan funds for their first semester due to federal regulations.

Students need to consult with Student Financial Services to determine the effects of withdrawing from any course(s).

Defining Course Registration Status

Tuition and fee receivables are initiated by students via MyCalhoun when registering for courses. Fee assessment occurs upon registration based on the number of credit hours enrolled using the tuition and fee rates on SFARGFE and is viewable on TSAAREV. Tuition and fee reversals for drops and withdrawals are calculated using the refund dates and percentages on SFARSTS.

The Course Registration Status Form (SFARSTS) is used to define course status codes, and refund rules for courses.

Note: Status values are user-defined, with the exception of the "RE" (Register Course) status, which must be used as the default for a student's course registration. While the "RE" status is required, its attributes may be defined according to the College's policy. This is also true for the DD-Drop/Delete Code.

Prior to entering the data on this form, the status codes must have been entered on the Course Registration Status Code Validation Form (STVRSTS). While the validation form spans time, the Course Registration Status Form is specific for a term. This allows you to modify status information from one term to the next.
The Registrar will complete the top block of the form. Once completed, enter the refund start date, the refund end date, a percentage in the Percentage Tuition Refund field for the date range, and a percentage in the Percentage Fees Refund field for the date range for codes WW, WD, and WS.

**Auto Refunding of Credit Amounts**
This process has two steps. First, accounts that have a credit balance are identified, flagged, and reported. Second, after manual review of the accounts, the flagged accounts are updated with a refund detail code for the amount of the credit balance and listed on the report.

When you run the process in FLAG mode, the selected accounts are listed on the Refund Review Form - Student (TSARFND). Users uncheck the Refund Indicator for accounts they do not want selected by the process when it is run in RFND mode.

Make sure that all of the accounts have an address, because refund checks cannot be produced if there is no address. For accounts without an address, go back to the Refund Review Form (TSARFND), uncheck the Refund Indicator for those accounts, and Save.

All other refunds are initiated by the Accounts Clerk every week with financial aid refunds on Wednesdays and all other refunds on Mondays. The refund process is as follows: GLBDATA, TSRRBL, TGRAPPL, TGRUNAP, TGRAPPL, TSRRFND, TSARFND, TGACREV, TGRCLOS, TGRFEED, FURFEED, FURAPAY, FAABATC, FABCHKS, FABCHKP, FABCHKR, and FABCHKA. TSRRFND creates a detailed report of all accounts that have refundable credits for review. TSARFND provides the ability to uncheck an account for refund so that all remains checked are those refunds that will be created in the batch refund process.
She uses TGACREV to close the cashier session, TGRCLOS to finalize the cashier session, and TGRFEED to batch the AR totals for the session. FURFEED moves the AR totals to finance, FURAPAY creates the refund invoices in finance, and the remaining steps create a check number using bank code 90 which changes the first digit of the check number to an ‘H’ which designates the payment as being electronically sent to BankMobile. She then submits the refund reports to the Director of Accounting or the Cashier Supervisor for review and approval. Typically on Fridays, the Director of Accounting sends the refund file to BankMobile using Intellecheck and initiates a bank wire using BB&T Cash Management which is approved by the Cashier Supervisor. The Director of Accounting then initiates a drawdown from the G5 website for financial aid refunds.

Non-credit refunds in Elevate are initiated by CWS and notified by email. The Refund Clerk confirms the credit and generates the refund in Elevate. The Director of Accounting reviews the refunds and then approves and processes the batch in Elevate. If the student has been transferred between classes after payment, the connection is lost and the refund to the debit/credit card must be credited manually in TouchNet by the Director of Accounting.

4.15 Managing Billing

Student Accounts utilizes TouchNet ebills and CampusCast emailing and texting to notify students of outstanding balances at least one week before each scheduled nonpayment purge. Purges are scheduled the week before the term begins, after the drop/add period, after the late mini-term begins and the final usually the week before final exams.

ACCS will be utilizing the baseline Banner Registered, Not Paid Process (SFRRNOP) to remove students from classes for non-payment. In order to utilize this process, the Banner AR Indicator (SFBETRM_AR_IND) must be set appropriately for each student. ACCS has developed an application in Argos to assist college staff in reviewing student accounts and marking each student as exempt (do not drop) or non-exempt (drop).

The application is in Argo datablock FIAR0001- Student Drop for Non-Payment Application which resides in the Finance Accounts Receivable folder in Argos PROD. Users responsible for this process will need to have the appropriate permissions to this folder in Argos PROD. This datablock also utilizes a data connection to allow updates to the database (PROD_Update). An additional security group will need to be added to user accounts to grant access to this data connection. Request for updates to a user’s Argos security should be directed to the college IT staff who will coordinate the request through the System Office.

Once all student have been moved into the exempt and non-exempt groups, the changes need to be committed to the database. To commit the changes, enter the password (UpdateARind) and select Commit Changes. When changes are committed, students in the exempt group will have their AR indicated updated to C. Students in the non-exempt group will have their AR indicators updated to N.

Once the AR indicator for each student has been updated, the Registered, No Paid Process
needs to be run in Banner. **Note:** Using the Argos application sets exempt students’ AR indicator to C and sets non-exempt students’ AR indicator to N. Therefore, the SFRRNOP parameter for “Type” should be set to N to purge “N only”.

Withdrawn students are not deleted in the purge process since they are not enrolled. Therefore, all must be reviewed to determine if payment was made in full using cash or authorized aid. Those not paid in full should be requested to Admissions to be manually deleted for non-payment. Withdrawals with full payment should be billed with a T3 hold applied on SOAHOLD.

Any students with a balance due to an R2T4 calculations of financial aid should be added to the exemption for the balance up to the amount of the calculated unearned aid since the college waives those fees and chooses not to bill students.

Students are billed after the final purge of each semester with 90 days to pay in full or the account will be turned over to our collection agency. Accounts remain with the collection agency through the statute of limitations and at that time are determined to be uncollectible. The Alabama Community College System Board of Trustees may authorize the Chancellor to review and approve the cancellation of an uncollectible debt incurred at the College. The President should write a detailed letter to the Chancellor explaining how the debt was incurred and the reason it is uncollectible. Supporting documentation must be attached. Accounts can only be written off in Banner upon receipt of Attorney General Approval letter.

### 4.15.1 Billing Procedures

Argos report FIAR0032 is run to identify all students with an account balance each term. Also use FIAR0029 to find unbilled balances from prior terms. Each student that has not already been notified to bill, gets generated a Schedule/Bill to mail. The Student Invoice/Billing Statement Process (TSRSBIL) produces a multiple page invoice/statement. It can also produce a schedule/bill document. A schedule/bill is a combination of a student's schedule of classes and an invoice of charges and credits.

There are three steps required to produce a schedule/bill:
1. Create Schedule/Bill Rule Codes (TTVSBRC)
2. Set up the schedule/bill parameters on the Schedule/Bill Rules Form (TSASBRL)
3. Run the Student Invoice/Billing Process (TSRSBIL) to produce a schedule/bill using special print “ScheduleBill”. The student bill should be mailed and scanned into BDMS with all backup documentation.

The Third Party Invoice/Billing Statement Process (TSRTBIL) produces a multiple page invoice/statement. An Invoice/bill can be a combination of a student's schedule of classes and the invoice/bill of charges and credits.
There are three steps required to produce a third party bill:
1. Create appropriate codes on the Third Party Rules Code Validation Form (TTVTPRC).
2. Set up the invoice/bill parameters on the Third Party Billing Rules Form (TSATPRL).
3. Run the Third Party Invoice/Billing Statement (TSRTBIL) to produce an invoice/bill.

4.15.2 Reviewing the Schedule/Bill Rules Form
The Schedule/Bill process consists of two types of parameters: rules parameters and runtime parameters. The rules parameters are those parameters that would probably remain static for each generation of schedule/bills. The Minimum Account Balance parameter, the Detail Codes to Bill parameter, and the Include Zero Balances parameter are a few examples of rules parameters.

In reviewing TSRSBIL, parameters titled Charge Selection, Charge Summarization and Payment Summarization are not in the list. They are part of the rules found on TSASBRL. The run-time parameters are those parameters that

may change for each execution of the schedule/bills. TERM, ID, and the POPULATION SELECTION parameters are examples of run-time parameters.

The purpose for the Schedule/Bill Rules Form (TSASBRL) is twofold. It enables you to enter the schedule/bill parameters once, eliminating the need to enter a large number of parameters each time schedule/bills are produced. Additionally, parameters that reside on the Schedule/Bill Rules Form (TSASBRL) may be secured.

The key to the Schedule/Bill Rules Form is the schedule/bill rule code. The schedule/bill rule code is defined on the Schedule/Bill Rules Code Validation Form (TTVSBRC). A rules code should be defined for each set of schedule/bill parameters required by the College.

The schedule/bill rules consist of the following data:
- Who gets a schedule/bill
- What items and item headings appear in the schedule portion
- What appears in the bill portion and how it is displayed
- Messages

Who gets a schedule/bill
The system determines who gets a schedule/bill using the parameters entered when submitting the Student Invoice/Billing Statement Process (TSRSBIL) in conjunction with the data input on the Schedule/Bill Rules Form (TSASBRL).

A schedule/bill can be produced for an individual or for a group of students. The run-time parameters determine which student(s) are/are not to be screened by the selection criteria. To produce a schedule/bill for an individual, you must run the Student Invoice/Billing Statement Process (TSRSBIL) and provide a valid ID when prompted for the ID parameter. To produce a schedule/bill for a group of students, you must run the Student Invoice/Billing
Statement Process (TSRCBIL) in **COLLECTOR** mode, **MASS** mode, or **POPULATION SELECTION** mode.

To run in **COLLECTOR** mode, you must type the word ‘COLLECTOR’ when prompted for the ID parameter. Leave all of the population selection (Selection Identifier, Application Code, and Creator ID) parameters blank.

To run in **MASS** mode, you must leave the ID and population selection Selection Identifier, Application Code, and Creator ID) parameters blank.

To run in **POPULATION SELECTION** mode, you must provide a valid population defined by entering the Selection Identifier, Application Code, and Creator ID, and you must leave the ID parameter blank.

On the Schedule/Bill Rules Form, you may either define student selection rules or provide a population for which a schedule/bill should be produced. Selection rules are never applied when running for an individual or in **COLLECTOR** mode. If you choose to define selection rules and provide a population or run the process in **MASS** mode, the group of students selected must be registered for the term. These students will then be screened by the selection rules.

**Selection rule components**
Four items make up the selection rules:

1. Exclude Students Not Allowed to Register
   Select this check box to exclude any student whose enrollment status prevents them from registering for the term (i.e., Prevent Registration is selected on the Enrollment Status Code Validation Form (STVESTS)).

2. Exclude Students Who Do Not Count in Enrollment
   Select this check box to exclude any student whose enrollment status causes no effect on the headcount of the student population for the term (i.e., the Affect Headcount check box is cleared on the Enrollment Status Code Validation Form (STVESTS)).

3. Course Required
   Select this check box to include only students who are registered for at least one course with a status that is eligible to print on the schedule/bill document (i.e., Print is selected on the Course Registration Status Code Validation Form (STVRSTS)).

4. Account Billable
   Select this check box to include only students whose accounts are eligible to be billed (i.e., Bill Code is null on the Account Detail Review Form (TSAACCT)).

All selection criteria must be satisfied in order for a schedule/bill to be produced. If you choose to provide a population and not define selection rules, a schedule/bill will be produced for those students in that population. (A population must have been provided via run-time parameters or the job will abort.) If a student within that population has no classes for the term, the schedule of classes will be absent from the schedule/bill document. If a student within that population has no charges or credits for the term, then the invoice of charges and credits will be absent from the schedule/bill document.

**What items and item headings appear in the schedule**

On the Schedule/Bill Rules Form (TSASBRL), you can indicate which data items will appear in the schedule portion. The available items are as follows:
To select a data item, select the corresponding check box. You can display an abbreviated course title and/or instructor name via a pull-down list. You must also provide the item heading. An error message will appear if the items selected exceed the allowable line width. The allowable line width checked by Banner is 132 characters. Determine the allowable line width on your printer and the pitch/font used for printing. If more items are selected than can be accommodated by your printer and pitch/font combination, printing difficulties may result.

**What appears in the bill portion and how it is displayed**
The following parameters entered on the Schedule/Bill Rules Form (TSASBRL) determine what the bill portion of the schedule/bill should look like:
Enrollment Period Dates by Term
This section should be populated if you combine multiple terms into a single enrollment period and want to establish different Cutoff Dates and Due Dates for the terms in the enrollment period. The dates in this section are only used for schedule/bills printed in the enrollment period format.

Messages
You may enter messages to be displayed on the schedule/bill document on the Schedule/Bill Rules Form (TSASBRL). The messages will display immediately following the billing information. An unlimited number of messages may be displayed; however, remember space considerations when supplying messages. If Schedule Bill rules are not used, messages can be added to the bill using TGAMESG.

About the Schedule/Bill Document
The schedule and bill portions of the document are considered floating in that each does not reside in a pre-defined area of the document. The entire student schedule will print followed by the student’s entire invoice of charges and credits. Normal page break logic is employed. A continuation message signals the existence of subsequent documents.

The document can be printed on either an 8 1/2" x 11" sheet of paper or College letterhead and stuffed into a #10 window envelope or on a pre-printed mailer. The schedule portion displays the student’s schedule of classes as defined by the data elements selected on the Schedule/Bill Rules Form (TSASBRL). The bill portion of the schedule/bill is divided into two regions. Charges are displayed in one region. Payments/Anticipated Credits are displayed in the other region.

The Charges region holds charges for the parameter term (i.e., account detail items where the type indicator of the detail code = C). Keep in mind that charges are displayed according to the CHARGE SELECTION parameter, the CHARGE SUMMARIZATION parameter, and the TERM parameter. Whether a charge is due is determined by comparing the effective date of the charge to the CURRENT DUE CUTOFF DATE parameter. A charge for the term that is not yet due is denoted by an asterisk (*).
Payments/ Anticipated Credits
The Payments/Anticipated Credits region is comprised of the following:

- Payment-type account detail items (i.e., the type indicator of the detail code = P)
- Deposits (when the Print Deposits check box is selected on the Schedule/Bill Rules Form (TSASBRL))
- Contract/exemption (when the Process Contracts, Deposits, Exemptions check box is selected on the Schedule/Bill Rules Form (TSASBRL))
- Financial Aid memos
- Financial Aid authorizations.

Some items that display in the Payments/Anticipated Credits section may not affect amounts due based on the value of the **PRE-AUTHORIZED MEMOS AFFECT AMOUNT DUE** parameter, **FINANCIAL AID MEMOS AFFECT AMOUNT DUE**, and the **COMMITTED/AUTHORIZED FINANCIAL AID** indicator on the Student Billing Control Form (TSACTRL). Items that appear in the Payments/Anticipated Credits section that do not affect amounts due are denoted by an asterisk (*).

Bottom section
Student Name, Student ID, Campus, Previous Balance, Current Term Balance, Amount Due, and Future Balance appear in the bottom section of the schedule/bill. Student Name, Student ID, Term, and Amount Due appear on the remittance stub.

Previous Balance is the sum of charges minus sum of payments where the effective date of the charge is less than or equal to the current due cutoff date. **Current Term Balance** is the sum of term charges due minus payments/anticipated credits that affect amount due (i.e. sum of non-asterisk (*) charges minus the sum of non-asterisk (*) payments. **Amount Due** is the sum of current term balance and previous balance. Future Balance is the sum of charges due, minus the sum of payments where the effective date of the item is greater than the current due cutoff date.

If the current term balance is a credit balance, and the **CURRENT CREDIT BALANCE APPLY TO PREVIOUS DEBIT BALANCE** parameter is not selected on the Schedule/Bill Rules Form (TSASBRL), amount due would be the same as the previous balance.

The messages on the schedule/bill will display immediately following the billing information. An unlimited number of messages may be displayed; however, you should be aware of the space considerations when supplying messages. Items denoted by an asterisk (*) cause an additional message line to be generated. The message explains the significance of the “*”.

4.16 Building Auto-Hold Rules
The Auto Holds Rule Form (TGAHOLD) is used to create automatic holds on accounts. The holds can be non-conditional, which ignore balances and put a hold on all accounts within a certain population if desired. Holds can also be placed on accounts by building balance or aging criteria using this form. Always run the application of payment process before running the process to putting automatic holds on an account.
Calhoun uses an automatic process in minute intervals to apply and release T4 holds based on the BALDUE rules using the From Date for any balance. This from date should be set to the day before the next term’s registration date. Only balances on rows as of this date will have a T4 hold applied. This rule should be updated after every late mini purge before registration begins for the next term, except for Summer since Summer and Fall registrations run concurrently.

Click the **Purge Prior Holds** checkbox to purge prior released holds from the hold table (SPRHOHOLD).

Click the **Include Non-Person** checkbox to apply the hold to non-person accounts as well as person accounts.

Click the **Non-Conditional** checkbox if you are performing a population selection that you want to apply the hold regardless of balance. If this box is checked and a population selection is not used Banner will put the hold on all accounts. Leave unchecked to build balance or aging rules.

Perform a **Next Block** to access the Account Balance Rules window.
Use this window to build hold criteria based on account balance. To build hold rules, use this window or the next window, but not both. If both are populated, the Automatic Hold Process (TGPHOLD) will not work.

Click the Include Future Charges checkbox if you want it to calculate future charges in the balance calculation like payment plans.

Click the Include Financial Aid checkbox if you want it to allow authorized, non-disbursed aid to reduce the balance due. For Non-Student AR, leave Include Financial Aid unchecked since Non-Student AR does not have Financial Aid.

If you checked Include Financial Aid you will need to populate For Terms and Term to designate how much authorized, non-disbursed aid should be used to reduce the balance amount. If also using the Account As of Date field it is recommended to not use future term aid. For Non-Student AR, leave the For Terms field blank.
Use this window to build rules based on aging date of the accounts instead of balance criteria. Use either this window or the previous window to build criteria or the Auto Hold Process (TGP HOLD) will not work.

4.17 Reviewing the Third Party Billing Rules Form
The Third Party Invoice/Billing Statement Process (TSRTBIL) produces a multiple page invoice/statement. An invoice/bill can be a combination of a student's schedule of classes and the invoice/bill of charges and credits.

There are three steps required to produce a third party bill:
1. Create appropriate codes on the Third Party Rules Code Validation Form (TTVTPRC).
2. Set up the invoice/bill parameters on the Third Party Billing Rules Form (TSATPRL).
3. Run the Third Party Invoice/Billing Statement (TSRTBIL) to produce an invoice/bill.

Enter data for parameters on TSRTBIL and run in one of the following modes:
- INVOICING – simulates a bill but does not update the account or begin aging.
- STATEMENT – processes credits and payments and updates the bill date, due date, statement date, and invoice number fields on the account. The aging process begins and a statement is generated.
- APPLYCRED – processes credits and payments and updates the account. It does not update the account as billed and no statement is generated.
Third Party Rules Form
The Third Party Rules Form (TSATPRL) is used to define the rules that will determine how Banner prints the third party bills, and to establish the relationship between a third party rule code and how Banner will print the bills that use that rule code. A rule code must be established on the Third Party Rules Code Validation Form (TTVTPRC) prior to using it on this form.

An invoice of items not previously billed may be produced, either for an individual third party account or for all third parties via the batch process Third Party Invoice/Billing Statement (TSRTBIL). An invoice may be not requested online for a third party. The request of an invoice will not update a third party account as being billed; therefore, charges and payments will be billed in detail when a bill is requested in **Statement mode**. No aging of invoiced charges occurs.

When a third party statement is requested, the account’s bill date, due date, and statement date are updated, and the aging of charges billed begins. All charges and payments are billed in detail once. Transactions with “ARTERM” are reported separately under the “Contractor Activity” section of the report. Any outstanding charges at the next billing cycle which have not been previously paid and have a due date prior to the billing date will be reflected as being past due.

**Items and Item Headings**
On the Third Party Billing Rules Form (TSATPRL), you can indicate which data items will appear on the Invoice/Bill. The available items are as follows:
- Print Student’s Schedule on Bill
- Print Student Summary on Bill
- Print One Student Per Page
- Print Authorization Number
- Print Sponsor Reference Number
- Print Student Text
- Print Billing Message
- Print Contract Number Text

To select a data item, select the corresponding check box.

**Print Student’s Schedule on Bill**
On the Third Party Billing Rules Form (TSATPRL), you can use the Schedule Item Selection window to select the student’s schedule data items that will appear in the schedule portion. The available items are as follows:
- Part of Term
- Course Reference Number (CRN)
- Subject
- Course
- Course Level
- Course Status
- Meeting Days
- Meeting Times
To select a data item, select the corresponding check box. You can display an abbreviated course title and/or instructor name via a pull-down list. You must also provide the item heading. An error message will appear if the items selected exceed the allowable line width.

The allowable line width checked by Banner is 132 characters. Determine the allowable line width on your printer and the pitch/font used for printing. If more items are selected than can be accommodated by your printer and pitch/font combination, printing difficulties may result.

**Print Student Summary on Bill**
When this check box is selected, Banner will print a student summary on the bill. This is a list of all the students assigned to a contract and their account balances. If selected, this information will appear on the bill after the contractor's detail information.

**Print One Student per Page**
When this check box is selected, Banner will print either the information for one student or multiple students on each page of the bill.

**Print Authorization Number**
When this check box is selected, Banner will print the contract authorization number for the contract on the bill.

**Print Sponsor Reference Number**
When this check box is selected, Banner will retrieve the sponsor’s reference number from the Contract Authorization Form (TSACONT).

**Print Student Text**
When this option is selected, Banner will include any text for a student on the bill.

**Print Billing Message**
When this option is selected, Banner will print any message on the Billing Message Form (TGAMESG) that is associated with the third party/contractor on the bill.

**Print Contract Number Text**
When this option is selected, Banner will print any text that is associated with the third party/contractor on the Contract Authorization Form (TSACONT) on the bill.
4.18 Non-Student Accounts Receivable
Non-student AR billings are those memos from GED, TBI, CE, ACT, printshop, mailroom, etc. requesting invoices for their services. Student accounts are not billed, only the company.

4.18.1 Creating a Non-Person
A non-person account is created to enter non-student accounting transactions for companies and associations.

Use common matching on SPAIDEN to see if the company already exists in Banner.

*Note:* No one vendor can be used in a student contract and a non-AR billing. This would create several problems. Always confirm that a vendor does not have student contract activity by looking at the vendor in TSAAREV prior to requesting a new vendor from Renee or processing the non-AR processing steps.
From SPAIDEN, select Generate ID.

Type the company name in the Non-Person Name, then select Duplicate Check to determine if the company already exists. If the company already exists, send the billing address to the Purchasing Specialist to add a BI address to the current vendor. If the company is not found, forward the appropriate information (company name, address, etc.) to the Purchasing Specialist so the non-person vendor record may be created with an address type of BI for billing.

4.18.2 Defining a Customer Profile
The Customer Profile Definition Form (TGACPRF) is a form that is used to identify a customer with an entity category, establish a credit limit, and append text to a customer’s account.
Follow these steps to complete the Customer Profile Definition Form (TGACPRF)

1. Access the Customer Profile Definition Form (TGACPRF).
2. Perform a **Next Block** function.
3. Enter TP (third party) as the entity code.
4. Default an address for the **Default Address Type** field to BI and **Sequence Number** field of 1.
5. Click the **Save** icon.
6. Click the **Exit** icon.

### 4.18.3 Posting Charges and Payments on the Account Detail Form

The Account Detail Form (TFADETL) is used to post charges and payments on a student or non-student account. TFADETL allows for the entry of all charges and payments in amount or by rate X unit format, deposits or memo items. Comments on the account (account text) may also be entered on this form. Balances and the NSF total indicator are displayed, receipts can be requested and unapplication of payments may be requested.

Follow these steps to enter charges on a non-student account.

1. Access the Account Detail Form (TFADETL).
2. Enter the ID number of the non-person in the **ID** field.
3. Perform a **Next Block** function to navigate to the Charges/Payments block.
4. Enter the Charge detail code associated with the appropriate account number in the **Detail Code** field by querying on TSADETC by description of %NonAR%. Any new detail codes should be requested via email to Jenny.
Once you enter the detail code, the defaulted description will appear highlighted. Overwrite
the description field with a description of the service being billed to the company.

- The **Address Type** and Sequence fields should automatically populate based on
  the entry in TGACPRF.
- Enter the **Amount**.
- Click the **Text box** to type additional descriptions needed such as dates of service,
  company PO number, participant names, etc.
- Click the **Save** icon.

**Using the Account Detail Review Form**

The Account Detail Review Form (TFIAREV) is used to review your entries.

---

**4.19 Finance Invoices or Statements using TFRBILL**

The Finance Invoices or Statements Process (TFRBILL) invoices accounts by invoice
numbers and also provides a billing statement of the account.

When run in **INVOICING** mode, a separate invoice is produced for each invoice number on
an account. Any item without an invoice number is listed on a separate invoice, and the
system assigns an invoice number. An invoice date is updated for each item invoiced to
prevent an invoice from being issued multiple times.
When the process is run in STATEMENT mode, all previously invoiced items are shown in detail, and any non-invoiced items will also be shown. The statement process updates each transaction billed with a bill date and due date.
4.19.1 Posting a Payment using the Application Distribution of Single Payment – Finance Form

The Application Distribution of Single Payment-Finance Form (TFAADSP) is used to enter payments that need to apply to specific charges.

All checks sent to the Business Office are recorded in the Check Log by Angie and will be given to Carla to send to the cashier’s office in order to maintain separation of duties. Once the receipt is returned by the cashier, Carla will then forward it to the Huntsville Cashier to record the receipt number in the Check Log, attach to the invoice, and file in the vendor file.

4.20 Managing Delinquencies and Collections

Banner can be set up to automatically assist you in your collection’s attempts, and ultimately in using write-off procedures and processing bad debt. Calhoun doesn’t use this aging process currently. Our billing process is described in 4.15.1.

4.20.1 Aging Analysis Report

The Aging Analysis Report (TGRAGES) can be run to determine how old accounts are. The report can be run based on the effective date of the transactions outstanding, the bill date of the transactions outstanding, or the due date of the transactions outstanding. TGRAGES is used to monitor the accounts that are outstanding.

Run the Aging Analysis Report (TGRAGES) multiple times with different date ranges and min and max account amounts during month-end and year-end for a clearer picture of aging and assist in reconciliation issues. The First Run should set Parameter 05 Minimum Account Balance to -999,999,999.99 and set Parameter 06 Maximum Account Balance to .01.
second run should set Parameter 05 Minimum Account Balance to 0.01 and set Parameter 06 Maximum Account Balance to 9,999,999.99.

For non-credit in Elevate, you can generate the Student Aged Debt and Organization Aged debt reports; however, these reports do not include any fixed price contract invoices. Currently, the only report to pull fixed is the Organization Transactions report, but it doesn’t age the accounts.

4.20.2 **Set Up for Handling Delinquent Accounts**
Follow these steps to set up Banner for handling delinquent accounts.

<table>
<thead>
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<th>Description</th>
<th>Prevent Batch Update</th>
<th>Activity Date</th>
</tr>
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<td>0-9 days past due</td>
<td></td>
<td>17-JAN-2011</td>
</tr>
<tr>
<td>01</td>
<td>10-19 days past due</td>
<td></td>
<td>17-JAN-2011</td>
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<tr>
<td>02</td>
<td>20-29 days past due</td>
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<tr>
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<td>26</td>
<td>1200000000-2399999999 days past due</td>
<td></td>
<td>17-JAN-2011</td>
</tr>
</tbody>
</table>

**Steps**

1. Determine how to bill (e.g., whether to bill all students with outstanding balances, bill grouping of students through population selection, etc.)

2. Create delinquency codes for tracking the delinquency status of the account using the Delinquency Code Validation Form (TTVDEL). Codes may be alpha or numeric. Recommended:
   - Code 30 = 30 days past due
   - Code 60 = 60 days past due
   - Code 90 = 90 days past due
   - Code CO = referred to Collection Agency
   - Code WO = Write-offs (but include BAD DEBT) in the description.

3. Create a Hold Code for “Outstanding Balances” on Hold Type Code Validation Form (STVHLDD).

4. Create a Hold Code for “Collection Agency” on Hold Type Code Validation Form (STVHLDD).

5. Create a collection agency or agencies on the General Person Identification Form (SPAIDEN).
4.20.3 Processing Delinquent Accounts

The College has policies regarding the collection of past due amounts from delinquent accounts.

Steps

Follow these steps to process Delinquent Accounts.

1. Run the Student Billing Process (TSRCBIL) in “Statement” mode to update the “bill date” and “due date” the first time the transaction appears on a bill. This process should be run on a regular basis to notify the student of the outstanding balance. Subsequent runs of TSRCBIL will not change the original “bill date” or “due date” of individual transactions.

2. The Student Account Review Form (TSAACCT) can be used to review, online, the aging of an account's outstanding transactions.

3. The Aging Analysis Report (TGRAGES) can be run to determine how old accounts are. The report can be run based on the effective date of the transactions outstanding, the bill date of the transactions outstanding, or the due date of the transactions outstanding. TGRAGES is used to monitor the accounts that are outstanding.

4. The Auto Holds Rules Form (TGAHOLD) creates rules on page two or three, using the “Outstanding Balances” hold code, to place a hold on student accounts that have outstanding past due balances.

5. The Auto Hold Release Process (TGPHOLD) is run in batch or sleep-wake mode. This process is used to place holds on accounts that have outstanding past due balances or to
release accounts that have paid the outstanding balance. This job should be run at least daily.

6. The Batch Update of Delinquencies is used to update the delinquency code on the student’s account (TSAACCT). The report uses the “due date” of the outstanding transactions and updates the delinquency code on TSAACCT based on the rules defined through the parameters on TGRDELI. This process is usually run monthly after the billing due date.

4.20.4 Sending Accounts to the Collection Agency
When all internal efforts to collect past due accounts (90 days) have been exhausted, we send accounts to a Collections Agency to attempt to collect the past due amounts. Instead of the steps below, we send an Excel list of A#’s for bills over 90 days old to IT and they send back a date file that we upload to our collection agency.

Steps
Follow these steps to send accounts to the collection agency.

1. Using a population Selection, those accounts that have a specific delinquency code can be identified for referral to the collection agency.

2. Using the Auto Holds Rules Form (TGAHOLD), create a hold rule for the “Collection Agency” hold.
   - Set up a NON-CONDITIONAL rule for posting the “Collection Agency” hold to students
   - Only fill out Page One (no rules should be attached)

3. Run the Auto Hold Release Process (TGPHOLD) to assign students to the appropriate collection agency. This is a manual process.

4. Using the Account Review Form (TSAACCT):
   - Select the “Collection Agency” code for the Bill Code field in the Account Status block.
   - Select the appropriate “referred to collection agency” code for the Delinquency field in the Account Status block. This is a manual process.

4.20.5 Setting Up for Write-Off Procedures
Steps
1. Create a W001 detail code to be posted to student accounts
   A payment code to pay off the account
   Debit: Bad Debt Expense
   Credit: Unapplied Payments
2. Create a Bill Code for “Bad Debt” on the Bill Code Validation Form (TTVBILL).


4. Create a Hold Code for “Bad Debt” on the Hold Type Code Validation Form (STVHLDD).

5. Create a Bad Debt Rule Code on the Auto Hold Validation Form (TTVRHLD).

4.20.6 Processing Bad Debt

After an account has been with the collection agency through the statute of limitations period, the accounts are sent by letter to ACCS requesting approval for write-off. If approved, ACCS sends the list to the Alabama Attorney General for Approval. Once approved, ACCS will forward letter to the college.

The process to write-off bad debt involves several steps, using accounting rules to move the Outstanding Receivable into the Bad Debt Expense account.

Steps

Follow these steps to process a student’s bad debt and write it off.

1. Access the Account Review Form (TSAACCT).
2. Set the Bill Code field to the “bad debt” code.
3. Set the Delinquency field to the “bad debt” code.
4. Click the Save icon to update the student’s account record.
5. Access the Account Detail Review Form (TSAAREV).
6. Verify that the ID field in the Key Block contains the information for the student whose account you are updating. If not, enter the student’s ID into the ID field.
7. Post the “Bad Debt” payment code in the Detail Code field on the Account Details block. This would be the amount for the bad debt being written off. If you are not writing off the entire account, t-pay the payments to those transactions being written off. You could do this on the Application Distribution of Single Payment – Student Form (TSAADSP).
8. Post the “Bad Debt” Charge code for the amount of bad debt to be written off.
9. Click the Save icon to update the student’s account record.
10. Access the Auto Holds Rules Form (TGAHOLD).
11. Enter a NON_CONDITIONAL rule for posting the “Bad Debt” hold to students, only filling out Page One of the form. Note: No rules should be attached.
12. Click the Save icon to update the Auto Holds Rules.
13. Create a population selection for those accounts that have been written off. This can be done through population selections rules or by manually entering IDs in a manual population selection.
4.21  **Reconciling AR to Finance**  
Accounts Receivable is easiest to reconcile to Finance every night, as well as at the end of every financial period. Automic is a separate jobs scheduler software that is setup to run some of the following steps each night with a username of BANWORX.

4.21.1  **Nightly Feed to Finance Best Practice**  
Ellucian recommends these steps as the best practice for reconciling and feeding Accounts Receivable transactions to Finance each night.

**Steps**

1. Cashier manually closes his or her open cashier session, using the Cashier Session Review Form (TGACREV).
2. Supervisor verifies bank deposits and finalizes closed cashier sessions, using the Cashier Supervisory Review Form (TGACSPV).
3. Run the automated session close for sessions that do not contain cash transactions, using the Cashier Session Close process (TGRCLOS). Set it to run at 7 pm so it will correspond with the bank statement.
4. Run the Cashier Detail Report (TGRCSHR) to review the detail of what is being fed to Finance. Always update finalized cashiers to R.
5. Run Application of Payment process (TGRAPPL) to apply payments to open charges, and print an application of payment roster. Use the Parameter Definitions Form (GJAPDEF) to verify that the default parameter settings on TGRAPPL are the standard parameters used by your institution on a regular basis.
6. Run the Un-application of Payment Process (TGRUNAP).
7. Run the Application of Payments process again (TGRAPPL) to re-apply any unapplied transactions, and make sure to print the application of payment roster.
9. Run the Accounting Feed Process (TGRFEED) to feed closed and finalized cashier session transactions to the Finance Table (GURFEED).
10. Run two Aging Analysis Report (TGRAGES) as of today. The First Run should set Parameter 05 Minimum Account Balance to -999,999,999.99 and set Parameter 06 Maximum Account Balance to -.01. The second run should set Parameter 05 Minimum Account Balance to .01 and set Parameter 06 Maximum Account Balance to 9,999,999.99.
11. Run the Accounts Receivable Reconciliation Report (TGRRCON) immediately upon the submission of the Aging Analysis Report. Use it to reconcile Accounts Receivable balance to the Aging Analysis Report. Leave all Starting and Ending dates blank, unless Parameter 4 Miscellaneous Reconciliation is set to Y, then enter date range for the Miscellaneous transactions, (Parameters 5 & 6).
12. Run the Finance Sweep process (FURFEED).
13. Run the Refund Interface process (FURAPAY).
14. Run the Interface process (FGRTRNI).
Additional Recommendations
- Make sure reconciliation issues are investigated the day they are found.
- Have transactions stopped from Self-Service Banner during year-end feeds to Finance. This ensures a clean cut-off and true representation of AR balances.
- Run the Aging Analysis Report (TGRAGES) multiple times with different date ranges and min and max account amounts during month-end and year-end for a clearer picture of aging and assist in reconciliation issues.

Elevate transactions required a separate feed to finance. We currently feel almost on a weekly basis. Create the financial export from the Finance menu based on a date range and save the output file to your temp folder on the C drive. Then, revise the file using Notepad++ to Unix and convert encoding the ANSI. Then use GJAJFLU to import the file to the server for FUPLOAD. Then run FUPLOAD using the file name. Next, run FURFEED and send file and fed to Regional CFO for review and approval. Once approved, run FGRTRNI and FGRTRNR and the sleep/wake process will post the activity to the Banner Finance general ledger using the E016 rule code.

4.21.2 Generating the Accounting Feed Report
The Accounting Feed Process (TGRFEED) is used to send the accounting information to the Finance system. Review the process for sending the accounting information for the day to the Finance System (for Banner Finance clients) and/or generate a report of the accounting information for the day.

4.21.3 Running the AR Reconciliation Report
The Accounts Receivable Reconciliation Report (TGRRCON) enables you to reconcile receivable information to your General Ledger accounts. It displays the current General
Ledger balances for Banner Finance schools, to help you identify out-of-balance conditions, reflecting any amounts that have not yet been posted to the General Ledger.

This report accesses accounting information based on term code and designator code. Term-based transactions are processed by using either the feed date or the system date. For miscellaneous transactions, the report uses the default designator code from the Student Billing Control Form (TSACTRL) to access the accounting information to be reconciled to the Banner Finance System. The last page of the report summarizes the transaction information that displays on the report.

TGRRCON is a snapshot of the receivable ledger using the current accounting of the detail code. If any changes are made to the General Ledger side of the detail codes, then it is necessary to use a journal to move the outstanding balance in the General Ledger to that account.

**Processing Detail**
An initial transaction creates A/R BALANCE, but has an equal TOTAL NOT FED, so TOTAL FED, ADJ FED TOTAL and the G/L are .00.

When the initial session is closed and fed, TOTAL NOT FED goes to .00, TOTAL FED, ADJ FED TOTAL, and the G/L match the A/R BALANCE which is still the original amount.

When the payment is applied but not fed, A/R BALANCE is reduced by the amount of the payment, APPLIED NOT FED is increased by the amount of the payment, and ADJ FED TOTAL matches the G/L and is still the original amount. (At this point, the TOTAL FED column does not reflect anything real.)
When the application transaction is fed, then APPLIED NOT FED is back to .00, and TOTAL FED, ADJ FED TOTAL, and A/R BALANCE all match each other and the G/L, representing the net outstanding balance. This should be the case for the whole report if all sessions have been closed and fed.

Summary Section
The TGRRCON report provides detailed information of pending transactions in a summary section.

First section – Errors. Some errors you may encounter are percentage of accounting greater than 100.00, missing designator for term, or accounting missing for detail code.

Second section – Open receivables
- All charge detail codes with an open balance
- Summed by accounting unit based on the A account of charge detail codes

Third Section – Unapplied Payments
- All payment detail codes with an open balance
- Summed by accounting unit based on the B account of the payment detail code
Fourth section – Summary section of Open Receivables/Unapplied Payments
- Sums by accounting unit, both Open Receivables and Unapplied Payment accounts
- List the amount in GURFEED that has not been moved to Finance.
- List the amount transferred to Finance, but not posted to the GL accounts
- List the GL balances from Finance
- List the difference from the GL balance to the adjusted AR balance

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<tr>
<td>B 1110</td>
</tr>
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Fifth section – Miscellaneous Transactions (if parameter 04 = Y)
- List miscellaneous transactions based on the date range entered
- List each transaction and if fed or not fed.
- List the detail code and the accounting unit.
- Does not list any GL information

<table>
<thead>
<tr>
<th>Report Sample (Page 6 of 7)</th>
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<tr>
<td>03-23-2006 13:34:56</td>
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4.21.4 Balancing A/R to Finance

Follow the steps described below to balance accounts receivable to Finance.

Steps
1. Check for errors at the beginning of the A/R Reconciliation Report. Some errors you may encounter are:
   - Percentage of accounting greater than 100.00
   - Missing Designator for term
   - Accounting missing for detail code
2. Check the summary section of the A/R Reconciliation Report. This section is after the Open Receivables section and after the Unapplied Payments section
   • Transactions still in GURFEED and moved from GURFEED but not posted to AR is reported and used to adjust the ending AR balance
   • The difference between the adjusted AR balance and the GL will be listed
3. Investigate and begin to reconcile any account that is not in balance
   • Check for manual entries in the GL account
   • Check for accounting changes behind the detail codes associated with the account that is out of balance.
   • Verify that the TGRRCON report balances with the TGRAGES reports.
   • Add the Open Receivables and Unapplied Payments
   • Add the totals from the negative aging report and positive aging report.
   • Compare the two totals. They should be equal.
   • Enter the TGRRCON amounts into the reconcile template on TEAMS at year end. Once TGRRCON is reconciled to TGRAGES, upload all AR reports to BDMS in the ACCS-F-AR-YEAR-END folder for review by ACCS.
   • Elevate must also be reconciled to Banner Finance on a regular basis. Download the Student Aged Report and Organization Transactions report into Excel and total the Elevate balances. Compare to the GFITBAL Balance for the Elevate AR account and reconcile any differences.

4.22 Tax Relief Act (TRA) 1098-T Reporting
Eligible educational institutions must file Forms 1098-T (Tuition Statements). An eligible educational institution is a college, university, vocational school, or other post-secondary educational institution and that is eligible to participate in the Department of Education’s student aid programs. This includes most accredited public, nonprofit, and private post-secondary institutions. An eligible educational institution that is a government unit, or an agency or instrumentality of a governmental unit, is subject to the reporting requirements of Form 1098-T. The College must file for each student enrolled and for whom a reportable transaction is made by January 31st.

Qualified tuition and related expenses are tuition and fees a student must pay to be enrolled at or attend an eligible educational institution. The following are not qualified tuition and related expenses:

   • Amounts paid for any course or other education involving sports, games, or hobbies unless the course or other education is part of the student’s degree program or is taken to acquire or improve job skills.

   • Charges and fees for room, board, insurance, transportation, and similar personal, living, or family expenses.

**Colleges do not have to file Form 1098-T or furnish a statement for:**

   • Courses for which no academic credit is offered, even if the student is otherwise enrolled in a degree program;
- Nonresident alien students, unless requested by the student;
- Students whose qualified tuition and related expenses are entirely waived or paid entirely with scholarships or grants; and,
- Students for whom you do not maintain a separate financial account and whose qualified tuition and related expenses are covered by a formal billing arrangement between the institution and the student’s employer or a governmental entity, such as the Department of Veterans Affairs or the Department of Defense.

### 4.22.1 Form 1098-T Procedures

The Tax Relief Act (TRA) of 1997 included several provisions relating to Education Tax Credits. The impact to post-secondary institutions is the need to collect and report information to taxpayers and the IRS. In December 2002, the IRS published final regulations reflecting changes made to the law.

The *Tax Relief Act (TRA) 1098-T Reporting Handbook* documents 1098-T tax reporting processing in Banner to assist your institution in complying with Internal Revenue Service (IRS) reporting requirements relating to the Hope Scholarship Credit and the Lifetime Learning Credit. Banner processing supports the *Amounts Billed* option for reporting Qualified Tuition and Related Expenses (QTRE). We also rely on NACUBO’s Advisory Guide to Form 1098-T Information.

**Process Flow**
**Step-by-Step Procedures**
The following is a comprehensive list of processes and forms relevant to 1098-T reporting.

1. Create tax rule codes on the Tax Report Validation Form (TTVREPT) and build tax rules on the Tax Reporting Rules Form (TSATAXR) around October each year.

There are two types of rules: reportable and supplemental. Reportable rules (subdivided into Qualified Charges Billed and Scholarships or Grants) are required for each tax year.

2. Run the 1098 Student Tax Notification (TSP1098) process in Test mode.

Review the error report generated for TSP1098 to identify any students missing data for social security number, name, or address. This will help you determine if information needs to be added to SPAIDEN (name, address) or SPAPERS (social security number).

Send standard letter to all students with blank SSNs through December 31st ensuring all students received a letter for use in proving requirement met to waive IRS fines, if imposed any year. Any returned undeliverable should be emailed to the student. Keep on file by calendar year.

Review amount fields and check boxes on TSATAXR to confirm that your rules are complete and accurate. If necessary, you can update rules on TSATAXR. Rerun TSP1098 in Test mode, as needed.

3. Run the TSP1098 process in Official mode.

After you run TSP1098 in Official mode, any further changes needed to name, address, or social security number must be made in two places: TSATAXR and SPAIDEN (or SPAPERS, if applicable). After you update the TSATAXR form with address and/or social security number information, you must change the Student and IRS flags to Ready to send.

You may re-run the process in Official mode to recalculate amounts or add new students. Recalculation is only applicable if you have changed a reportable rule in the current tax year.

You can manually exclude student records by selecting the Remove Notification check box on TSATAXR. Certain student records (for example, where amount fields are zero, or Scholarships or Grants are equal to or greater than Amounts Billed) can be excluded automatically when the TSR1098 and TSRTRAF processes are run.

4. Populate the 1098-T Tax Information Form (TSA1098).

5. Run the 1098 Student Tax Report (TSR1098).
This step is optional if you are planning to use a third-party service for student 1098-T notifications. Run this process in Test mode first to review the 1098-T student notifications and the IRS file. This file is used to upload tax forms into TouchNet.

Run this process in Official mode with parameter 03 set to S to print the 1098-T and update the Student Notification Status and date, and mail the 1098-T notifications to students according to reporting deadlines. We use a population selection to only print forms for students that did not opt in to the electronic consent in TouchNet.

If you discover errors in tax rules after 1098-Ts have been sent to students (but before you have reported to the IRS), you may correct the tax rules and reissue revised 1098-Ts to students. To do this, update tax rules on TSATAXR and rerun TSP1098 in Official mode with the Re-run Indicator (parameter 03) set to (R)ecalculate. You may also (A)dd new students at this time, or re-run for (B)oth.

Run this process in Official mode with parameter 08 set to Y to generate the IRS File and update the IRS Report Status and date, and send it to the IRS according to filing deadline.

6. Run the Tax Relief Flat File Process (TSRTRAF) to print detail of the reported amounts and/or selected supplemental tax report codes to send to the student with the 1098-T notification forms. You can also run the TSRTRAF process if you are outsourcing to create the flat file for the third party service. This process is optional. If you are outsourcing, run the TSRTRAF process in Test mode first. This way you can review your flat file before sending it to your third party.

Run the process in Official mode to update the student and IRS status indicators. You may rerun TSP1098 to recalculate and/or add students (rerun indicator) if you discover that an error was made in building the tax rules. You can re-run TSRTRAF in Official mode to create an additional file if you have entered changes on TSATAXN, recalculated amounts, or added students.

4.22.2 Form 1098-T Student Tax Notification Process
This process pulls existing data from Banner and populates the Tax Notification for Student table (TTBTAXN). You will want to run the TSP1098 process during non-peak hours or on the weekend.

Processing Detail
The TSP1098 process will first select all students enrolled in a term that matches the Terms in Tax Year field from the Qualified Charges Billed rule for the tax year being processed. For students who received a 1098-T in a prior year who are no longer enrolled, the process checks for any reportable transactions in the current year to identify adjustments and inserts a tax notification record. Reportable amounts are calculated and the receivable records updated for those AR transactions that have been reported.
This process can be run in Mass mode or with a Population Selection. When this process is run using a population selection, then the process only looks at students in the popsel to determine if they meet the selection criteria.

You can run TSP1098 in test mode or official mode. Test mode allows you to review data for accuracy and completeness. When run in test mode, data in the Notification tables for the tax year is deleted and repopulated. Official mode should only be run once you have reviewed your tax data for accuracy and completeness. Official mode populates the Notification tables and will not allow further deletes. If test data exists, it is removed and replaced. You may re-run the process in Official mode to recalculate amounts or add new students. Recalculation is only applicable if you have changed a reportable rule in the current tax year.

4.22.3 Retrieving Data
When populating 1098-T tax notification forms for these students, the process retrieves data from the following locations:

1. Student Name - Banner uses the matching Name Type with the most recent activity date. If no Name Type is entered or matched, the default is the current name on SPAIDEN.
2. Student address - The TSP1098 process retrieves address type in order of parameter priority. Address must also be active.
3. SSN of Student - The process retrieves the student SSN per parameter priority. SSN is considered to be valid if it meets the following edits: nine numeric positions; does not begin with 000.
4. At least half-time student indicator is selected for any student who has been enrolled for half time or more for any term in the tax year. The institution chooses the source for enrollment information and decides what defines half time as parameters to the process.
5. Graduate student indicator is selected for any student with an SFBETERM or SHRTTRM record who was a graduate-level student for at least one term that begins in the tax year.

The TSP1098 process sets all Student Notification Statuses and all IRS Notification Statuses to (R)eady to Send when all required data elements have been entered, or to (N)ot Ready to Send if name or address information is incomplete.

Reportable Amounts
The procedure tkmods.P_Reportable_Amounts is called by the TSP1098 process to calculate values to be reported on the 1098-T, as described below.

- When in Recalculation mode, the four 1098-T tax fields in TBRACCD are reset to null if previously marked as reported in the current tax year.
- Receivable transactions in TBRACCD for which the greater of effective date or entry date is in the current tax year are filtered by the Tax Rules for Payments Received and Scholarships or Grants rules for all tax years; eligible amounts (reflecting pro-ration, if applicable) are inserted into the new Global Temporary Table (TTTITAXC).
- Any duplications due to terms that appear in rules as future in one year and regular terms in the next are removed.
• Transactions are summed by term.
• For Payments Received
  o net increases are added to the “Payments received for qualified tuition and related expenses” box amount
  o net decreases are added to the “Adjustments made for a prior year” box amount.
• For Scholarships or Grants
  o net increases are added to the “Scholarships or Grants” box amount
  o net decreases are added to the “Adjustments to scholarships or grants for a prior year” box amount.
• For net change of zero
  o transactions related to terms of the current tax year are marked as reported in “Amounts billed for qualified tuition and related expenses” box or “Scholarships or Grants” box, as applicable.
  o transactions related to terms of a prior tax year are marked as reported in “Adjustments made for a prior year” box or “Adjustments to scholarships or grants for a prior year” box, as applicable.
• Records in the Temporary Table are used to update the four 1098-T tax fields in TBRACCD.

4.22.4 Re-Run Mode
After the initial official run of TSP1098, you may need to re-run the process when new students have been enrolled and/or a change is made to Payments Received or Scholarships or Grants tax rule in the current Tax Year. The Re-run Indicator parameter allows you to pick up new qualifying students and/or recalculate reportable amounts.

Only records with an IRS status not equal to (S)ent are evaluated for recalculation.

For records with a Student status of (S)ent or (E)xcluded (where IRS status is not Sent), if any amount is different due to a change in a rule, the existing record is left intact and a new one is inserted and marked (R)eady to Send. This retains a history of data sent and allows a revision to be sent to the student. When reprinted, the Correction box of the 1098-T is not marked, as this does not represent a correction to a record previously sent to the IRS. Once a record has been sent to the IRS, it will be necessary to submit a manual correction to both the student and the IRS.

If Student status is (N)ot Ready to Send, or (R)eady to Send, the existing record is updated with revised amounts.

When recalculating existing records, TSP1098 counts the number of records for each of the following categories; Records with no change, Records updated, Records inserted, and Not evaluated as previously sent to IRS.

When adding new students, TSP1098 calculates a count of records created based on Students Enrolled and Prior Year Adjustments.
4.22.5 Tax Notification Process Error Report
This error report identifies students missing required data elements and indicates whether name, address, or social security number (SSN) is missing. Student and IRS status notifications will be set to (N)ot Ready to Send for all students who are missing name and/or address data. If only the SSN is missing, student and IRS status notifications will be set to (R)eady to Send. You can use the information from this report to identify setup problems and identify students from whom you need to solicit additional information before you complete your reporting cycle. In the event that enrollment or prior year notification data exists for a student who has been deleted from the database (no SPRIDEN record), the missing PIDM is reported.

4.22.6 1098 Student Tax Report (TSR1098)
Use this report to print student 1098-T notifications or to produce the IRS file. Before running this report, you will need to complete the TSA1098 form with information for the transmitter and the institution. The 1098 report produces two files: the TSR1098.lis file (1098-T notifications) and the IRS1220.dat file (flat file for IRS submission). To easily review data in the IRS1220.dat file, run the TSR1098 report in TEST mode (parameter 02=T) with the Generate IRS File parameter (parameter 08) set to Y and the File Type parameter (parameter 09) left blank. If you use a standard text editor to open the resulting file, the report will display each record of 750 characters in a separate row.

The TSR1098 process produces the IRS flat file (irs1220.dat) if the Generate IRS File parameter (08) for this selection is set to Y (Yes). When this process is run in Official mode, it also sets the IRS Report Status indicator to (S)ent or (E)xcluded. IT uploads the .dat file to the IRS Fire System by the College file deadline.

4.22.7 1098 Student Detail Tax Report (TSRTRAF)
Use this process to produce a flat file of tax notification data to send to third-party services and/or to print the detail for reported amounts and/or selected supplemental tax report codes for the given tax year. This detail may be included in student 1098-T notification mailings.

4.22.8 Total Billed Report (TSRBTOT)
This report prints billing totals by detail code based on the date specified in the Billing Date parameter. Billing Date is updated by the Student Billing Statement Process (TSRCBIL) run in STATEMENT or SCHEDSTMT mode. All accounts run in STATEMENT mode on this date are included. This report is useful for viewing any activity of outstanding terms. Charges by term are listed, and a summary lists all charges and payments by detail code with totals.

4.22.9 Student Transaction Summary Report (TSRSSUM)
The Student Transaction Summary Report (TSRSSUM) may be requested from TSAAREV or run independently through Job Submission/Host. This process can be executed in its sleep wake mode, and has the ability to both define a printer using TOADEST and request this
4.22.10 Transaction Summary Report (TSRTSUM)
This report displays detail account information for a student, a group of students, or all students. The report can be executed for a specific term, a group of terms, or all terms. There are two modes that can be used: DETAIL or SUMMARY.

1. Detail Mode
   In DETAIL mode, all account detail is listed for the terms as well as the balance due, future due, and account balance. In detail mode, the columns on the report are:
   - DETL - Detail Code
   - DESCRIPTION - transaction description
   - TERM - term of the transaction
   - CHARGE - charge amount
   - PAYMENT - payment amount
   - BALANCE - the remaining balance on a detail item after application of payments
   - S - Source of the transaction
   - DATE 1 - The user has the option through the report parameters to choose which date to display in this column. The following dates can be displayed as Date 1 (E)ffective date, (T)ransaction Date, (D)ue date, E(N)try date or (B)ill date.
   - RECEIPT Receipt number associated with the transaction
   - ID - User ID of the person that input the transaction
   - TRAN - Transaction number
   - TPAY - Identifies the transaction number of a specific application of payment

2. Summary Mode
   In SUMMARY mode, the activity for a student will be summarized by detail code for those terms selected. The charges, payments and balance columns will display. The other columns (SOURCE, DATE 1, RECEIPT, ID, TRAN, TPAY) will not display in summary mode.

4.23 Cash Receipts
Payment of tuition and fees is due before the first day of class. According to the Constitution of Alabama, 1901, Section 93, a state agency shall not lend money or its credit to any individual, association, or corporation, except as may be expressly authorized by the Constitution of Alabama, or amendments thereto. Pell Grant and other scholarship students should be the only students allowed to attend class before the College has received full payment of tuition and fees.
Acceptable methods of payment for tuition, fees and books include cash, checks, money orders, MasterCard, Visa, Discover, American Express and legitimate bank cards. Transaction fees associated with the acceptance of bankcards vary anywhere from one to four percent depending on the bank.

The Business Office has limited funds available to cash checks for faculty and staff. Second-party checks cannot be accepted. There is a $30.00 charge for any check returned by the bank for any reason except bank error.

4.24 Petty Cash
The Business Office in Decatur and Huntsville both maintain a petty cash fund for incidental purchases by faculty and staff. The purchaser must provide an original receipt and sign a petty cash voucher slip. The petty cash custodian reconciles the petty cash fund weekly, or as necessary if there was no activity the previous week.

The Library also has petty cash for use as a change fund for library purchases such as headphones.

Procedures for Replenishing Petty Cash Funds

1. Custodian assigns account numbers to each voucher slip and totals slips.
2. Custodian completes check authorization for accounts payable and attaches all petty cash voucher slips and original receipts and presents to the Comptroller for verification.
3. The Regional Chief Financial Officer approves the payment by initialing.
4. A check is printed through the Accounts Payable cycle.
5. The Custodian deposits the petty cash reimbursement check and files the check stub, white copy of check, check authorization, and receipts.

4.25 Bank Accounts
The President shall determine the primary financial institution, or banks, where funds are deposited through a best value request for proposal process to be undertaken at least every five years. Financial institutions must be insured by FDIC and must be designated in the SAFE program.

Under the Security for Alabama Funds Enhancement Act, known as the SAFE program, individual banks do not pledge separate collateral to each public depositor nor maintain a separate agreement with each depositor. The banks accepting public funds deposits pledge collateral to the State Treasurer for all public fund deposits under a pooled system.

SAFE certificates must be retained for all accounts every year.
Below is a summary of all bank accounts that must be reconciled every month:

<table>
<thead>
<tr>
<th>Depository Name</th>
<th>Employee</th>
<th>Account Type</th>
<th>Account Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>BB &amp; T</td>
<td>Accountant / Cashier Supervisor</td>
<td>General</td>
<td>990000-110100</td>
</tr>
<tr>
<td>Wells Fargo</td>
<td>Accountant / Cashier Supervisor</td>
<td>Credit Cards</td>
<td>990000-110100</td>
</tr>
<tr>
<td>BB &amp; T</td>
<td>Purchasing Specialist</td>
<td>Payroll</td>
<td>990000-110300</td>
</tr>
<tr>
<td>PNC Bank</td>
<td>Executive Secretary</td>
<td>Restricted</td>
<td>990000-110400</td>
</tr>
<tr>
<td>Wells Fargo</td>
<td>Accounts Clerk</td>
<td>Unexpended Plant</td>
<td>990000-110200</td>
</tr>
<tr>
<td>Regions Bank</td>
<td>Accounts Clerk</td>
<td>2012 Bond Fund</td>
<td>930300-120000</td>
</tr>
<tr>
<td>Regions Bank</td>
<td>Accounts Clerk</td>
<td>2014 Bond Fund</td>
<td>930400-120000</td>
</tr>
<tr>
<td>Regions Bank</td>
<td>Accounts Clerk</td>
<td>2020 Bond Fund</td>
<td>930500-120000</td>
</tr>
</tbody>
</table>

Bank reconciliations are performed monthly. The employee accesses the bank website to obtain an electronic listing of cleared checks into Excel to email to either the Director of Accounting or Director of Accounts Payable for upload using File Zilla into the bank tape table in Banner using the month and bank code. They either run FARBREC or PHPBREC in reconcile mode to mark the cleared checks with a status of reconciled. Then they rerun this step in report mode to produce the outstanding check list. The remainder of the bank reconciliation is performed using an Excel template comparing the bank statement to the FGRGLTA general ledger details for Cash. Once completed, the employee presents the bank reconciliation along with all supporting documentation to his/her supervisor (the Director of Accounting or Director of Purchasing and Accounts Payable) for review and signature approval. The goal is to be completed and reviewed by the 15th day of the following month.

**Steps in Preparing Bank Reconciliations**
The Business Office is responsible for reconciling the College’s bank accounts. Several reports are generated for obtaining the correct data for the month to be reconciled. The reports and procedures are listed as follows:

1. FGRTBAL report is generated to obtain the cash balance for the month.
2. FGIGLAC report is generated to obtain returned checks on the general ledger.
3. FARCHKR report is generated to obtain total of checks written for the month.
4. FARBREC report is generated to reconcile checks written against those checks which have cleared the bank and to obtain the total amount of outstanding checks.
5. FGRGTLTA report is generated to obtain all general ledger transactions for the month.
6. BB&T bank statement is used to reconcile the general ledger to all checks, direct deposits, wire transfers, and cashier deposits for the month.
7. Wells Fargo bank statement is used to reconcile the general ledger to all credit card transactions for the month.
8. FGAJVCN is used to enter the journal entry for monthly credit card fees.
9. The bank is contacted concerning any encoding errors or adjustments that must be made on the accounts.
10. Once the bank statements and general ledger are reconciled on the Bank Reconciliation Worksheet, the original is approved by the Director of Accounting or the Director of Purchasing and Accounts Payable.

4.26 Cash Management
Cash management can be defined as the maximum use of available cash for investment. Effective cash management can make cash resources of the College more productive. Cash can be invested for short and long-term periods.

The Alabama Community College System Board of Trustees established guidelines for an official cash management and investment program. The policy includes the following:

1. Cash Management

   The President shall establish a cash management and investment program for College funds. The President shall designate the Regional Chief Financial Officer to be responsible for the day-to-day activities and functions of the programs. Such officer shall be bonded in an appropriate amount in accordance with Board of Trustees policy. The designee shall manage both daily cash flow and short-term investments.

2. Investment Goals

   The College’s investment goals are:

   a. Foster sound and prudent judgment in the management of assets consistent with the fiduciary responsibility to the citizens of Alabama.
   b. Investment of all appropriate available cash on a daily basis or longer-term basis to secure the maximum investment return that is consistent with Investment management policy.
   d. Sufficient liquid funds available to pay current obligations in a timely manner.
   e. To the extent funds are available, to maintain a minimum of two months’ operating contingency in cash and short-term investments (maturing one year or less).

3. All funds invested shall be invested in a manner consistent with all applicable state and federal laws and regulations. Permissible investments include the following:

   b. U.S. Agency notes, bonds, debentures, discount notes and certificates.
   c. Certificates of Deposits, checking and money market accounts of savings and loan associations, mutual savings banks, or commercial banks whose accounts are insured by the FDIC/FSLIC, and who are designated a Qualified Public Depository (QPD) under the Security for Alabama Funds Enhancement (SAFE) program.
d. Mortgage Backed Securities (MBS).
e. Mortgage related securities to include Collateralized Mortgage Obligations (CMOs).
f. Repurchase Agreements
g. Other investments may include stocks and bonds, which have been donated to the College.

4. Even though the College is authorized to purchase from the aforementioned list of permissible investments, it is the College’s intent that the portfolio shall primarily consist of bank CDs and interest bearing accounts, United States Treasury securities, debentures of a United States Government Sponsored Entity (GSE) and securities backed by collateral issued by GSEs. In order to diversify the portfolio’s exposure to concentration risk, the portfolio’s maximum allocation to specific product sectors is as follows:

a. U.S. Treasury bills, notes and bonds can be held without limitation as to amount.
b. Stripped Treasuries shall never exceed 50% of total investments. Maximum maturity of these securities shall be 10 years.
c. U.S. Agency securities shall have limitations of 50 percent of the College’s investment portfolio for each Agency, with two exceptions. TVA and SLMA shall be limited to 10% of total investments. Maximum maturity of these securities shall be 10 years. Agencies that qualify for investment are: Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Tennessee Valley Authority (TVA), and Student Loan Marketing Association (SLMA).
d. Certificates of Deposit with savings and loan associations, mutual savings banks, or commercial banks may be held without limit provided the depository is a QPD under the SAFE Program. The maturity of all CDs held shall not exceed 5 years.
e. Mortgage Backed Securities (MBS) shall include those issued by Government National Mortgage Association, (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation, (FHLMC).

The aggregate average life maturity for all holdings of mortgage-backed securities shall not exceed 7 years while the maximum average life maturity of any one security may not exceed 10 years. The aggregate total of all mortgage-backed securities may not exceed 50% of investment assets.
f. The College may invest in CMO’s (Collateralized Mortgage Obligations) and REMIC Securities (Real Estate Mortgage Investment Conduits) issued and collateralized by GNMA, FNMA and FHLMC. The total portfolio of mortgage related securities shall not exceed 50% of the total investment portfolio. The aggregate average life maturity for all holdings of CMOs/REMICS shall not exceed 7 years while the average life maturity of any one security shall not exceed 10 years.
g. A repurchase transaction is a transaction in which the College agrees to purchase a security from a counter party and to resell the same or an identical security to that counter party at a specified future date and a specified price. The College may enter into a repurchase transaction as long as (1) the repurchase securities are legal investments under state law for Colleges, (2) the College receives a daily assessment of the market value of the repurchase securities, including accrued interest, and maintains adequate margin that reflects a risk assessment of the repurchase securities and the term of the transaction, and, (3) the College has entered into signed contracts with all approved counter parties.

h. The College has discretion to determine if it should hold or sell other investments that it may receive as a gift or donation.

5. The College may not invest in stripped mortgage backed securities, residual interest in CMOs, mortgage servicing rights or commercial mortgage related securities.

6. The Chancellor may establish guidelines for the implementation and facilitation of this policy.

7. Performance Evaluation and Reporting

Performance in cash management and investments shall be evaluated annually for the College by the Chancellor. Information on both short and long-term investments shall be designed and provided so as to provide data on investment returns in a manner that permits accurate analysis of investment results.

A large percentage of unrestricted current funds is received by the College in monthly installments. Often, there is cash that can be held long enough for short-term investments, thereby increasing revenue for the College. At times, long-term investments can be made when sufficient cash above that required for operations is available.

There are several concerns that should be considered in making the investment decisions: risk, liquidity, yield, and legal restrictions. Risk is the greatest concern. Risk is the possibility of not recovering a portion of the invested principle and interest, due to default by a debtor with whom an investment was made.

a. Interest earned shall be accounted for in the fund in which earned. Account code 560400, “Investment Income”, should be used to record interest earned.

b. A single bank account can represent a number of cash accounts on the College’s books. Under an automated or manual system of accounting it is possible to accurately account for the cash in a number of separate funds on the College’s books when only one bank account is used. Where separate bank accounts are maintained, the College should attempt to combine those for a
more effective cash management policy. The accounting records must reflect the amount of cash available in each fund.

c. The College should develop an accurate cash projection plan to anticipate cash receipts and planned disbursements. This process allows the Regional Chief Financial Officer to make investment decisions that will produce the highest yield.

d. Effective management of cash receipts consists of methods that improve the rapidity with which the College increases its bank balance. All cash should be deposited in an interest-bearing account daily.

e. The College should attempt to increase the yield of investments to the maximum extent consistent with all other considerations that must be observed. Also, the Regional Chief Financial Officer should continually be informed of the changing conditions that affect yields. In certain cases, by timely lengthening or shortening of an investment, the yield can be increased.

4.26.1 Current Procedures for Investments

The Asset Management Accountant contacts financial institutions for current investment rates and then compiles all responses on a worksheet. She meets with the Regional Chief Financial Officer to discuss all of the responses received. They talk them over and see which option would be the best fit for the College and will help in meeting the College’s investment goals. The Regional Chief Financial Officer then discusses the responses with the President. The President makes the final decision. Once the decision is made by the President, the Asset Management Accountant gathers the new account paperwork and gets the required signatures from the President and the Regional Chief Financial Officer. Once all of the required paperwork has been completed and returned to the financial institution, the amount of the investment is drafted from the College’s general fund bank account as an ACH debit. Due to an ACH debit block on the College’s general fund bank account, an email is sent by the financial institution to the Director of Accounting and the Director of Purchasing and Accounts Payable for approval. One of these employees must approve the ACH debit before it will be deducted from the College’s bank account.

All securities purchased are held in the name of John C. Calhoun Community College. Detail records are maintained by the Asset Management Accountant that show date of acquisition, interest income rates, and fund ownership. A journal entry is entered by the Asset Management Accountant to account for the investment by crediting cash and debiting the investment account in the fund owning the investment. The completed new account paperwork, along with the ACH debit notice from the financial institution, serves as the backup documentation for the journal entry. The journal entry along with the backup documentation is presented to the Director of Purchasing and Accounts Payable for review and approval.

The President makes the final decision as to whether an investment account be closed or moved. The Asset Management Accountant would contact the financial institution that holds
the investment account requesting all paperwork that needs to be completed. This paperwork would have to be signed by both the Regional Chief Financial Officer and the President. A journal entry would be entered by the Asset Management Accountant to account for the closing of the investment. The completed paperwork to close the investment account, along with the ACH credit notice from the financial institution, serves as the backup documentation for the journal entry. The journal entry along with the backup documentation is presented to the Director of Purchasing and Accounts Payable for review and approval.

The Asset Management Accountant maintains all of the investment statements and reconciles each account monthly or semi-annually, depending on how often statements are received and interest is credited. The journal entries are prepared by the Asset Management Accountant to record any bank charges and interest income when received. The journal entry is prepared via FGAVCM in Banner. The journal entry along with the backup documentation is presented to the Director of Purchasing and Accounts Payable for review and approval. The Director of Purchasing and Accounts Payable also reviews the entry in Banner for entry accuracy and approves the entry via FOAUAPP in Banner prior to general ledger posting.

4.27 Live Work
Live work is performed by students, under the supervision of an instructor, as part of their vocational/technical training program. The work project is for service, repair, or production jobs related to the instructional program and may be performed in the school or on a job site. Live work projects are conducted for the education of the student, not as a benefit to the eligible person or organization. Business Office personnel should handle all payments to the College. The College must not compete with private industry or profit from the live work projects.

The Alabama Community College System Board of Trustees has designated the following individuals and organizations as eligible recipients:

1. Tax supported programs and institutions
2. Active and retired public employees/officials
3. Students in Alabama Community College System institutions
4. Charitable organizations which are supported by donations.

Live work can occasionally be conducted for individuals or organizations other than those listed, provided:

1. Such live work is not designated for competition with private enterprise.
2. The circumstances involved are unusual and justify the acceptance of the live work project and the President justifies in writing why the live work is necessary for the training program and files a signed copy with the Chancellor or a designated representative.

Administration and control of live work in accordance with Board of Trustees policies are the responsibility of the President. In addition, the President is responsible for the determination
and collection of all charges and maintenance of appropriate records. These responsibilities are delegated to the Regional Chief Financial Officer. State prescribed and approved accounting procedures will be followed.

An adequate system of internal control over live work projects requires a work order, work order register, institutional policies for administering live work projects, and guidelines for purchases for resale. The work order should be printed in sufficient copies (usually three) and numbered consecutively to provide internal control. The terms of payment and a statement releasing the College from liability must be printed on all copies of the work order. A work order must be assigned to each project and signed by the customer prior to the beginning of the work.

A work order register must be maintained to reflect the work order number, date the work order is issued, receipt number, date of receipt, the amount of the work order, and the name of the customer. The person responsible for recording the work order numbers in the Work Order Register, as they are assigned, should maintain control of unused work orders. Once the work has been completed and paid in the business office, the receipt number, date, amount, and customer name is recorded in the register. The register must be posted daily from the cash receipts records.

Alabama Community College System Board of Trustees Policy 710.01 allows the following service charges for live work:

1. Cost plus 10% for all work performed at the College; or
2. Cost plus 20% for all work performed at the College; or
3. The combination of cost plus 10% for work performed for employees and students of the institution, and cost plus 20% for work performed for those persons not connected directly with the College; or
4. A minimum charge not to exceed $5.00 provided cost plus 10% is less than the minimum charge.

In exceptional cases, such as the construction of a public building or a charitable project, a reduced service charge for indirect expenses of live work projects may be used, provided the Chancellor or a designated representative concurs in writing. The College must recover all costs.

In order to protect the public, the Chancellor or a designated representative must approve all construction projects of public buildings. Written agreements will be submitted by the College for approval.

When a licensed training program such as Cosmetology or Barbering is operated, services may be provided to the public with a schedule of charges established by the President.

Purchases for resale on live work projects must follow the same procedures as other expense items; however, each purchase must be referenced by placing the work order number on the
invoice and the invoice number on the work order. This procedure establishes a good audit trail for purchases for resale.

To avoid competition with private enterprises, live work is restricted as follows:

1. Live work will be done only when it is essential to training and necessary for the acquisition of occupational skills leading to employment.
2. Live work will not be performed when there is any connection with or relation to the making of a financial profit by a program, organization, institution, or individual.
3. No person shall use the College for personal gain or profit.
SECTION 5: PURCHASING AND CASH DISBURSEMENTS

A successful purchasing program begins with the budgeting process. The Southern Association of Colleges and Schools Commission on Colleges' Criteria for Accreditation states that the budget should be developed in conjunction with the deans, working cooperatively with department heads, appropriate members of the faculty and administration, and representatives of the business office. A purchasing department should be organized to support the basic objectives of the College by providing faculty, staff and students with the necessary supplies, services, and equipment.

The procedures must be ethical, comply with all State laws and regulations, as well as the policies of the Alabama Community College System Board of Trustees, and provide accountability for purchases.

5.1 Ethical Procedures
The College's purchasing procedures cannot be used for personal acquisitions for faculty, staff, or students. The following principles are adopted by the National Association of Educational Buyers:

1. Give first consideration to institutional policies and objectives.
2. Obtain the maximum value for each dollar expended.
3. Demand honesty in sales representation whether offered through oral or written statements, advertising, or samples.
4. Grant all competitive bidders equal consideration; regard each transaction on its own merit. Promote fair, ethical, and legal trade practices.
5. Cooperate with trade and industrial associations, government, and private agencies engaged in promoting and developing sound business methods.
6. Use only by consent the original ideas and designs devised by one vendor for competitive purchasing purposes.
7. Be willing to submit any major controversy to arbitration where applicable or permissible.
8. Decline personal gifts and gratuities.
9. Accord a prompt and courteous reception to everyone calling on legitimate business.

5.2 State of Alabama Laws

5.2.1 Alabama Competitive Bid Law
The College must comply with the Alabama Competitive Bid Law, as stated in the Code of Alabama 1975, Section 41-16-50. The Competitive Bid Law states that all expenditure of funds of whatever nature for labor, services or work or for the purchase or lease of materials, equipment, supplies or other personal property, involving $15,000 or more be let by free and open competitive bidding, on sealed bids, to the lowest responsible bidder. It also includes
purchases of like items when proposed purchases are in excess of $15,000 during a fiscal year.

Bid specifications, terms of awarding the bid, and other requirements must be clearly stated in a Request for Bid. Specifications for the item(s) requested must be detailed and clearly stated to allow vendors to submit an accurate bid. Clearly stated specifications will assist administrators when making a decision to award the contract.

The purchasing agent shall solicit sealed bids by sending notice by mail or email to all Alabama persons, firms, or corporations who have filed a request in writing that they be listed for solicitation on bids for the particular items set forth in the request and the other persons, firms, or corporations the purchasing agent deems necessary to insure competition. If any person, firm, or corporation whose name is listed fails to respond to any solicitation for bids after the receipt of three solicitations, the listing may be cancelled.

All bids shall be sealed when received, shall be opened in public at the hour stated in the notice, and all original bids together with all documents pertaining to the award of the contract shall be retained in accordance with a retention period of at least seven years established by the Local Government Records Commission and shall be open to public inspection.

No purchase or contract involving an amount in excess of fifteen thousand dollars ($15,000) shall be divided into parts for the purpose of avoiding the requirements of the Alabama Competitive Bid Law. All such partial contracts shall be void.

In the event only one bidder responds to the invitation to bid, the awarding authority may reject the bid and negotiate the purchase or contract, providing the negotiated price is lower than the bid price. Section 41-16-50(a) The awarding authority or requisitioning agency shall have the right to reject any bid if the price is deemed excessive or quality of product inferior.

Contracts for the purchase of personal property or contractual services shall be let for periods not greater than three years.

Bond in a responsible sum for faithful performance of the contract, with adequate surety, may be required in an amount specified in the advertisement for bids.

A Bid File and a Bid Register should be established. A file for each bid should contain the following:

- an approved Request to Advertise for Bid
- a record of vendors from whom a quotation was requested;
- a copy of the bid specifications;
- all bids received;
- a tabulation of the bids received;
- a copy of the purchase order issued;
• and documentation of reasons if the contract was not awarded to the lowest responsible bidder.

After receiving merchandise or service is rendered, and payment has been made, a copy of the check or voucher should also be placed in this file. Contracts entered into in violation of the Competitive Bid Law shall be void.

5.2.1.1 Awarding of Contracts for Vending Services
With regard to the awarding of contracts for vending services, it is the policy of the College that, if all conditions among competing vending bidders are equal, the College will give a preference to blind vendor-operators. If blind vendor-operators do not offer in their bids to pay commissions to the College, while other vendors do, or if the commission offered by a blind vendor-operator is more than 5% less than the commission offered by a non-blind vendor, the vending services contract will be awarded to the non-blind vendor-operator.

5.2.1.2 Exceptions
The Code of Alabama 1975, Section 41-16-51 states that competitive bids shall not be required for utility services, the rates for which are fixed by law, regulation or ordinance, and the competitive bidding requirements of this article shall not apply to:
• The purchase of insurance;
• The purchase of ballots and supplies for conducting any primary, general, special, or municipal election;
• Contracts for the securing of services of attorneys, physicians, architects, teachers, superintendents of construction, artists, appraisers, engineers, consultants, certified public accountants, public accountants, or other individuals possessing a high degree of professional skill where the personality of the individual plays a decisive part;
• Contracts of employment in the regular civil service;
• Contracts for fiscal or financial advice or services;
• Purchases of products made or manufactured by the blind or visually handicapped under the direction or supervision of the Alabama Institute for Deaf and Blind in accordance with Sections 21-2-1 to 21-2-4, inclusive;
• Purchases of maps or photographs from any federal agency;
• Purchases of manuscripts, books, maps, pamphlets, or periodicals;
• The selection of paying agents and trustees for any security issued by a public body;
• Purchases of computer and word processing hardware when the hardware is the only type that is compatible with hardware already owned by the entity taking bids and custom software;
• Contractual services and purchases of commodities for which there is only one vendor or supplier;
• Contractual services and purchases of personal property, which by their very nature are impossible to award by competitive bidding;
• Purchases of goods from a governmental cooperative purchasing program approved by the Alabama Department of Examiners of Public Accounts; and,
• Purchase of goods or services, other than wireless communication services, from vendors that have been awarded a current and valid Government Services Administration contract.

5.2.1.3 Sole Source Criteria
The declaration of a "sole source" purchase must be exercised judicially and always in good faith. The following test must be applied and all criteria met when a declaration is made.

"Sole source" - A good's or service's "uniqueness" alone cannot qualify the producer or supplier of the good or service as a "sole source" of a good or service under Alabama's competitive bidding laws; instead, to so qualify, the good or service offered must be unique; that uniqueness must be substantially related to the intended purpose, use and performance of the good or service sought; the entity seeking to be declared a "sole source" must show that other similar goods or services cannot perform the desired objectives of the entity seeking the goods or services.

Additionally, the procedures promulgated by Alabama Community College System Board of Trustees Policy 309.02 must be followed before making a purchase from a sole source vendor. That policy requires:

• The College must justify, in writing, why the vendor is a sole source vendor. This justification must be based on the College’s investigation, evaluation, and documentation of alternate sources of supply. Rejection of similar products must be based only on their failure to meet specific and necessary specifications. A listing of the unique technical specifications required of the product and the potential companies contacted in the search for alternate sources must be included as well as the evaluation of those products. No vendor shall be used to assist the College in writing any sole source documents.
• The Chancellor must approve the College's justification of a sole source vendor before any purchase is made under this provision.
• The College should submit the “Request for Sole Source Justification” form for approval.

5.2.1.4 Public Inspection of Bid Files
Upon written request, bid files will be made available for review by the requesting party on College premises, in the presence of a member of the Business Office staff. Original files will be provided. No copies will be released.

5.2.2 Alabama Public Works Law
The College must comply with the Alabama Public Works Law, as stated in the Code of Alabama 1975, Section 39-2-2. Public works is defined as the construction, installation, repair, renovation, or maintenance of public buildings, structures, sewers, waterworks, roads, curbs, gutters, sidewalks, bridges, docks, underpasses, and viaducts as well as any other
improvement to be constructed, installed, repaired, renovated, or maintained on public property and to be paid, in whole or in part, with public funds or with financing to be retired with public funds in the form of lease payments or otherwise.

All bids shall be opened publicly at the advertised time and place. No public work as defined in this chapter involving a sum in excess of fifty thousand dollars ($50,000) shall be split into parts involving sums of fifty thousand dollars ($50,000) or less for the purpose of evading the requirements of this section. All contracts for public works entered into in violation of this title shall be null, void, and in violation of public policy. Anyone who willfully violates this article concerning public works shall be guilty of a Class C felony.

5.2.2.1 Public Works Contracts $50,000 or Less
The College may let contracts for public works involving fifty thousand dollars ($50,000) or less with or without advertising or sealed bids

5.2.2.2 Public Works Contracts in Excess of $50,000
Before entering into any contract for a public works involving an amount in excess of fifty thousand dollars ($50,000), the College shall advertise for sealed bids at least once each week for three consecutive weeks in a newspaper of general circulation in the county or counties in which the improvement or some part thereof, is to be made. In addition, sealed bids shall also be solicited by sending notice by mail or email to all persons who have filed a request in writing with the official designated by the College that they be listed for solicitation on bids for the public works contracts indicated in the request. If any person whose name is listed fails to respond to any solicitation for bids after the receipt of three such solicitations, the listing may be canceled.

5.2.2.3 Public Works Contracts in Excess of $500,000
For all public works contracts involving an estimated amount in excess of five hundred thousand dollars ($500,000), the College shall also advertise for sealed bids at least once in three newspapers of general circulation throughout the state. The advertisements shall briefly describe the improvement, state that plans and specifications for the improvement are on file for examination at the College, state the procedure for obtaining plans and specifications, state the time and place in which bids shall be received and opened, and identify whether prequalification is required and where all written prequalification information is available for review.

5.2.2.4 Exceptions
Excluded from the operation of this title shall be contracts with persons who shall perform only architectural, engineering, construction management, program management, or project management services in support of the public works and who shall not engage in actual construction, repair, renovation, or maintenance of the public works with their own forces, by contract, subcontract, purchase order, lease, or otherwise.
In case of an emergency affecting public health, safety, or convenience, as declared in writing by the College, setting forth the nature of the danger to the public health, safety, or convenience which would result from delay, contracts may be let to the extent necessary to meet the emergency without public advertisement. The action and the reasons for the action taken shall immediately be made public by the College upon request.

In the event of a proposed public works project, acknowledged in writing by the Alabama Homeland Security Department as (1) having a direct impact on the security or safety of persons or facilities and (2) requiring confidential handling for the protection of such persons or facilities, contracts may be let without public advertisement but with the taking of informal bids otherwise consistent with the requirements of this title and the requirements of maintaining confidentiality. Records of bidding and award shall not be disclosed to the public, and shall remain confidential.

5.2.2.5 Sole Source Criteria
The College shall not specify in the plans and specifications for the improvement the use of materials, products, systems, or services by a sole source unless all of the following requirements are met:

(1) Except for contracts involving the construction, reconstruction, renovation, or replacement of public roads, bridges, and water and sewer facilities, the College can document to the satisfaction of the State Building Commission that the sole source product, material, system, or service is of an indispensable nature for the improvement, that there are no other viable alternatives, and that only this particular product, material, system, or service fulfills the function for which it is needed.

(2) The sole source specification has been recommended by the architect or engineer of record as an indispensable item for which there is no other viable alternative.

(3) All information substantiating the use of a sole source specification, including the recommendation of the architect or engineer of record, shall be documented and made available for examination at the College at the time of advertisement for sealed bids.

5.2.2.6 Payments to Contractors
Unless otherwise provided in the specifications, partial payments shall be made as the work progresses at the end of each calendar month, but in no case later than 35 days after the acceptance by the awarding authority that the estimate and the terms of the contract providing for partial payments have been fulfilled. In preparing estimates, the material delivered on the site, materials suitably stored and insured off-site, and preparatory work done may be taken into consideration.

In making the partial payments, there shall be retained not more than five percent of the estimated amount of work done and the value of materials stored on the site or suitably stored and insured off-site, and after 50 percent completion has been accomplished, no further
retainage shall be withheld. The retainage as set out above shall be held until final completion and acceptance of all work covered by the contract.

5.2.2.7 Public Inspection of Bid Files
Upon written request, bid files will be made available for review by the requesting party on College premises, in the presence of a member of the Business Office staff. Original files will be provided. No copies will be released.

5.2.3 Sales & Use Tax Exemption
Institutions in the Alabama Community College System are exempt from Alabama Sales Tax, under the Code of Alabama 1975, Section 40-23-4. Any violation of any provision of this section shall be punishable in a court of competent jurisdiction by a fine of not less than $500 and no more than $2,000 and imprisonment of not less than six months nor more than one year in the county jail.

5.2.4 Prepayments
There are no general provisions of law authorizing or legalizing prepayments other than Code of Alabama 1975, Section 41-4-114(c), Section 40-2-9, and Section 36-7-24 through 25. Section 41-4-114(c) allows prepayment to the Federal Government, Section 40-2-9 provides advance travel for Examiners of the Department of Revenue, and Section 36-7-24 through 36-7-25 authorizes advances for travel and prepayment of travel expenses for employees when traveling within or outside of the state on official business. The State Constitution reads "nor shall any officer of the State bind the State to the payment of any sum of money but by authority of law." In the absence of law to the contrary, there is no authority for prepayment.

5.2.5 Disclosure Statements
Acts of Alabama 2001, Act 2001-955 requires a disclosure statement to be completed and filed with all proposals, bids, contracts, or grant proposals to the State of Alabama in excess of $5,000. The disclosure statement is not required for contracts for gas, water, and electric services where no competition exits, or where rates are fixed by law or ordinance. In circumstances where a contract is awarded by competitive bid, the disclosure statement shall be required only from the person receiving the contract and shall be submitted within ten (10) days of the award.

A copy of the disclosure statement shall be filed with the College and the Department of Examiners of Public Accounts. The address for the Department of Examiners of Public Accounts is: 50 N. Ripley Street, Room 3201, Montgomery, Alabama 36130-2101. The State of Alabama shall not enter into any contract or appropriate any public funds with any person who refuses to provide information required by Act 2001-955.

Pursuant to Act 2001-955, any person who knowingly provides misleading or incorrect information on the disclosure statement shall be subject to a civil penalty of ten percent (10%) of the amount of the transaction, not to exceed $10,000.00. Also, the contract or grant shall be voidable by the awarding entity.
5.3  Alabama Community College System Board of Trustees Policies

5.3.1  Purchase Requirements

5.3.1.1  Projects Not Needing Board of Trustees Approval

Personal property acquisitions estimated to cost between $50,000 and $500,000 shall be reported to the ACCS within 15 calendar days of the end of the calendar quarter. The Chancellor prepares a quarterly report to inform Board members of projects in this category. Construction, renovation, or alteration projects estimated to exceed $50,000 but cost $250,000 or less shall also be reported to the Alabama Community College System Office.

For personal property, note whether the acquisition is for administrative or instructional purpose, list the item(s) being acquired, name the campuses receiving the acquisition, note the total cost and source of funds (unrestricted, restricted, plant) and, if restricted, note the grant(s) from which funds are available.

For construction, renovation, or alteration projects note whether the project is a construction, renovation, or alteration project, describe the project briefly, name the buildings involved and the campuses affected, note the total cost and source of funds (unrestricted, restricted, plant) and, if restricted, note the grant(s) from which funds are available.

5.3.1.2  Projects Needing Board of Trustees Approval

All personal property acquisitions in excess of $500,000 require Board of Trustees approval according to Board of Trustees Policy 309.01. Personal property includes the following:

1. Instructional equipment: computer hardware and/or software, shop equipment, training equipment, etc.
2. Administrative equipment: computer equipment and/or software.
3. Vehicles: buses, vans, cars, trucks.
4. Telephone system.
5. Electrical/power system.

Any type of construction or renovation of campus facilities estimated to exceed $500,000 shall be submitted to the Board of Trustees for approval. Approval must be given to the College in writing prior to commencement of any work.

The following items require Board of Trustees approval regardless of the cost:

1. Purchase or sale of land or buildings (Policy 501.01).
2. Lease Agreements where the College is acting as Lessor (Policy 518.01) (See note below)
3. Mission Statement Revisions
4. Naming of Facilities (Policy 519.01)
5. Instructional Sites, except High School Dual Enrollment sites (Policy 704.01)
6. Fee Revisions (Policy 804.01)
7. Program Applications (Policy 702.01)
8. Changes in Service Areas (Policy 107.01)
9. Allocation of Industry Certification Initiative Funds (formerly Workforce Development) and Special Population Funds.

Note: When the College is acting as Lessee, lease agreements must be approved by the Chancellor and reported to the Board of Trustees (Policy 506.01)

Before requesting Board of Trustees approval, the College must ensure that funds are in place in one of the following areas:

1. Current Restricted Fund
2. Current Unrestricted Fund
3. Plant Fund
4. PSCA Fund
5. Bond Issue (requesting approval from Board to issue)

In addition, the College’s budget must reflect the item in the proper fund and expenditure category, and the item should be outlined in the College’s Facilities Master Plan or Institutional Management Plan (except for emergency requests).

The following terminology must be used by the College. Funds must be reflected in the annual budget on file in the Alabama Community College System Office. If not, an amendment must be processed prior to Board action.

a. Current Restricted Fund – name the grant and include the grant award letter and the portion of the grant that shows approval and funding (budget) for the specified Board action item(s). Other restricted sources should be documented in a similar manner. Funds must be in the proper expenditure category, function, and object code which should be included in the letter.

b. Current Unrestricted Fund – funds must be in the proper expenditure category, function, and object code which should be included in the letter.

c. Plant Fund – funds must be reflected in the annual budget on file in the Alabama Community College System Office. Funds must be in the proper expenditure category and object code which should be included in the letter. If the College proposes to use Facilities Renewal Fees or Technology Fees as a funding source, the College must specify the annual revenues from the Fee and how much is available to expend. If the Fee is to be used as a funding source, the request for Board of Trustees action must clearly identify it as a source with the amount to be expended.

d. PSCA Bond Fund – must include the PSCA project number and title, current balance in the PSCA project, and, if funds are to be transferred from other PSCA
project(s), a separate letter should be sent to the Chancellor (not the PSCA) requesting the transfer of funds prior to requesting Board of Trustees action.

The President must forward a letter of request to the Chancellor at least two months before placement on agenda for Board of Trustees action. If the request for action requires a shorter than two month time frame, additional justification must be included in the letter. At the time of the request, every effort should be made to project the maximum dollar amount needed to complete the project. Sufficient supporting documents, including detailed lists of items to be purchased, funding sources, and rationale for the purchase or project should accompany the letter.

All letters requesting Board of Trustees action must include the following:

- Project name or equipment to be purchased, total cost, funding source and contact person.
- Include a separate attachment which fully justifies the request, details the background, and gives an analysis of each requested action item. Be thorough, specific, and detailed in providing all background and analysis information. This separate document should be titled *Background and Analysis* and include the project name and college name.
- If the request is for new construction, renovation, or instructional equipment, provide enrollment trends to support the need.
- If the request is for re-roofing, give the type roof (both old and new), square footage, age of roof, condition of roof, and roof warranty (both old and new).
- If the request is for new construction or renovation, give the square footage, name of the building(s) involved, areas to be constructed or renovated, and which programs are housed in these areas, as well as vacated or newly constructed space. Diagrams, pictures, or renderings should be submitted for the work session, preferably via email.
- If the request is for instructional/computer equipment and/or computer software, describe which programs will be served and improved or which programs will be added.
- If the request is for administrative equipment, give reasons for the purchase and how administrative services will be improved.
- If the request is for the purchase of a vehicle (new or replacement), provide the reason for the purchase and give vehicle specifications.
• If the request is for computer-related equipment and/or computer software, include a listing of all hardware and/or software, estimated costs, and a copy of the bid specifications.

• If the request is for instructional or administrative equipment, include an equipment listing (show which programs are to be served with the instructional equipment).

• If the request is to be purchased with grant funds, include a copy of the award letter as well as the pertinent segments of the grant and budget which address the item.

• If the request is a return to the Board (i.e., increased Board authorization), include the bid tabulations and a copy of the originally approved action item along with a letter of request for additional authorization. Complete the Background and Analysis information to clearly justify the return to the Board.

No action item will be processed without receipt of complete information. No action item will be processed by telephone. However, fax or email transmissions will be accepted if received prior to or upon the deadline. It is imperative that the College thoroughly research renovation and new construction projects before submitting them to the Alabama Community College System Office for Board of Trustees approval. This will prevent the College from having to return to the Board for increased authorization.

The Alabama Community College System Office prepares an action item to recommend to the Board of Trustees at a work session, and then schedules it for the appropriate Board of Trustees agenda. The work session is usually held the second Thursday of the month. A Vice Chancellor will present the action item to the Board. Presidents with action items scheduled for presentation to the Board of Trustees must be in attendance or send an appointed designee to the Board of Trustees meeting. The President and/or designee may be called upon to present their request to the Board of Trustees at the work session.

The following is a list of Alabama Community College System Office divisions responsible for preparing action items:

➢ Facilities Division – new construction, renovation, and purchase of electrical/power systems.

➢ Division of Fiscal Services – purchase of vehicles, purchase or lease/purchase of other items (depending on action requested), bond issues, and fee revisions.

➢ Division of Instructional and Student Services – purchase of instructional equipment, purchase or lease/purchase of instructional technology, instructional sites, program applications, and service areas.

➢ Division of Information Technology Services – purchase or lease/purchase of administrative technology.
Division of Legal and Human Resources – land or building transactions and Advisory Board memberships.

Executive Division – mission statements and naming of facilities.

Office of Workforce Development – purchase of workforce development equipment and technology and allocation of Industry Certification Initiative funds.

Emergency Board action requests will be handled on a case-by-case basis. However, an emergency request does not preclude bidding the projects. Bids should be handled via fax or express delivery with prospective vendors. A letter and a copy of the adopted Board of Trustees action item will be mailed to the College after the Board of Trustees meeting for items approved. The College proceeds with the project to issue and/or receive bids, and enter into contract with the lowest responsible bidder. The fiscal consideration approved is the maximum expenditure level authorized by the Board of Trustees action.

Should the lowest responsible bid be accepted and not exceed Board of Trustees approval, no further Board action is required. The College should, however, immediately forward a letter to the Chancellor detailing the actions taken, the bid and the vendor accepted (with justification should the College not accept low bid), and the bid tabulations in order to close the project file.

Should an accepted bid exceed the Board of Trustees authorized amount by less than 10%, the College should notify the Chancellor in writing giving the reason(s) for the overage and listing the sources of the additional funds needed.

Should an accepted bid exceed Board of Trustees authorization by more than 10%, the College will be required to return to the Board of Trustees to request increased authorization action by sending a letter with appropriate attachments requesting a second Board action. Complete explanation must be provided for additional costs.

For construction, renovation, or alteration projects, planning must be completed and a construction contract must be executed within a nine-month period. For purchases using existing state bid contracts, a contract must be executed within a six-month period. Purchases of items that are not on existing bid contracts must be bid appropriately and purchase orders must be issued within a six-month period. Should a contract not be executed or a purchase order not be issued within this time frame, it will be necessary to submit a request for new Board authorization.

The College should notify the Chancellor of completion of a project.

Preparation of plans and specifications and work done in the construction, reconstruction, alteration, and improvement of buildings shall be supervised by the Alabama Building Commission, regardless of source of funds for the project.
5.3.2 Leasing
In accordance with Board of Trustees Policy No. 506.01, the Chancellor must approve any lease of facilities or land in which the College becomes the lessee.

Note that no lease agreement will be approved if it contains any clause indemnifying the lessor for any damage or injury caused to the third persons by an occurrence on the leased property.

Board of Trustees Policy 512.01 authorizes the President, or his designee, to approve the temporary use of facilities or equipment.

5.3.3 Public School and College Authority Funds (PSCA)
The PSCA was established by Act No. 93, Second Special Session, 1963. This statute authorizes the formation of a public corporation for the purpose of providing funds for the purchase of equipment and capital improvements at community, junior, and technical colleges and institutions of higher learning. Bonds are sold to finance construction projects and other capital outlay needs. Colleges receiving PSCA funds must submit projects to the Chancellor's office for coordination with the State Finance Department.

5.4 Purchasing Procedures
The procedures described below must be followed for the acquisition of all materials, supplies, equipment, repair, rental, services, and other obligations of the College.

5.4.1 Purchase Requisitions
Generally, a standard request for a Purchase Order form should be used for all purchase requests, with the exception of facility renewal contracts, travel, professional services, and UPS/FedEx charges.

The form should originate from the department requesting items or service. The item(s) requested should be listed, giving full description, catalog part number, cost, and other relative information.

The department making the request is responsible for verifying that funds are available in the appropriate budget. If funds are not available, an approved budget amendment must be submitted to the Business Office prior to the submission of the requisition. The Budget Revision Form can be found on the personnel website at Budget Revision Form-1.docx (live.com).

Preparation of specifications for items to be purchased through competitive bids(s) will be the joint responsibility of the Business Office and the requesting department.

The Business Office will establish a date, in September, on which all purchase requests must be received and invoices paid. All purchase orders remaining open and unpaid after this date will be rolled into the next fiscal year.
Requisitions are initiated by employees of the College through the Requisition Maintenance module in Banner.

**Procedures for creating a requisition**

1. Type FPAREQN and tap enter.

   ![Requisition Entry Interface]

   - **Requestor/Delivery Information**
     - Requestor: Testing
     - Organization: 010 \President's Office
     - Phone:
     - Ship To: B100
     - Street Line 1: 1 Jonas Circle
     - Street Line 2:
     - Street Line 3:
     - Building: Science Bldg
     - Floor: 3rd Floor
     - City: Malvern
     - State or Province: PA
     - Zip or Postal Code: 19355
     - National:
     - Telephone:
     - Contact: Harry Smith
     - Attention To: Harry Smith
   - **Vendor Information**
     - COA: SCT University
     - Email:
     - Fax:
   - **Commodity/Accounting**
     - Commodity Total: 400.00
     - Accounting Total: 400.00
   - **Balancing/Completion**
     - Document Level Accounting

2. Click on the NEXT BLOCK icon
3. Enter Delivery Date
4. Comments: Enter to whom to send the white copy of the Purchase Order. If your department wants to place the order online or by phone, you will want to request the white copy be sent to your department. If not, the Business Office will mail or email the white copy to the vendor.
5. Ship to: Use drop down menu and choose DEC or LCF.
6. Attention to: Enter to whom the items are to be delivered.
7. Click the NEXT BLOCK icon
8. If you know the A#, enter it next to Vendor. If you do not know the vendor A#, use the drop-down menu, click on entity name, type the vendor name in the text field under last name (you may type a partial name and use %; for example, when searching for Office Depot, you may type Off% and Banner will pull a list of vendors that begin with the letters Off. You may also use the % at the beginning of the name. If you are looking for a hotel you may type %hotel%. The % is good to use when you do not know the exact spelling of a vendor because Banner only recognizes the name as it was entered by the Business Office. Once you have located the vendor that you need,
click in the field that contains the A#, Banner will automatically populate the vendor information.

9. Click on the NEXT BLOCK icon.
10. If your request requires a bid number and/or quote be listed, click on the OPTIONS icon and select Document Text. Click in the text field and enter your bid and/or quote number(s). SAVE and X out of that screen. Banner will return you to the Commodity section of the requisition.

11. Click in the description field and begin entering description. If ordering materials with item numbers, please enter these before the description. If entering a travel request, please include: who, what, when, where, and why. If you run out of room on the item text line before completing your description, click on the OPTIONS icon and choose Item Text. Click in the text field and complete your description. Click on save and X out of that screen. Banner will return to the Commodity page.

12. Click on the U/M text field, enter EA for each item.

13. Enter your quantity.

14. Enter until price for each of the items you are purchasing.

15. Tab through to the “extended amount”, this will cause Banner to populate the total for line item #1.

16. Use the down arrow to add additional items.

17. Click in the description field for your next item and repeat steps 10-14.

18. Once you have entered all of your items, click on the NEXT BLOCK icon.

19. Your Orgn number will automatically populate. Place the cursor in the Fund text field and enter the fund code; tab over to the Acct field and enter your account number; and tab over to the Prog field and enter your program number.

20. Click on the NEXT BLOCK icon.

21. Record your Requisition number (see top left of the screen) for future reference.

22. Click the complete button.
Once the requisition has been completed, the following steps are required:

1. Each requisition is approved in the approvals needed (FOAUAPP) module by appropriate supervisors, deans, and the Business Office.
2. The Accounts Payable Clerk reviews the requisition for accuracy (account number, bid number, and complete description) using the FOAUAPP module.
3. Once the Accounts Clerk has reviewed and approved the requisition, the Director of Purchasing will review and approve the requisition using the FOAUAPP module. If a requisition is disapproved, an explanation will be sent via email or phone call.
4. A purchase order is created through the Purchase Order (FPAPPOAS) module by the Accounts Payable Clerk.
5. The FPAPORD process sends the purchase orders via email to the Accounts Payable Clerk who prints the purchase orders.
6. An Argos report (PO Comments) details any special instructions as to how the purchase orders should be disbursed.

Three copies of the Purchase Order will print. The white copy will either be mailed to the vendor or sent to the requisitioning department (based on information provided in the
comments section of the requisition). The gray copy goes to the Purchasing Specialist; and the yellow copy is mailed to the requisitioning department.

5.4.2 Purchase Orders
A properly executed purchase order constitutes a contract binding to both the College and the vendor. All purchase orders, adjustments, cancellations, and/or revisions to purchase orders must be in writing from the Business Office.

It is the policy of the Business Office to require prospective vendors to complete a Vendor Registration Form and W-9 Form. The forms are available on the College website and are to be returned to a specific email address for vendor applications. The Purchasing Specialist reviews emails and verifies mailing address, prints forms from new vendors, and sends the forms packet to the Director of Purchasing and Accounts Payable for approval. After a new vendor is approved, the Purchasing Specialist enters the new vendor in the Banner System and requisitions may be entered to purchase goods or services from the new vendor.

5.4.3 Payments
In order to process a payment, appropriate documentation is necessary. The documentation must include the following:

1. If payment is for purchases with a purchase order, the yellow copy of the purchase order with the date received, quantity, and signature of employee acknowledging receipt of goods,

2. If payment is for purchases without a purchase order, a properly completed Check Authorization Form,

3. Original invoice, and

4. Other documentation as required on specific types of payments.

Purchase orders are required to have invoices, receipts, and other evidence of obligation attached, showing the authority for payment and the accounts to be charged. All supporting documentation should be securely attached to the purchase order. The purchase order should be assembled so that all information is visible and easy to read. Small receipts should be secured to a separate piece of paper before attaching to the purchase order. The purchase orders, with supporting documentation, should be submitted to Accounts Payable for processing.

Accounts Payable will audit all purchase orders submitted for accuracy, legality, proper supporting documentation, authorized signatures, and for compliance with federal laws, state laws, fiscal policies and procedures, as well as Alabama Community College System Board of Trustees policies and procedures.
The Director of Purchasing and Accounts Payable is required to maintain a comprehensive list of all contracts executed and in force and will assign a unique index number to each contract by fiscal year. This comprehensive list of contracts will include the name of the College official responsible for ensuring compliance with College policies and procedures and performance of the contract. The Director will be responsible for ensuring payments made under the contract are in compliance with applicable laws and in accordance with the terms of the contract.

The State does not allow prepayment for goods or services because there is no authorizing statute. However, there is an exception for prepaid travel expenses.

If purchase orders are incorrect or incomplete, the voucher will be returned to the department for correction. Failure to follow the procedures for processing purchase orders which have been returned for correction will result in further delays or denial of payment. Corrected purchase orders should be returned with documentation when the proper actions have been accomplished.

An original invoice should be attached to the voucher. A copy of the invoice will be accepted only when accompanied by a signed statement (initials will not be accepted) that the original document is unavailable and that payment from a copy of the invoice will not result in a duplicate payment to the vendor.

The Business Office is to assign and attach an inventory number to each item of moveable equipment, which costs $5,000 or more and has a useful life of at least one year. The inventory number should be recorded on the College’s equipment inventory list.

Whenever possible, the College should take advantage of cash discounts that are offered. Taking offered cash discounts for payments within the specified time interval is a prime rule of good cash management. Taking all cash discounts offered is the most productive way of using institutional cash.

All contracts entered into by the College shall be approved and signed by the President or the Regional Chief Financial Officer, depending on the amount of the contract. All contracts that obligate the College for an amount up to $5,000 shall be approved and signed by the President or the Regional Chief Financial Officer. All contracts that obligate the College for an amount in excess of $5,000 can only be approved and signed by the President. Furthermore, all contracts in excess of $5,000 shall be submitted to the College’s legal counsel for review prior to approval by the President or Regional Chief Financial Officer.

There is no authority allowing the College to pay for purchases made by an employee who has not received proper written approval by the College. The College is responsible for establishing internal controls that prohibit this practice.
5.4.3.1 Payment for Purchases with a Purchase Order
When the merchandise is received, it is the responsibility of each department to immediately open and inspect the shipment to verify the quantity and condition of the items received. If all items received are in acceptable condition, the yellow copy of the purchase order with the date received, quantity, and signature of employee acknowledging receipt of goods should be sent to the Business Office. This form requires an original signature.

Accounts Payable will receive an invoice from the vendor. The purchase order should be compared to the vendor invoice for accuracy. Accounts Payable will ensure the College is being properly billed for the goods or services ordered and received. They will verify the items, unit prices, discounts, freight, and other charges.

The Director of Purchasing and Accounts Payable, the Director of Accounting or the Regional Chief Financial Officer must approve all payments. Accounts Payable processes payments for purchases with a purchase order weekly.

It is the policy of the Business Office to require materials and services to be received after the date of an approved Purchase Order. Invoices in payment of purchase orders must be dated after the issuance of a Purchase Order.

The Purchasing Specialist will review all documents as Purchase Orders are matched with receiving reports and invoices. Invoices dated prior to the date of the corresponding Purchase Order will be brought to the attention of the Director of Purchasing and Accounts Payable. The Director will discuss the matter with the Regional Chief Financial Officer and determine the course of action to be taken on a case-by-case basis.

5.4.3.2 Payment for Purchases without a Purchase Order
Prior approval must be obtained to purchase goods or services with the exception of maintenance contracts, utilities, travel, and professional services. Upon receipt of the goods or services and the vendor invoice, a Check Authorization Form should be prepared. The original vendor invoice and supporting documentation verifying receipt of goods or services should be attached to the Check Authorization Form and submitted to Accounts Payable. The Director of Purchasing and Accounts Payable must approve all payments. Non-purchase order payments are normally paid on a weekly basis.

5.4.3.3 Payment of Non-Purchasing Contracts
Approval is required for commodities and for routine services. Non-commodity purchases may require the approval of different authorities such as building contracts and architectural services require the ACCS Facilities’ approval, salaries and wages contracts require the President’s approval, and professional services contracts require the Human Resources Coordinator and President’s signature.

It is each department’s responsibility to obtain all of the necessary approvals prior to submitting for payment. The vendor invoice should be used to prepare a Check Authorization Form for submission to Accounts Payable for payment. A copy of the contract that has been
approved by all officials should be attached. Each department should not approve the final payment of a contract unless all work has been completed and, if applicable, the completion has been advertised as required by law. The invoice and contract should be attached to the Check Authorization Form and submitted to Accounts Payable for processing.

5.4.3.4 Payment for Reimbursement of Travel Expenses
The Code of Alabama 1975, Section 41-4-57 states, "All officers and employees who travel at the expense of the state or any of its departments, agencies, boards, bureaus, or commissions shall file with the comptroller an itemized statement of expenses incurred including those for transportation in connection with such travel at the expense of the state agency, institution, board, bureau, or commission, verified by affidavit, before any warrant shall be issued for such expenses."

Request approval to travel by completing a Request for Travel form (found at https://calhoun.edu/personnel/forms-and-applications-for-calhoun-employees/) Attach all required documentation (completed request form, seminar brochure or agenda, travel cost inquiry, travel distance documentation, memo of justification for in-state actual and out-of-state). Travel reimbursement cannot be made nor will purchase orders for registration and/or flights be printed unless an approved Request for Travel form is on file in the Business Office.

If you are required to do a significant amount of travel in our service area you can complete a Request for Travel form and specify "Blanket Travel" for a specified period of time and submit a reimbursement request at the end of the month. A short justification as to why the travel is necessary should be included on the Request for Travel form. Personal vehicles may be used to travel campus to campus, if a College vehicle is not available. Availability of vehicle should be checked as soon as travel is approved.

In-State Travel
Employees who travel in-state must submit an In-State Travel Reimbursement Form on a timely basis, no later than 10 days into the following month, for travel completed during the month. The approved Request for Travel form must accompany the travel expense form. The expense form must be typed or in ink and be signed by the traveler and their supervisor. Both signatures are required to be original signatures. The points of travel must be shown for reimbursement of mileage. In addition, the hour of departure from and the hour of return to base should be shown on the expense form. Emergency and necessary expenditures incurred in connection with travel require supporting documentation (itemized receipts) and should be held to a minimum. If attending a conference was the purpose of the in-state travel, the nametag provided by the conference will need to be attached to the reimbursement form when submitted to the Business Office.

Reimbursement for Mileage Expenses
The reimbursement rate for mileage expenses is equal to the mileage rate allowed by the Internal Revenue Service. Persons traveling on official business for the College in privately
owned vehicles shall receive the approved mileage rate in lieu of their actual expenses for transportation. This rate is updated at least annually.

Mileage is to be reported in whole miles, rounded to the nearest whole number. To calculate the amount to be reimbursed, all mileage listed on the travel form must be totaled and then multiplied by the applicable rate.

All employees may request the use of a College vehicle. If a College vehicle is not available, mileage will be approved for personal vehicles at the IRS approved rate.

College vehicle availability can be checked by the Mail Clerk (Decatur – ext. 2638) or Cashier (Huntsville – ext. 4727).

Just a reminder, due to insurance liability, family members cannot be transported in a college vehicle.

If the employee prefers, he/she can rent a mid-sized car, in lieu of being reimbursed mileage. When renting a car for college travel, the rental agreement should be in the college’s name and the employee listed as the driver. If the employee chooses to rent the vehicle in their name, the employee will be liable for any possible damages.

A purchase order to Enterprise Rent-a-Car (A01349421) should be printed before the car is reserved. The PO should include all the pertinent travel details (the who, what, when, where, and why). When reserving the car use Customer #L55M052 and Billing #870859.

For employees traveling in private automobiles, current map mileage must be used where mileage is given on the road map. Map mileage can be obtained from several sources including www.mapquest.com, www.maps.google.com, www.maps.yahoo.com, www.mapblast.com, www.randmcnally.com, etc. The printout of the current map mileage must be attached to the expense form. If none of the above websites can locate your destination, check the odometer readings at the beginning and ending of the trip and state on the bottom left corner of the expense form.

If travel involves more than one city, indicate the route taken. For example, Decatur – Montgomery – Gadsden – Decatur. Record all vicinity mileage as such and indicate major points of travel covered.

Each employee has one and only one base at the Decatur Campus, Huntsville Campus, or ACA Downtown Decatur. If an employee works at more than one location, his/her base is the location in which he/she spends more time.

Mileage between your home and your base are personal commuting expenses. Employees cannot be reimbursed for personal commuting expenses no matter how far his/her home is from his/her base. Employees cannot be reimbursed for personal commuting expenses even if he/she works during the commuting trip.
Employees are entitled to mileage allowance from base station to destination and return or for miles actually traveled from home to destination and return, whichever is less. (Attorney General Opinion 80-00144)

Employees that work at two campuses in one day can be reimbursed for the mileage required of getting from one campus to the other. Travel from the campus that is not your base to home will be reimbursed if that distance is less than from your base to the other campus. (Attorney General Opinion 86-00326)

Per Diem Allowance
No travel allowance shall be paid for a trip of less than six hours’ duration. For travel that does not require an overnight stay, the traveler shall be paid a meal allowance of $12.75 for a trip of six to twelve hours’ duration. For travel in excess of twelve hours’ duration but does not require overnight stay, the traveler shall be paid $34.00, which represents one meal allowance and one-fourth of the per diem allowance.

If any meal is provided to the traveler, they are not entitled to the meal allowance. When meals are provided to the employee, the amount allowed for meals is to be adjusted downward by $12.75 for any meal provided. Therefore, no meal allowance will be paid to travelers for a trip of six to twelve hours’ duration and travelers with a trip in excess of twelve hours’ duration will only be entitled to $21.25, which is one-fourth of the per diem allowance.

Under no circumstances will an employee be paid a meal allowance at the official base or primary residence. If College business requires the traveler to be away from the official base on weekends or holidays, the traveler will be entitled to reimbursement for travel on those days. No meal allowance will be paid if the traveler remains in the city where his/her home or base is located.

For travel requiring an overnight stay, the travel allowance is set at $85.00 per day for travel requiring one overnight stay. For travel requiring stays of two or more nights, the traveler will be paid $100 per day. The travel allowance includes all charges for meals, lodging, fees, and tips.

If the individual’s travel is interrupted for personal convenience or through taking of leave, the travel allowance may not exceed the costs that would have been incurred for authorized uninterrupted travel.

Required Receipts
Receipts are required to support the following expenses:

1. Registration fee receipts - must name the individual registered.
2. Operating expenses of state-owned vehicles such as gas, oil, emergency repairs, or parts. Receipts must be itemized less federal tax.
3. Postage in excess of $1.00.
4. Shipments, freight, or express.
5. Tolls for tunnels and bridges.
6. Telegrams, cablegrams, and fax messages. A copy of the message is required.
7. Parking fees. Traveler will only be reimbursed for the most economical method of parking.

In-State Actual and Out-of-State Travel: Changes Effective July 1, 2018

General Guidance
The guiding principle behind the policies and procedures governing travel is to travel responsibly. The word “responsibly” means that the traveler exercises the same care in incurring expenses for travel in service of the state that a prudent person would exercise if traveling at personal expense.

Traveler Responsibility
An individual traveling in service of the state is responsible for 1) obtaining authorization and any required certifications from the President prior to traveling; 2) incurring only those costs that are reasonable and necessary for carrying out service to the state; and 3) seeking reimbursement for qualifying expenses in accordance with the procedures outlined below. A traveler must seek pre-authorization to travel and include all foreseeable travel expenses including, but not limited to, registration, meals, hotels, and transportation expenses with the pre-authorization request.

President or Agency Head Responsibility
The President is expected to exercise good judgment and sound fiscal policy when approving travel. The traveler’s President must authorize, in writing, any travel for which a traveler intends to seek actual reimbursement from the state. The written authorization must contain the President’s certification that the traveler’s estimated reimbursable travel expenses have been reviewed and approved by the President as being necessary. Additionally, for in-state travel where actual expenses are authorized, the President must certify 1) that the person is traveling in service of the state for the purpose of attending or assisting in hosting a convention, conference, seminar, or other meeting of a state, regional or national organization; and 2) the institution or person traveling is a dues-paying member of the state, regional, or national organization and has documentation of membership on file.

All foreign non-educational travel must be approved by the Chancellor prior to the commencement of the travel, per Board of Trustee Policy 316.01.

Travelers will seek pre-approval from their President following the policies and procedures outlined below.

The President shall be responsible for recovering public funds paid to a traveler in the event 1) duplicate expenses are claimed and reimbursed; or 2) expenses are claimed as personal, but the institution was billed directly. Should the President be unable to recover funds owed to the institution, he or she shall immediately notify the Comptroller and the Attorney.
General so that appropriate legal action may be instituted to recover public funds owed under this chapter.

**Deviations from Pre-Authorized Travel**
There are situations beyond a traveler’s control which may cause the amount of actual expenses to exceed the amount of pre-authorized travel expenses. For example, a flight may be delayed or canceled, requiring a traveler to return to base a day later than expected and causing the traveler to incur additional travel expenses, such as an extra night in a hotel. In order for such unforeseen expenses to be reimbursed, a traveler should provide receipts along with an explanation of the circumstances when submitting a request for reimbursement. Additionally, the President should certify the increased expense as necessary.

**In-State Actual Expenses**
Persons traveling in the service of the College inside the State of Alabama can request to be reimbursed their actual expenditures if the state or individual is a dues paying member. The institution must ensure 1) the traveler, in the service of the institution, is attending or assisting in hosting a convention, conference, seminar, or other meeting that is a state or national organization, 2) the traveler, or the represented institution, is a dues-paying member of the state or national organization and that documentation of the dues payment is on file with the institution, and 3) the traveler’s expenses are actual and necessary to the travel and have been verified by supporting documentation that is retained on file. In-state travel authorized under this section is subject to the same documentation requirements as out-of-state travel.

**Note:** While overnight per diem may be substituted at the request of the traveler (standard travel approval procedures must be followed), the institution must offer the traveler the option of the actual in-state expenses and retain documentation for reference. Travel expenses will be reimbursed as approved on the original Request for Travel.

**Out-of-State Travel**
Persons traveling in the service of the College outside the State of Alabama shall be allowed all of their actual and necessary expenses, in addition to the actual expenses for transportation provided that such travel shall have first been fully authorized by the President. Any person not in compliance with this provision must have their travel expenses approved by their Dean or department head and the President before submitting their reimbursement request to the Business Office. Approval for the reimbursement of unauthorized travel expenses will be on a case-by-case basis and may be denied.

**In-State Actual and Out-of-State Travel Authorization**
The traveler must submit an Out-of-State Travel Request Package to the President at least one month prior to the date of the anticipated trip. The package should include the following:

1) Complete and approved Request for Travel
2) A justification memo
3) An event agenda
4) Travel cost documentation (lodging, food, transportation)
5) Verification of most economical transportation method

As of October 1, 2017, employees will be limited to no more than 2 out-of-state trips per budget year. This does not include employees who will be traveling on behalf of a grant or a contracted vendor.

The Out-of-State Travel Request Form must be amended and approved by the President if there are deviations from the original travel itinerary. Travel that was approved but not accomplished should be cancelled.

Mode of Transportation

If travel is more than 8 hours to the destination (per the most efficient MapQuest route), the College will only approve commercial transportation as the mode of travel. All commercial travel must be of tourist class. If a traveler chooses to drive their personal vehicle in lieu of commercial transportation, the employee must state the following in the justification memo that is required for a complete travel package:

1) The reasons why the traveler is using a personal vehicle in lieu of commercial travel,
2) Any travel plans that differ from the conference agenda (i.e. leaving early or returning later), and
3) That the traveler will only be requesting reimbursement for the most economical mode of transportation.

Travel reimbursement on an authorized out-of-state trip for one employee by private automobile will be the prevailing plane fare rate, tourist class, and not the usual rate per mile, or the lesser of the two. Comparison should be made and submitted with travel request form. If an employee desires to use his private automobile on such out-of-state trips and claims tourist class plane fare, he must take annual leave for travel time to and from his destination beyond that time which is required for commercial air travel.

College vehicles may not be left at airports. The traveler will be reimbursed the mileage rate for the use of their personal vehicle from their base location to the airport and economy parking fees.

If travel is less than 8 hours to the destination (per the most efficient MapQuest route), the traveler must request the use of a college vehicle. If a college vehicle is not available, the employee can choose to rent a vehicle or drive their personal vehicle and be reimbursed the applicable IRS mileage rate. If the employee prefers to rent a mid-sized car, in lieu of being reimbursed mileage, the rental agreement should be in the college’s name and the employee listed as the driver. If the employee chooses to rent the vehicle in their name, the employee will be liable for any possible damages. A purchase order to Enterprise Rent-a-Car (A01349421) should be printed before the car is reserved. The PO should include all the pertinent travel details (the who, what, when, where, and why). When reserving the car use Customer #L55M052 and Billing #870859.
Once the President has approved the mode of transportation, **deviations are not allowed unless an amended request is submitted and approved.** If no amended request is approved, the traveler is only entitled to reimbursement for actual and necessary expenses incurred based on the authorized mode of travel. Reimbursement will not be made for private automobile use when the approved mode is commercial or for commercial travel when the approved mode is private automobile use.

The agency will reimburse reasonable parking fees. The President should only authorize self-parking unless valet parking is 1) the only option available; or 2) no more costly than self-parking; 3) medical, safety or other reasons justify paying for alternative parking options. If other than self-parking is authorized, the reimbursement should contain an explanation and justification for incurring a greater expense for parking.

The President may pre-approve up to $150 for a traveler to utilize local transit such as taxi or subway service while at the travel location. A traveler must submit receipts for local transit in order to qualify for reimbursement. A traveler who spends more than $150 on local transportation may be reimbursed for actual expenses in excess of $150 by providing receipts and additional written justification for the local transit in excess of the pre-approved amount.

Tips related to transportation (shuttle, UBER, taxi) are included in per diem for M&IE and will not be reimbursed as a travel-related expense.

**Reimbursement for Mileage Expenses**

**All employees must request the use of a College vehicle. If a College vehicle is not available, then and only then, will mileage be approved for personal vehicles at the approved IRS rate.**

College vehicle availability should be checked by the Mail Clerk (Decatur – ext. 2638) or Cashier (Huntsville – ext. 4727). When a college vehicle is not available, the traveler may use a personal vehicle. A MapQuest showing the miles traveled must be submitted to the Business Office for reimbursement along with approved travel request.

**Lodging**

A traveler should stay at the hotel hosting the conference or event for which travel occurred and obtain the government or conference lodging rate. A traveler may choose a less-expensive hotel provided the choice of hotel will not substantially increase transportation costs. Incurring lodging costs that exceed the conference or government rate must be justified in writing and approved by the President prior to travel. If a traveler chooses a different hotel than the one designated for a particular meeting/conference, then they must ensure that the hotel/lodging allows for full refunds for cancellations within 24 hours or more of the reservation. In the event of a lodging cancellation, travelers will be liable financially for choosing lodging options that do not offer refunds for cancellations made with at least 24 hours of the reservation.

Hotel receipts must be itemized and in the name of the traveling employee.
Tips for bellhop and maid services are included in per diem for M&IE and will not be reimbursed as a travel-related expense.

Reimbursement of Actual Expenses
Employees who travel outside the State of Alabama in the service of the College should complete and submit an itemized Out-of-State Travel Reimbursement Form within two weeks of completion of the trip. The approved Out-of-State Travel Request Form must accompany the travel expense form. The expense form must be typed or in ink and be signed by the traveler and their supervisor. Both signatures are required to be original signatures. The points of travel must be shown for reimbursement of mileage. In addition, the hour of departure from and the hour of return to base should be shown on the expense form. Emergency and necessary expenditures incurred in connection with travel require supporting documentation and should be held to a minimum.

Meals and Incidental Expenses
Individuals traveling under this section will receive a daily per diem for meals and incidental expenses (M&IE) based upon the location (city) of duty in an amount that corresponds with the U.S. General Services Administration M&IE per diem rates for the continental United States (“CONUS”). Current per diem rates can be found at https://www.gsa.gov/travel/plan-book/per-diem-rates. Per Diem is a flat-rate allowance intended to cover costs for meals and incidental expenses. A traveler will not be required to submit receipts for these items, nor will they be allowed to claim any extra expense related to them. A traveler will receive per diem, as outlined above, regardless of actual expenses.

The screenshots below walk you through the process of obtaining your daily per diem rate at https://www.gsa.gov/travel/plan-book/per-diem-rates

1) Enter the state
2) Enter the city
3) Chose “Find Rates”
4) Scroll down for per diem rates
1) If the conference or meeting provides meals for the traveler the per diem rate amount will be reduced by the meal rates per the GSA site. As an example, if the travel destination qualified for the $69 M&IE rate and a lunch was provided as part of the conference, the agency head will reduce the per diem allowance to be claimed by the $17 lunch.

2) Incidental expenses include tips and service charges related to lodging, baggage, and transportation. The traveler will not be reimbursed for these tips.

3) On travel days, the traveler will be entitled to per diem for M&IE at a rate of seventy-five percent (75%) the daily rate (also shown as the “First & Last Day of Travel” on the GSA website). For all other days for which the individual is traveling, full per diem for M&IE will be paid. M&IE will not be paid for personal days.

4) Travel-related expenses other than meals and incidental expenses require a receipt for reimbursement of actual expenses.

Breakfast will only be allowed for travel that begins at 6:00 a.m. or before and a dinner meal will be allowed if the traveler returns to base after 6:00 p.m. on conference days.

Annual Leave or Personal Time Before or After an Official Travel Event

Individuals traveling under this section may desire to take annual leave or personal time before or after official travel. In such cases, the institution will reimburse a traveler for costs incurred as if the personal time were not included. For example, a traveler attends a conference in service of the state in Scottsdale, Arizona. The conference begins on Monday and concludes on Friday. The traveler desires to spend the weekend sightseeing in Scottsdale, and returns to Montgomery on Sunday. The institution will reimburse the traveler the lesser of 1) actual costs of airfare; or 2) for the cost of a round-trip airline ticket as if the traveler departed on Sunday before the conference and returned to Montgomery on Saturday following the conference. The traveler will not be entitled to reimbursement for any expenses incurred following the official travel day. In the hypothetical involving travel to Scottsdale, the traveler would be entitled to reimbursement for lodging costs on Friday night, and partial per diem for Saturday (the official return travel day), but no other expenses would be reimbursed.

Reimbursement for Travel

Employees who have acquired approval and travel on behalf of the college must complete a Statement of Official Travel in order to be reimbursed for travel expenses. The form must be submitted to the appropriate supervisor for processing. Requests for reimbursement should include all required forms, receipts, nametag, itineraries and other required documentation. These forms, receipts, itinerary and any other attachments to the payment request should be audited by the employee’s department before submission for reimbursement.

Completing and Assembling the Payment Request

The hour of departure from and the hour of return to base should be shown on the itemized travel form for audit purposes. The approved travel request, pre-authorization, and any required receipts should be attached to requests for reimbursement. If the official travel is attendance at a conference or other planned event, attach a copy of the itinerary. All pre-
approval travel requests should be submitted and reimbursement requests should utilize the form found on the College’s website.
https://calhoun.edu/personnel/forms-and-applications-for-calhoun-employees/

Payment will be processed upon completion of the appropriate forms, documentation, and approvals. The Statement of Official Travel, with supporting documentation for in-state actual and out-of-state travel, including detailed receipts, will be retained in the business office file for audit.

Required Receipts
Receipts will be required for the following expenditures:

1. Commercial transportation - coach/tourist class
2. Vehicle rental – the College does not pay for rental insurance.
3. Gasoline purchases – itemized less federal tax.
4. Motel/hotel lodging – single rate only.
5. Registration fees with itemized breakdown. Request for reimbursement for additional meals is illegal and will be disallowed when included in registration fee.
6. Operating expenses of state-owned vehicles, such as gasoline, oil, and emergency repairs. Repairs must be itemized.
7. Parking fees. Traveler will only be reimbursed for the most economical method of parking.
8. Taxi / Uber costs – Tips related to transportation (shuttle, UBER, taxi) are included in per diem for M&IE and will not be reimbursed as a travel-related expense.
9. Miscellaneous expenses – receipts must be itemized.
10. Baggage fee receipts are required for reimbursement.

All supporting documentation should be securely attached to the expense form. The expense form should be assembled so that all information is visible and easy to read. All receipts should be taped to a piece of paper. Do not tape over pertinent information, tape will dissolve the receipt ink.

5.4.3.5 Payment of Travel for Group Functions
Code of Alabama 1975, Section 36-7-20, as amended, provides that a department may contract with a facility whereby expenses for meals and lodging are paid by such contract on behalf of the employees who are required to attend training sessions, schools, seminars, or other group functions. The department may pay the cost of room and board directly to the facility providing the services. Employees who must travel a distance that would require a meal while in route will be allowed a meal allowance based on the amount of time required for the commute. In no case can the cost of these services, including any meal allowances, exceed the amount allowed an individual employee for per diem for in-state travel.

When submitting for payment of contract travel, an itemized invoice will be required, as well as the purpose of the seminar, location and date of the meeting, a list of individual names
attending, the number of nights lodging and room cost for each individual, the number of meals served and meal cost for each individual, and the total cost for each individual.

If an employee is filing for mileage reimbursement, the name and the location of the training session or seminar must be indicated on the travel claim form. Also, the date and time of departure and return to base, and each day’s attendance at the session must be shown, even though no per diem is due. If a meal is being claimed while in route, the travel claim must indicate the time the contract travel takes effect. It should be noted on the form that no per diem is claimed due to contract travel status. If no mileage and/or meal allowance is claimed, no travel claim should be filed.

Employees taking possession and/or using the Calhoun Community College Visa Purchasing Card must adhere to the following guidelines:

- The Calhoun Community College Visa Purchasing Card will be protected and properly used in accordance with college policies and procedures, Alabama Community College System policies and guidelines, and the laws governing the State of Alabama.
- The card cannot and will not be used for personal purposes, nor will it be used to make any personal purchases for any friend, relative, neighbor, or associate.
- A receipt will be obtained from the establishment providing the goods or service itemizing the products purchased and will be submitted to the Business Office. Any charges applied to the card without an itemized receipt will result in repayment via payroll deduction from the responsible employee.
- The credit card will be returned to the Business Office of Calhoun Community College upon completion of the season.
- If the card is lost or stolen, notification will be made to the Business Office immediately.
- If improper use of the card transpires, the employee will be personally responsible for unauthorized charges, will be revoked of credit card privileges, and may be grounds for termination.
- Charges may not be applied to the credit card until the proper travel request form and purchase orders have been approved.

5.4.3.6 Payment for Prepaid Travel Expenses
The Code of Alabama 1975, Section 36-7-24 and 36-7-25, as amended, authorizes prepayment of travel expenses for employees when traveling within or outside of the state on official business. It will be the departments’ responsibility to maintain detail accounting records of prepaid travel expenses for audit purposes. The College will prepay registration fees and airline fares upon completion of the Prepayment Agreement and purchase order.

No prepayment of expenses will be made from one fiscal year’s appropriation when the trip is to be made in a different fiscal year. Travel advance and prepayment of expenses cannot be made with funds from the current budget fiscal year appropriation when the trip will occur in the following budget fiscal year. Payments related to advance travel or prepayment of travel expenses must be processed in the fiscal year that the trip occurs.
Prepaid Travel Expenses
Prepayment of travel expenses is defined as payments made directly to a vendor prior to the travel event. The individual must be a full-time employee of the College. Contract individuals are not eligible. The trip must be for official College business.

The traveler must complete a travel request form with the dollar amount to be prepaid indicated on the form. It must be signed by the traveler and approved by the employee’s supervisor. The trip must also be authorized by the President. A properly completed and signed Prepayment Agreement for In-State and Out-of-State Travel Expenses is to be attached for each employee for whom prepaid expenses are being made.

Upon completion of travel, the traveler is to complete and submit an itemized Out-of-State Travel Reimbursement Form within two weeks of completion of the trip. The approved Out-of-State Travel Request Form must accompany the travel expense form. The expense form must be typed or in ink and be signed by the traveler. Both signatures are required to be original signatures.

It shall be the responsibility of the employee’s supervisor to recover public funds paid as prepaid travel expenses from the person to whom or on whose behalf such payments were made should any of the following events occur:

1. The travel for which payments were made did not take place, except prepaid travel expenses where situations beyond the individual’s control such as business conflicts, family emergency, illness, etc. prevents the trip from being made.

2. The person to whom funds were prepaid, fails, or refuses to submit a travel form.

Should the department director be unable to recover funds owed to the College, he or she shall immediately notify the Chief Financial Officer so that appropriate legal action may be instituted to recover public funds owed.

5.4.3.7 Student Travel
Regardless of whether the travel is out-of-state or in-state, all students traveling in the service of the College should be reimbursed for their actual allowable expenses only.

Bus drivers for athletic events and student organizations will be reimbursed their actual allowable expenses including a hotel room and meals. Bus drivers are required to complete the Statement of Student Activities/Athletic Travel Expenses and return to the coach or organization sponsor.

The Department requesting transportation services for students should have adequate supervision of transportation services regardless of whether such services are provided in publicly-owned or privately-owned buses.
5.4.3.8 Payments to Contractors for Professional Services

The sections that follow provide the guidelines to determine and define personal and professional services contracts between the College and contractors. Specific contract information is required as well as the review and approval process prior to the execution of the contract. The electronic Consultant Form can be found on the Personnel Website at Consultant Request Version 38.0 (perfectforms.com).

Independent Contractor Versus Employee

Human Resources must determine whether each contract is for personal services (employer/employee relationship) or professional services (independent contractor). If the contract is for personal services, the College is responsible for the employer’s share of employment taxes.

The Internal Revenue Service and the courts have considered many facts in deciding whether a worker is an independent contractor or an employee. These facts fall into three main categories.

• Behavioral Control
• Financial Control
• Relationship of the Parties

The State Comptroller uses a list of 20 factors as guidelines to determine whether an individual is considered an employee. The presence of any of the 20 factors may indicate a possible employer/employee relationship depending on the occupation and the context in which services are performed. Under common-law rules, every individual who performs services subject to the will and control of an employer, as to both what must be done and how it must be done, is an employee. It does not matter that the employer allows the employee discretion and freedom of action, as long as the employer has the legal right to control both the method and the result of the services. If an employer/employee relationship exists, it makes no difference how it is described. It does not matter if the employee is called an employee, partner, agent, or independent contractor.

The 20 factors are:

1. Instructions - A worker who must comply with another's instructions about when, where and how to work is ordinarily an employee.

2. Training - If the worker is required to receive training to learn how to do the work, an employment relationship is likely.

3. Integration - The more the worker is integrated into the College’s operations, the more likely he is an employee.
4. Services Rendered Personally - An employee renders services personally. This shows that the employer is interested in the methods used, as well as the results, and an employment relationship exists.

5. Hiring, Supervising, and Paying Assistants - If the worker is responsible for his assistants, this is indicative of independent contractor status.

6. Continuing Relationship - A continuing or recurring nature of work suggests employment.

7. Set Hours of Work - If hours are established by the College, this tends to indicate employment.

8. Full Time Required - An independent contractor has more freedom as to when and for whom he will work than a worker who is required to devote substantially full time to the College.

9. Doing Work on Business Premises - If required, it suggests control by the College.

10. Order or Sequence Set - If the College sets the order or sequence of work, this tends to indicate employment.

11. Reporting - The more the worker must report, the greater the control, indicating employment.

12. Payment by Time, not Job - Independent contractors are more often paid by the job. Employees are usually paid by the hour, week or month.

13. Payment of Traveling Expenses - An employer generally retains the right to regulate the employee's business activities and expenses.

14. Furnishing of Tools - Independent contractors more often furnish their own tools and materials.

15. Significant Investment - Independent contractors more often invest in facilities that are used in performing services.

16. Realization of Profit or Loss - A worker who can realize a profit or loss from his services is generally an independent contractor.

17. Working for More Than One Firm at a Time - An independent contractor will often perform services for more than one business at a time.

18. Making Service Available to the Public - An independent contractor makes services available to the general public.
19. Right to Discharge - An independent contractor cannot be fired so long as he produces a result that meets contract specifications.

20. Right to Terminate - If the worker can terminate services without liability, this indicates an employment relationship.

If the determination is made that an employer/employee relationship exists, the contract must be approved and processed as personal services through Human Resources. Payments will be subject to withholding taxes. The contractor will not be eligible for coverage under health insurance or retirement, but the College will be liable for the employer's share of employment taxes.

If the determination is made that an employer/employee relationship does not exist, the contract must be approved and processed as professional services through accounts payable.

Required Contract Information
Personal and professional service contracts must include the following information:

1. Name - to include contracting department and contractor (contractor name must match tax identification number as it appears on the contractor's Form W-9). A contract cannot be established with multiple vendors. A separate contract must be negotiated for each contractor.

2. Scope of contract - what is to be done, the purpose, goal, job, etc.

3. Term of Contract - The beginning and ending dates must be specified in the contract. The effective date of the contract must be a date that is after the date the contract is approved by the President. No retroactive approval will be granted.

4. Total Contract Amount - The method of payment (hourly, bi-weekly, monthly, by the job, etc.) as well as the maximum amount to be paid must be specified in the contract. If the contract covers expenses, there should be a statement about the kind of expenses to be paid. Unless otherwise specified, travel expenses are to be paid in accordance with state regulations (see section on travel reimbursement). The contract must include a maximum amount to be paid for expenses. The contract must include the total dollar amount over which the contract may not exceed (compensation plus expenses).

5. Termination Clause - The contract must contain a statement allowing for the termination of the contract by either party within a specified period of time. In addition, all contracts must include the following language:

"It is agreed that the terms and commitments contained herein shall not be constituted as a debt of the State of Alabama in violation of Article 11, Section 213 of the Constitution of Alabama, 1901, as amended by Amendment Number 26. It is further agreed that if any provision of this contract shall contravene any statute or Constitutional provision or
amendment, either now in effect or which may, during the course of this contract, be enacted, then that conflicting provision in the contract shall be deemed null and void. The contractor's sole remedy for the settlement of any and all disputes arising under the terms of this agreement shall be limited to the filing of a claim with the Board of Adjustment for the State of Alabama. In the event of the proration of the fund from which payment under this contract is to be made, the contract will be subject to termination."

6. **Employee Exclusion Clause** - The contract must contain a clause stating that the contractor is not to be considered an employee and is not entitled to any benefits.

7. **Federal Employer Identification Number or Social Security Number** - The department must attach a copy of the contractor's Form W-9 to ensure that the contractor name matches the tax identification number. Form W-9 is used by persons required to file information returns with the IRS to get the payee’s (or other person’s) correct name and TIN. For individuals, the TIN is generally a social security number (SSN). Forms W-9 can be obtained on [www.irs.gov](http://www.irs.gov).

8. **Signatures** - The following signatures are required prior to submission to the Business Office:
   - a. Department requesting the contract
   - b. Human Resources Coordinator
   - c. President

9. **Resume** - The department must obtain and attach to the contract a resume or description of company credentials to document the expertise that the individual or contractor possesses to perform the contractual services.

10. **Disclosure Statement** – A Disclosure Statement is required to be filed with all proposals, bids, contracts or grant proposals to the State of Alabama in excess of $5,000.00. In circumstances where a contract is awarded by competitive bid, the Disclosure Statement is required only from the successful bidder and must be submitted within ten days after award ([Code of Alabama 1975, §41-16-80 through 88](https://www.leg.state.al.us/). Once the contract is approved, a requisition should be generated to commit a portion of the department’s expense budget. Once the contract has been completed to our satisfaction, the department should sign and date the purchase order and return to the Business Office for payment.

**5.4.3.9 Payment of Vendor Refunds**

In situations where an entity has overpaid the College, the Business Office will determine that a refund should be issued. A Check Authorization Form will be completed and the appropriate supporting documentation attached such as a memorandum requesting a refund, a copy of the cash receipt form, or other documents. The refund should be completed using the account number used in the deposit of the revenue.
5.5. College Contract Report

All contracts requiring Vendor Disclosure Statements with Alabama Community College System departments, agencies, entities, and institutions must be electronically posted within thirty (30) days by the respective department, agency, entity, or institution to the Alabama Community College System website. This requirement became effective January 25, 2007, and the website database will be devised, implemented, and maintained by the Alabama Community College System Office. Information contained in the posting must include: name of vendor, subject matter or purpose of contract, term or dates of contract, and amount of contract. (Alabama Community College System Board of Trustees Policy 205.06)

5.6 Form 1099-MISC Reporting

The Internal Revenue Service (IRS) requires the College to file information return forms 1099-MISC and 1099-NEC. The 1099’s are issued each year in accordance with IRS regulations. IRS regulations require the College to request and provide the entities’ TIN on those returns.

The IRS requires the College to obtain the TIN of all entities to which we make payments. Each department is required to obtain the TIN information from the vendors that the College makes payment to, except in cases where the information is already on file. Use IRS form W-9, Request for Taxpayer Identification Number and Certification, to obtain TIN and entity name.

File Forms 1099-MISC and 1099-NEC with the IRS and the Alabama Department of Revenue (ADOR). When filing paper forms, the College must send a Form 1096 with each type of form as the transmittal document. File Forms 1096, 1099-MISC and 1099-NEC by February 28th. If the College is required to file Form 1099-MISC and 1099-NEC forms, the College must also provide a statement to the recipient by January 31st. Keep copies of information returns filed with the IRS and ADOR for at least 3 years from the due date of the returns.

Two sources are used to accumulate information for 1099-MISC and 1099-NEC reporting: (1) the type of entity and (2) the type of payment. The entity type determines whether an entity is a reportable or non-reportable entity. The following chart lists general guidelines used to determine if a vendor is a reportable or non-reportable entity.

<table>
<thead>
<tr>
<th>Type Entity</th>
<th>TIN to Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Social Security Number</td>
</tr>
<tr>
<td>Professional Association</td>
<td>Federal Identification Number</td>
</tr>
<tr>
<td>Corporation providing medical or legal services</td>
<td>Federal Identification Number</td>
</tr>
<tr>
<td>Corporations other than medical or attorneys</td>
<td>Federal Identification Number</td>
</tr>
<tr>
<td>Non-Profit Entities</td>
<td>Federal Identification Number</td>
</tr>
<tr>
<td>Governmental Entities</td>
<td>Federal Identification Number</td>
</tr>
</tbody>
</table>

Show the full name and address in the section provided on the information return. With sole proprietors, you must show the individual’s name on the first name line; on the second name line, you may enter the “doing business as (DBA)” name. You may not enter only the DBA name. For the TIN, enter either the individual’s SSN or the EIN of the business. The IRS
prefers that you enter the SSN. TINs are used to associate and verify amounts the College reports to the IRS and the ADOR with corresponding amounts on tax returns. Therefore, it is important that the College furnishes correct names, social security numbers (SSNs), individual taxpayer identification numbers (ITINs), or employer identification numbers (EINs) for recipients on the forms sent to the IRS and ADOR.

The account code on transactions is used to determine if the payment is a reportable payment. Information is accumulated on a calendar year basis and reported for all payments processed through Accounts Payable for each person to whom the College has paid during the year at least $600 in rents, services (including parts and materials), prizes and awards, or other income payments and gross proceeds to attorneys.

Enter amounts of $600 or more for all types of rents, such as real estate rentals paid for office space and machine rentals in box 1 on the 1099-MISC.

Enter nonemployee compensation of $600 or more in box 1 on the 1099-NEC. Include fees, commissions, prizes and awards for services performed as a nonemployee, and other forms of compensation for services performed for the College by an individual who is not a College employee. Generally, the College must report payments to independent contractors on Form 1099-NEC in box 1.

Some payments are not required to be reported on Form 1099-NEC, although they may be taxable to the recipient. Payments for which a Form 1099-NEC is not required include:

- Payments to a corporation,
- Payments for merchandise, telegrams, telephone, freight, storage, and similar items,
- Wages paid to employees,
- Business travel allowances paid to employees, and
- Payments to a tax-exempt organization, the United States, a state, the District of Columbia, a U.S. possession, or a foreign government.

The following payments made to corporations generally must be reported:

- Attorneys’ fees reported in box 1 on the 1099-NEC
- Gross proceeds paid to an attorney reported in box 10 on the 1099-MISC.

Payments to attorneys – The term attorney includes a law firm or other provider of legal services. Attorneys’ fees of $600 or more paid in the course of your trade or business are reportable in box 1 of Form 1099-NEC.

Gross proceeds paid to attorneys – Report in box 10 on 1099-MISC payments to an attorney made in the course of your trade or business in connection with legal services, for example, as in a settlement agreement, unless the attorney’s fees are reportable by the College in box 1 on the 1099-NEC.
The exemption from reporting payments made to corporations does not apply to payments for legal services. Therefore, you must report attorneys' fees (in box 1 of 1099-NEC) or gross proceeds (in box 10 on 1099-MISC) as described above to corporations that provide legal services.
SECTION 6: FINANCIAL AID

The purpose of financial aid is to provide financial resources to students who would otherwise be unable to pursue postsecondary education. Parents and students are primarily responsible for paying college expenses; however, when families can demonstrate financial need, various sources of financial assistance are available to supplement the family’s contributions.

Student financial assistance encompasses a variety of sources. These may be offered as one program or through a combination of programs known as a financial aid package. A student’s financial aid package can include one or more of the following:

1. Federal Title IV Programs – Student financial aid programs authorized by the Higher Education Act of 1965, as amended (HEA). This includes the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work-Study (FWS), and William D. Ford Federal Direct Loan.

2. Other Federal Aid Programs – These include veterans’, service members’, and their dependents’ benefits, Workforce Investment Opportunity Act (WIOA), and Trade Readjustment Act (TRA).

3. State – These include the Alabama Student Assistance Program (ASAP) and various types of board approved state scholarships. Scholarships are offered for academic, honors, performing arts, senior adults, and student activity and leadership.

The College participates in consortium agreements with the approved Alabama Community College System Institutions.

6.1 Financial Aid Disbursements

Disbursement: The delivery of financial aid funds to the student account for the purpose of paying educational costs.

Financial Aid Disbursements refer to a student’s “approved and certified” financial aid award being applied to the institutional costs such as tuition and fees, housing, books and supplies.

Disbursements will not be issued on pending financial aid (aid that has not been confirmed). Under no circumstances will the Financial Aid Office release a credit award before the designated disbursement date.

There are two ways to disburse FSA funds:

- Crediting a student’s account for allowable charges at the College;

- Paying a student or parent directly.
When a school disburses FSA program funds to a student by crediting a student’s account, it may do so only for allowable charges.

Allowable charges include:

- Current charges for tuition and fees as defined in Volume 3, Chapter 2, and room and board (if the student contracts with the school); and

- Other current charges that a student has incurred for educationally-related activities, if you obtain the student’s written authorization or the parent’s written authorization (in the case of PLUS loan funds).

If an educationally related charge does not meet the definition of tuition and fees as described in Section 472 of the HEA (with the exception of contracted room and board charges), the College must obtain the student’s permission (or parent’s, if applicable) to use FSA program funds to pay for the charge.

6.1.1 Disbursement Dates and Schedules
The College issues disbursement refunds through BankMobile Disbursements.

All financial aid funds, except work study, are credited to the individual student account. The student must complete all steps in the financial aid application process before the funds will appear as authorized aid on his/her account. If the student needs to check the status of his/her financial aid, the student needs to contact Student Financial Services.

If a student’s payments and financial aid credits exceed his/her charges, the credit balance will be issued to the student according to the reimbursement method selected in registering with BankMobile. The first issuance of credit balance refunds will be within fourteen (14) calendar days from the date the funds are posted to a student’s account. Thereafter, credit balance refunds are issued on a regular, weekly schedule by the Business Office. First-time loan students should note that there is a 30-day delay on delivery of student loan funds for their first semester due to federal regulations.

Students need to consult with Student Financial Services to determine the effects of withdrawing from any course(s).

6.1.2 Refund Methods
If payments are made with a debit or credit card on MyCalhoun, any refunds must first be refunded back to that debit or credit card up to the amount of the payments with any remaining refund amount issued through BankMobile using the reimbursement method selected by the student.
The College uses BankMobile for all refunds in an effort to get the student their money as fast and as easy as possible. All students need to register with BankMobile once the green envelope has been received in the mail. During registration, students will select a reimbursement method consisting of either the BankMobile Vibe debit card or direct deposit to an existing checking or savings account. The address information with BankMobile is sent by the College. If the address information is incorrect, students must update their mailing address using MyCalhoun. Address changes will be submitted to BankMobile.

6.1.3 Steps for Registration
First, the student would look for the green envelope. Once it arrives, the student will simply use their Unique Personal Code to let BankMobile know how they would like to receive their money, by choosing the option that best fits him/her. The student will need to follow these steps:

2. Enter your Unique Personal Code.
3. Select how you would like to receive your money.
4. Complete your personal profile.

6.1.4 Reimbursement Method Timeframes
Bankmobile Vibe debit card – Same business day funds are released by the College

Direct Deposit to Existing Checking or Savings Account – 2-3 business days

Any student without a refund preference is sent a BankMobile email with the required 14-day verbiage for disbursement. If they never select a refund preference, a default check will be printed and mailed by BankMobile to the student’s address (see BankMobile document for details).

6.1.5 Student and Parent Authorizations
Before the College performs any of the following activities, the Financial Aid Office must obtain authorization from a student (or parent borrower):

- Use FSA funds (including FWS) to pay for allowable charges other than tuition, fees and room and board if the student contracts with the school;
- Hold an FSA credit balance;
- Apply FSA funds to prior-year charges other than for tuition, fees and room and board.

The College may not require or coerce the student or parent to provide the authorization and must clearly explain to the student or parent how to cancel or modify the authorization. The student or parent may cancel or modify the authorization at any time.
The Department of Education continues to encourage and support the College’s use of electronic recordkeeping and communications. So long as there are no regulations specifically requiring that a notification or authorization be sent via U.S. mail, a school may provide notices or receive authorizations electronically.

The College uses an electronic process to provide required notices and make disclosures by directing students to a secure Web site that contains the required notifications and disclosures.

Individual notice is sent to each student and, as needed, a student may be notified through direct mailing through the U.S. Postal Service, campus mail, or electronically directly to an email address.

The College notifications include the following:
- Identifies the information required to be disclosed;
- Provides the CCC MyCalhoun Banner Self-Service address;
- States that the student, upon request, may receive a paper copy

As noted in the Student Financial Aid Handbook, the College maintains a copy (electronically or paper) of each transaction and respects the security and confidentiality for each student mailing.

Reasonable safeguards utilized by the College include:
- Password protection,
- Recommended password changes at set intervals,
- Access revocation for unsuccessful log-ins,
- User identification and entry-point tracking,
- Random audit surveys, and
- Security tests of the code access.

Automic runs a process in Banner to pull in authorizations from the financial aid module prior to financial aid disbursement. Authorizations only apply to disbursements after the authorization is imported.

6.2 Credit Balances
Whenever the College disburses FWS funds by crediting the student's account and the result is a credit balance, the College pays the credit balance via direct deposit directly to the student as soon as possible, but no later than 14 days after the credit balance occurred on the account.
6.2.1 Disbursing Title IV Funds (other than FWS) to Pay Current Year Educationally–Related Institutional Charges other than Tuition, Fees, and Contracted Room and Board

The College uses the student’s student aid to pay for tuition, fees, and room and board without the student’s permission. The Financial Aid/Business Office may apply the federal student aid to other school-related expenses provided the student gives a written authorization.

6.2.3 Disbursing Title IV funds (other than FWS) to Pay Prior Award – Related Institutional Charges, Fees and Contracted Room and Board

The College may obtain a student’s authorization to pay prior-year charges provided: the prior-year charges do not exceed $200; and, the payment of these charges does not, or will not, prevent the student from paying his or her current-year education costs.

6.2.3 Undeliverable Title IV Funds

The U.S. Department of Education added a new paragraph to address what the College should do if students or parents fail to cash checks containing Title IV funds or if the College is otherwise unable to deliver the funds to them. ED has had a policy for several years that Title IV funds can never escheat to a state, but must be returned to the appropriate Title IV program if they cannot be paid to the student (or parent for PLUS loans).

Un-cashed checks – Under the new regulations, the College has 240 days to return to ED, a lender, or a guaranty agency, as appropriate, any Title IV funds that it attempts to deliver to a student or parent if the intended recipient does not receive or negotiate the funds. For FWS wages, only the Title IV portion needs to be returned.

Returned checks – If a check or ACH is returned, the College must make additional attempts to disburse the funds or return them to the appropriate party within 45 days. The College may continue making attempts to deliver the funds, but must adhere to the 240-day limit if it is unsuccessful.

6.2.3.1 Calculation of Federal Credit Balance

The Return of Title IV Aid provisions require a different treatment of a Title IV credit balance when a student withholds than that required under the earlier "refund" provisions. This treatment applies only to the handling of a Title IV credit balance. When a student owes a grant overpayment and there are funds available on the student’s account as a credit balance, the College is expected to use those funds to apply toward repaying the student's grant overpayment. The actual amount of the grant repayment would still be determined under the return calculation by applying the 50 percent discount to the amount of unearned grant funds. Any funds left as a credit balance after satisfying the grant repayment would be handled in accordance with Subpart K-Cash Management of the Student Assistance General Provisions regulations.
6.2.3.2 Order in which Federal Funds to be Returned
Funds that are returned to the federal government are used to reduce the outstanding balances in individual federal programs.

Financial aid returned (by the College and/or the student or parent) must be allocated in the following order:

1. Federal Unsubsidized Loans
2. Federal Subsidized Loans
3. Federal Pell Grant
4. Federal Supplemental Educational Opportunity Grant
5. Other Federal/State Loan or Grant Assistance

6.2.3.3 Recovery of Unclaimed Title IV Funds
Guidelines for this process are mandated under the regulations found in the Financial Aid Handbook. The Business Office handles the responsibility for the return of unclaimed Title IV funds. The Business Office will reach out to each student by email, phone, and letter to inform each student of unclaimed funds. If the College receives no response, an email is sent to Financial Aid requesting return of the funds. All of these tasks are maintained in an Excel spreadsheet on the Business Office shared drive.

6.3 Requesting Title IV Funds
The College must maintain a bank account into which the Department transfers or the College deposits FSA program funds.

The G5 is a delivery system that supports program award and payment administration. G5 provides financial management support services for the grant life cycle in a single system. It supports the planning, obligating, authorizing, disbursing, and final closing of Department of Education grant awards.

The College may use G5 to request payments, adjust drawdowns, and return cash. G5 also provides continuous access to current grant and payment information, such as authorized amounts, cumulative drawdowns, current award balances, and payment histories. The College uses G5 to request cash for the following awards:

- Federal Pell Grant Program,
- Federal Supplemental Educational Opportunity Grant (FSEOG) Program,
- Federal Work-Study (FWS) Program, and
- Direct Loan Program

The College requests federal cash electronically using G5. To request cash, the College must access G5 through www.g5.gov. The U.S. Office of Management and Budget has mandated that all federal agencies implement increased cybersecurity capabilities to prevent unauthorized access to government systems. As a result, the U.S. Department of Education has implemented a more secure means for users of the G5 Grants Administration System to
gain access, referred to as “two factor authentication.” G5 users are required to enter a password when logging into the system. The second factor will be provided by a free application called Google Authenticator that G5 users download and register to their mobile devices. The device will then generate a unique code each time the user logs into G5. For users who do not own a mobile device, the code can be retrieved via a text message or a phone call.

The College’s Current Funding Level is the amount of cash available for the College to draw down from the G5 or the amount that can be drawn down.

The refund process ends with running an Argos report from the date of the previous disbursements to the current date. Create the spreadsheet with a separate tab for Loans, Pell and SEOG grants. The Banner screen RFIBUDG will provide the amount disbursed for Loans, Pell and SEOG grants. Print the External Award Activity Report from G5. Determine the amount of funds that can be drawn down based on the available balance on the External Award Activity Report from G5. Complete an Accounts Receivable Cashier Authorization Form for approval by supervisor to record the drawdown as a cash receipt. Since the drawdown is deposited into our Restricted bank but refunds are process from our Operating. After the Accounts Receivable Cashier Authorization action has been completed. Then complete the Check Authorization Form, and the second Accounts Receivable Authorization form for Accounts Payable to print a check to move the funds from the restricted bank account to the general bank account.

6.4 Title IV Overpayments
Overpayments occur any time a student receives a payment of grant funds that exceeds the amount for which he or she is eligible. Most overpayments are due to one of the following:

- when a student never begins attending class;
- when a student does not begin attending all of his or her classes;
- with a return of Title IV funds, in cases where the calculation determines that a student who has withdrawn or otherwise ceased enrollment during a payment period or period of enrollment must repay an unearned portion of his or her award.

The College is liable for any amount of an overpayment that occurred because the College failed to follow the proper procedures. If the overpayment is the result of the College’s error, the College must return the amount of the overpayment. If returning the funds creates a balance on the student’s account, the College may attempt to collect the amount of the overpayment from the student. However, this is not a Title IV debt. The College does not pay a student’s obligation by returning to the appropriate Title IV program account the amount overpaid to the student.

In some instances, a student, rather than the College, is responsible for repaying the overpayment. The College must promptly attempt to recover the overpayment by notifying the student (by paper or electronically), and requesting full payment. The notice must state
that if the student fails to repay the overpayment or to make satisfactory arrangements for repayment, he or she will be ineligible for Title IV funds until the overpayment is resolved. All students with overpayments should have Financial Aid holds on their account to prevent them from registering for classes, obtaining grades, or obtaining transcripts prior to repayment. Once a hold has been placed, the accounts receivable clerk will bill the student. 

6.5 Return of Title IV Funds
FSA funds are awarded to a student under the assumption the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds the student was originally scheduled to receive. Returns of Title IV Funds are handled when recipients of those funds cease to be enrolled prior to the end of payment period or period of enrollment. These requirements do not apply to a student who does not actually cease attendance at the College. 

If a recipient of Title IV grant or loan funds withdraws from the College after beginning attendance, the amount of Title IV grant or loan assistance earned by the student must be determined. If the amount disbursed to the student is greater than the amount the student earned, unearned funds must be returned. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a post-withdrawal disbursement of the earned aid that was not received. 

When a student withdraws during a period, a Title IV credit balance created during the period should not be released to the student nor should any portion be returned prior to performing the Return calculation. Perform the Return calculation including any existing Title IV credit balance for the period in the calculation as disbursed aid. Apply any applicable refund policy to determine if doing so creates a new or larger Title IV credit balance. Allocate any Title IV credit balance to repay any grant overpayment owed by the student as a result of the current withdrawal. Within 14 days of the date that the College performs the Return calculation, the College must pay any remaining Title IV credit balance funds.

Official Withdrawal: A student who received Title IV funding (ex: Pell grant, FSEOG, student loans, or federal work-study) and withdraws from all classes prior to the 60% point of the semester will owe funds back to the U.S. Department of Education and to the College. 

Unofficial Withdrawal: A student who received Title IV funding (ex. Pell grant, FSEOG, student loans, or federal work-study) and unofficially withdraws (stops attending) from all classes may owe funds back to the U.S. Department of Education and to the College. This amount is calculated at the 50% point of the term.

The concept behind the policy is that the College and the student are allowed to retain only the amount of Title IV funding (federal aid) that is earned. If a student withdraws or stops attending classes, whether any credits are earned for the class or not, a portion of the aid received is considered to be unearned and must be returned to the Title IV program from
which it was received. For Title IV purposes, the withdrawal date is the last date of attendance as determined by attendance records or withdrawal form.

The College then calculates the amount for which the student is responsible by subtracting the amount returned by the College from the total amount which is unearned. That remaining amount is the student’s share. Total amount unearned – amount returned by College = $ amount the student is required to return to Title IV funds. Once the College determines the dollar amount owed by the student to the US Department of Education, the student will be notified of what he or she owes. Funds that must be returned by the student to the loan programs can be paid in accordance with normal loan repayment terms. If the student’s portion of unearned Title IV funds includes a federal grant, the student has to pay no more than 50% of the initial Pell award that the student is responsible for returning. A student has 45 days to make repayment and does not have to repay a grant overpayment of $50.00 or less. Unpaid balances will be reported to NSLDS, the National Student Loan Database system, and turned over to the U.S. Department of Education for collection. Until overpayments are repaid or satisfactory repayment arrangements have been made, the student will be ineligible for further Title IV awards at any institution.

Once the College determines the amount it is required to repay the U. S. Department of Education, the College returns the funds and enters an exemption up to the amount of unearned aid to waive the balance due. If a student does not attend any classes or ceases attendance during the 100% refund period, aid may have to be reduced to reflect appropriate enrollment status prior to recalculating Return to Title IV funds.

### 6.5.1 When Students Fail to Earn a Passing Grade in Any Class
If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the College must assume, for Title IV purposes, the student has unofficially withdrawn, unless the College can document that the student completed the period. If one instructor reports that the student attended through the end of the period, then the student is not a withdrawal.

For those students who received all “F” grades because they did not complete the course, the student’s last day of attendance at an academically related activity is the withdrawal date. However, in the absence of evidence of a last day of attendance at an academically related activity, a school must consider a student who failed to earn a passing grade to be an unofficial withdrawal.

### 6.6 Returning Title IV Funds
There are a number of reasons why the College may have to return funds to the Department including:

1. having FSA funds on hand with no expectation they can be disbursed to other eligible students within three business days;
2. owing the Department for expenditures disallowed during a program review or audit; or,
3. having earned interest on federal funds in excess of $250.

If the College has FSA funds that must be returned, the College can do that electronically or by check.

G5 allows the College to return money to the Department (including excess interest) using the Electronic Refund Functionality in G5 for up to 10 years following the end of the award year.

If the drawdown procedures result in a negative balance, the College is required to return funds through G5. Attach the RFIBUDG and the Argos report detailing each student and the applicable amount for each that the College is returning. Prepare an Accounts Receivable Authorization Form to record the G5 return. The supervisor will return the funds through G5 and sign the form and forward to the Cashier for receipting to the general ledger. Once the receipt is returned, create a Check Authorization Form and Accounts Receivable Cashier Authorization Form and give to supervisor for approval to move the financial aid returned through G5 from the general bank account into the restricted bank account.

Only in exceptional circumstances should the College return funds by sending a check instead of using the electronic refund functionality in G5.

If the College returns Pell or Campus-Based funds by check, the College must use a separate check for each award year, note the College’s DUNS number and the appropriate Program Award Number on the check, and mail to U.S. Department of Education, P.O. Box 979053, St. Louis, Missouri 63197-9000.

If the College returns Direct Loan funds by check, the College must use a separate check for each award year, note the College’s DUNS number, Direct Loan school code, and award year on each check, include a completed Direct Loans Return of Cash form with each check, and mail to U.S. Department of Education, Attention Refunds of Cash, P.O. Box 9001, Niagara Falls, New York 14302.

6.7 Title IV Reconciliations
To fulfill its responsibility to safeguard federal funds and ensure they are expended as intended, the College must perform reconciliations in each FSA program monthly. Through reconciliation, the College ensures that ED’s records reconcile with the College’s records, both at cumulative and individual student levels.

Business Office Steps of Title IV Reconciliation
The Financial Aid/Asset Management Accountant uses the following reports to reconcile the Business Office side of the Financial Aid Reconciliations on a monthly basis:

• Banner Reports (FGRODTA & FGRBSDC)
• Argos Reports (Financial Aid Reconciliation Data)
• G5 Reports (Pell, Loans, SEOG, & FWS)
The Banner Reports show month-to-date and fiscal year-to-date activity for each fund. The Argos Reports list the students that make up the month-to-date activity for each fund. The G5 Reports list the drawdowns, refunds, and authorizations for each fund.

The Financial Aid/Asset Management Accountant then prepares a spreadsheet for each financial aid fund and a summary reconciliation spreadsheet, including all financial aid funds, using the reports listed above to compare the general ledger expenditures with Federal drawdowns in order to determine any discrepancies. Once the Business Office side of the reconciliation has been completed, the completed spreadsheets are emailed to the Director of Student Financial Services and the applicable employees in the Student Financial Services department that reconcile one of the financial aid funds.

These reconciliations are reviewed and approved by the Director of Accounting on a monthly basis.

**Student Financial Services Steps of Title IV Reconciliation**

Monthly reconciliations for FSA programs should include verifying individually and cumulatively the following:

1. Records of awards made to students maintained by the Financial Aid Office match the records of pending disbursements for those students maintained by the Business Office.

2. Business Office records of pending disbursements and Financial Aid Office records of student awards match the records of actual disbursements posted to the students’ accounts.

3. The disbursements posted to students’ accounts match the disbursements to those students in the COD system.

4. Cumulative school and COD records of disbursements match net draws in G5 for the award year.

   \[
   \text{Business Office Disbursements} = \text{COD Disbursements} = \text{G5 Drawdowns}
   \]

Because each office has access to and expertise with data needed to facilitate the process, cooperation between the Business and Financial Aid Offices is essential if reconciliation of FSA funds is to be successful. The Financial Aid Office will be the source of information and reports from the COD system, whereas the Business Office is generally responsible for G5 and student accounts.

There are various COD reports the College can use in reconciling school level records of individual awards to students with individual student records maintained in COD. The Reconciliation File is a one-record summary of the award and disbursement data in COD for
an individual student. This report is especially useful for reconciling the total disbursement per student in a school’s records with the total per student in COD.

A Year-to-Date Record can be requested for an individual student or for all recipients at the College. A YTD record contains more detailed origination and disbursement data than a Reconciliation Report. The YTD record shows the award information that COD is using for each student. You can view each individual disbursement as well as the total disbursed to a student for the year.

On a monthly basis, the College should also reconcile the record of its award in the G5 system with the record for that award in the COD system and with the College’s records of awards in the program. The primary G5 functions the College should use in reconciling are the G5 Activity Report and the G5 Award Balance Report.

The Balance Report lists the authorizations, net draws and available balance for each of the College’s awards. It provides the College with the opportunity to verify that the record of net drawdowns and available balance in the programs agree with that in G5 and COD. The net draws in the G5 Balance Report should match net drawdowns in COD, and that figure should match the College’s records of deposits made to its program account and net awards posted to student accounts.

The Activity Report can be used to compare more detailed information. The Activity Report is essentially a bank statement for the College’s G5 awards that the College can create whenever it wishes. The Activity Report displays both cumulative and detailed information on drawdown activity, refunds and authorization changes for each grant award. The report is divided into two separate tables – a cumulative summary table and a detail table.

The G5 system contains data on all of the College’s active awards, from the start of the award period to the present date. The College can specify both a specific award and time period it wants included in the Activity Report.

You can access the Activity Report and Balance Report by selecting Reports from the G5 main page and when you’re taken to the Reports Menu page, select the report you want to display. If you select Balance Report, you’ll be taken to the report for the College.

If you select Activity Report, you will enter the award number for the College’s award next to the field PR/Award Number. Then, next to the field Period, you will enter the starting and ending dates you want included in your report. The Cumulative Summary Table provides summary information on activity that occurred on the selected grant for the period chosen. On the left side of the Cumulative Summary Table is a column headed Row ID. By selecting the gray numbered box on the left of the appropriate row, you can access the Detail Table for the selected award. The Detail Table shows the detail (individual) transactions that make up the Cumulative Summary Table in chronological order. If your net drawdowns don’t match, you can use the record of individual drawdowns in your search for the source of the discrepancy.
SECTION 7: CAPITAL ASSETS

Capital assets include land, improvements to land, buildings and building alterations, improvements other than buildings, furniture and equipment, and library books that are used in operations and that have initial useful lives extending beyond a single reporting period. Colleges are required to maintain an annual inventory of capital assets in accordance with the amount prescribed by current federal government regulations for capitalization (currently $5,000 or more) as per Alabama Community College System Board of Trustees Policy 324.01.

Purchases of fixed assets should be coded as an expenditure. The college’s cost of a fixed asset includes the purchase price as well as all normal and reasonable expenditures necessary to get the asset in place and ready for use. Such expenditures could include freight, installation, or modifications needed to place the asset in use. Donated fixed assets should be valued at the fair market value at the date of donation. Fixed assets acquired from surplus property should be valued at the original acquisition cost.

7.1 Inventory Records of Capital Assets

Colleges are required to maintain an annual inventory of all capital assets with a cost of $5,000 or more. It is the responsibility of the President to delegate property management duties to the college’s property manager. The property manager shall be responsible for accounting for all physical property of the college and shall require a written receipt of property entrusted to other employees of the college that serve as property custodians. The receiving signature on the purchase order is sufficient. All inventories shall be subject to examination by any and all state auditors, employees of the Department of Examiners of Public Accounts, the Chancellor, and the Alabama Community College System staff. The property manager shall resolve discrepancies between official records and physical location of all property. Unresolved discrepancies should be reported to the Regional Chief Financial Officer.

A separate and complete inventory must be maintained for capital asset classifications. The value of capital assets is recorded in the Investment in Plant Fund as Building Alterations, Buildings, Capital Software, Construction in Progress, Furniture & Equipment < $25,000, Furniture & Equipment > $25,000, Improvements other than Buildings, Land, and Library Books.

The separate classes of capital assets are described below:

(1) Building Alterations – Include significant improvements or betterments changes which increase the usefulness, efficiency, or life of a building. Changes that do not increase useful life should be recorded as an expense. Expenditures attributable to individual assets after the asset has been placed in service will be capitalized if the individual expenditure meets the criteria for the capitalization of a fixed asset (including the $50,000 threshold) and the related original asset has remaining economic life of at least 1 year after the additional expenditure.
(A) **Improvements** – include additions of new components to previously capitalized assets that either increase the assets’ value, extend the useful life, increase the normal rate of output, lower the operating cost, or increase the efficiency of the existing assets. Replacements of components of existing capitalized assets with improved or superior units, such that the value or useful life of the assets is increased, are also classified as improvements. An improvement that individually exceeds the capitalization threshold of $50,000 should be capitalized as a stand-alone fixed asset separate from the previously existing asset. Otherwise, the improvement will be expensed as maintenance and repairs.

(B) **Betterments** - enhance an existing capitalized individual or group asset to a condition beyond that achieved through normal maintenance repairs. A betterment increases the useful life of the asset by at least 1 year without the introduction of a new component. Only alterations that significantly rebuild existing portions of an asset will be capitalized as betterments. Betterments that involve replacement (enhancement) of an existing component of an asset will be capitalized only when the value or useful life of the asset is increased and the amount spent exceeds $50,000. This betterment should be capitalized as a stand-alone fixed asset separate from the previously existing asset that was enhanced.

Alterations that change the physical structure of assets, but neither materially add value to the asset nor prolong its expected life, will be considered maintenance and expensed.

(C) **Maintenance and Repairs** - are not intended to alter or change the asset or to increase the useful life of the asset, but rather to sustain the asset in its present condition.

   a. Maintenance and repair costs incurred to keep a fixed asset in normal operating condition will be expensed. Maintenance costs are not capitalized and are not recorded as part of the associated asset in the fixed asset record.

   b. Improvements and betterments that do not either individually meet the capitalization threshold or add to the asset significantly will be treated as maintenance and expensed.

   c. Maintenance and repairs may be distinguished from improvements and betterments in that maintenance and repairs are not intended to alter or change the asset or to increase the useful life of the asset, but rather to sustain the asset in its present condition.

   d. A project or activity will qualify as maintenance if it:

      i. recurs on an ongoing basis (scheduled maintenance) and keeps the asset in a useable condition;

      ii. simply restores a fixed asset to its former condition, addressing normal wear and tear associated with the use of an asset;

      iii. does not add substantially to the value of the asset;

      iv. facilitates asset utilization for its original estimated useful life; and

      v. does not significantly extend the useful life of the existing asset.
(2) **Buildings & Fixed Equipment** – All costs incidental to the construction or purchase of the building such as architectural fees, site testing and preparation, engineering, and other costs must be included in the cost of the building. Low-cost buildings such as prefabricated storage buildings or small storage buildings should be depreciated over 15 years. Using the building asset type in Banner. Components should not be considered part of a building if they can be removed without the need for costly or extensive repairs or alterations to the building. These components are more properly classified as equipment.

(3) **Construction in Progress** - This category is used during the construction period to record payments to contractors. Upon completion of the project and acceptance by the ACCS Board of Trustees and/or Alabama Building Commission (if applicable), the construction in progress asset is closed and the asset is transferred to the institution’s Investment in Plant Fund.

(4) **Furniture & Equipment** - To keep a current furniture and equipment inventory, an equipment inventory system should include the following components:

- Inventory Number (Property Control Number)
- Description
- Serial Number
- Department Assignment
- Location
- Purchase Order Number
- Source of Funds (state, federal, local)
- Date of Acquisition
- Value
- Disposition (Record when disposed, sold, or traded-in.)

(5) **Improvements Other Than Buildings** - Infrastructure assets such as roads, bridges, tunnels, sidewalks, and utilities owned by the institution. Improvements that are considered part of a structure or that deteriorate with use or the passage of time, such as parking lots and fencing, should be considered depreciable and classified as improvements other than buildings.

7.1.1 **Inventory Records of Non-Capitalized Items**
For non-capitalized, high risk items (information technology devices), the Chief Information Officer shall maintain an inventory of all such items. This inventory shall include: brief description of the item, serial number, original cost, individual assigned responsibility for the item, and date the item was provided to the responsible individual. Annually, the Chief Information Officer will perform an inventory to ensure each item is still maintained by the responsible individual. Any
lost or stolen items will be reported to the Regional Chief Financial Officer, who will then determine the appropriate course of action.

7.2 Procedures for Recording and Maintaining Capital Assets
Capital outlay of land, buildings, improvements, alterations, equipment, library books, and software are identified in FTMACCT with accounts that begin with an ‘79’ and are attached to a particular asset account in the capitalization fund 940100 in Net Investment in Plant. Once an invoice is entered in FFAINVE with an account consisting of capital outlay, the system automatically records an expense and an asset for that item(s). Purchases of all other capital outlay either not paid through the invoice module or incorrectly paid with a non-capitalized account are recorded by the property manager by entering a journal entry via FGAJVCM in Banner and presenting along with all supporting documentation to the Director of Purchasing and Accounts Payable for review and signature approval. She also reviews the entry in Banner for entry accuracy and approves the entry via FOAUAPP in Banner prior to general ledger posting.

Current year asset acquisitions are processed through the fixed asset module using FFAMAST. Monthly, the property manager runs FFPOEXT that generates origination tags for each invoiced item. The applicable invoices are pulled to verify the acquisition cost of each item. Each origination tag is converted to a permanent tag when processed in the fixed asset module. A red tag is assigned and placed on equipment purchased with restricted funds and a blue tag is used for equipment purchased with unrestricted funds. This tag assigns a property control number to the item that is used to identify each piece of equipment. The property manager tags and takes a picture of each item. The property manager also maintains an electronic Excel spreadsheet with all fixed asset records for the college. This spreadsheet contains the property control tag number, purchase order number, a description of the item, date of acquisition, acquisition cost, source of funds, department assignment, property custodian’s name, location of the item, serial number, and disposition date (if applicable).

No capitalized equipment can be disposed of or transferred out without written permission of the property manager. The property manager verifies the funding source used to purchase the item and if the item is fully depreciated on the college’s books. If the item is not already fully depreciated, the property manager instructs the property custodian to hold onto the item until it is fully depreciated. If the equipment was purchased with restricted funds and is fully depreciated, the property manager works with the restricted accountant to contact the grantor agency to see what they want the college to do with the item. The property custodian of the equipment completes a request for inventory disposal form and sends the completed form to the property manager. Once the property manager receives the completed form, she contacts the grantor agency if restricted funds were used, to see what needs to be done with the equipment. Once the appropriate approval has been received, the property manager will email the property custodian that the capitalized equipment can be disposed of. A memo documenting the disposal must be submitted to the property manager and include
the following: 1) name of employee disposing of the capitalized equipment 2) date the item was disposed of and 3) method of disposition. Examples: thrown in dumpster, scrap yard, etc.

When capitalized equipment is lost, stolen, or destroyed, the property custodian should immediately inform the property manager and contact Calhoun Campus Police or a law enforcement agency to file a report. The property manager will immediately inform the Regional Chief Financial Officer. A property custodian may be held responsible for the value of any item of equipment lost, stolen, damaged, or destroyed through his or her negligence. The property custodian should complete a missing equipment form and forward it to the property manager along with a copy of the filed police report. Once this has been completed, the property manager removes the missing equipment from the subsidiary Excel listing and removes the asset from the general ledger via FFAADJF. Any equipment that is removed from inventory must be supported by adequate documentation for auditing purposes.

Physical Inventory of Capital Assets – The Alabama Community College System (ACCS) sends an email from the property manager to each property custodian along with a listing of their department’s capitalized assets. The email requests that each property custodian review the tag numbers, descriptions, serial numbers and locations on each asset, and sign off on the department’s inventory records. This process is performed annually. The property manager also reconciles the subsidiary inventory records to the general ledger at each fiscal year-end using Banner report FGRODTA, an Argos report FIIN0001 Fixed Asset Listing, and the subsidiary Excel listing.

7.3 Disposal of Surplus Personal Property
When the college has determined to dispose of property, other than property used as a trade-in, the college shall file a Surplus Property Sale Form DPE-22 with the Chancellor of the Alabama Community College System, a list of the items to be sold, the auctioneer to be used, the location the auction will be held, and when and where the property will be advertised pursuant to state law.

Under certain circumstances inventoried equipment may be used as a trade-in by the college. The property custodian must receive written approval from the property manager prior to this transaction.

Surplus sales are initiated by the property manager. She sends out an email to all departments stating when the next surplus sale will occur. The property manager gathers the completed Request for Disposal forms that are filed in the Upcoming Surplus Sales folder. The property manager ensures that all items presented in the surplus sale are listed on a DPE-22 form. Prior to the sale of property, the completed DPE-22 is forwarded to the Alabama Community College System office as notification to the Chancellor of plans for a surplus sale. The surplus sale is advertised for two weeks prior to the date of the sale. After the sale, the original DPE-22, containing the President’s signature, along with a copy of the
advertisement is forwarded to the Chief Financial Officer at ACCS. The highest bidders are selected and a list prepared detailing the bid item, awarded bidder, and bid amount. The awarded bidders must pay for the item online through the GovDeals website.

7.4 Disposal of Real Property
In accordance with Alabama Community College System Board of Trustees Policy 520.01, the following procedures are required when disposing of real property: (Note: The Alabama Community College System Office Legal Division should be consulted.)

The College should have a proposed real estate transaction summary and an action item for Alabama Community College System Board of Trustees approval. One appraisal of the subject property is required. If the property has an estimated value in excess of $250,000 the Board of Trustees Facilities Committee shall determine the number of appraisals required for property.

7.5 Leasing Institutional Real Property
Any lease of facilities or land in which the institution becomes the lessee must be approved by the Chancellor. Leases of College/ACCS property and leases of property from third parties for terms of 3 years or less and having annual lease payment amounts of $165,000 or less must receive approval from the Chancellor. All other leases must receive Board of Trustees approval.

For temporary use or rental of institution facilities, the president shall establish the criteria for use. The president or their designee has the authority to establish insurance requirements and appropriate fees. In the case of residential property, the president must set the rental rate annually in accordance with the rental rate for similar housing in the community and shall be based upon the fair market value. Fair market value shall be reassessed every three years. Rental of an institution-owned residence by a president shall be approved by the Chancellor. New construction of residential units is prohibited (other than student dormitories).

For any transactions concerning property which is owned by the Public School and College Authority, the Alabama Community College System’s Legal Division should be contacted for details.

7.6 Purchase of Real Property
At the request of the president and upon recommendation of the Chancellor, the ACCS Board of Trustees may approve the purchase of property for the benefit of the institution.
A proposal for the purchase should be developed in a package as follows:

1. Narrative explaining why the purchase of the subject property is needed or why the purchase is in the best interest of the ACCS
2. Legal Description of the subject property
3. Phase I Environmental Assessment
4. One Appraisal of the subject property. If the property has an estimated value in excess of $250,000 the Board of Trustees Facilities Committee shall determine the number of appraisals required for property.
5. Total Cost to Purchase the subject property
6. Funding Source(s) to pay for the Purchase
7. Estimated Cost to pay for improvements (Hazmat removal, renovations, etc.) that will be required for the ACCS to use the property for its intended purpose
8. Any other items requested by the Board of Trustees or any Board of Trustee Committee

7.7 Gifts and Bequests
Final acceptance of all gifts and donations, by law, must be made by the Alabama Community College System Board of Trustees. The President is authorized to accept designated gifts and grants on behalf of the College and use these for purposes designated insofar as these purposes are in keeping with the philosophy of the College.

In accordance with Alabama Community College System Board of Trustees Policy 315.01, all gifts and bequests will be listed in the College's annual financial report's notes to the financial statements.

7.8 Depreciation
The College is required to record depreciation and report it in the College's financial statements.

Current year asset acquisitions are processed through the fixed asset module using FFAMAST. The calculation of depreciation expense for the fiscal year is determined by running FFPDEPR. Once this process is completed in update mode, an entry is automatically made debiting depreciation expense and crediting accumulated depreciation for the current year expense.
The following is a list of capital asset groups and their depreciation methods:

<table>
<thead>
<tr>
<th>Category Description</th>
<th>Useful Life</th>
<th>Depreciation Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and Equipment $5,000 to $25,000, including vehicles</td>
<td>5 years</td>
<td>Straight-Line</td>
</tr>
<tr>
<td>Furniture and Equipment greater than $25,000, including vehicles</td>
<td>10 years</td>
<td>Straight-Line</td>
</tr>
<tr>
<td>Land</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>15-50 years</td>
<td>Straight-Line</td>
</tr>
<tr>
<td>Improvements other than Buildings</td>
<td>25 years</td>
<td>Straight-Line</td>
</tr>
<tr>
<td>Building Alterations</td>
<td>25 years</td>
<td>Straight-Line</td>
</tr>
<tr>
<td>Library Books</td>
<td>20 years</td>
<td>Composite</td>
</tr>
<tr>
<td>Capitalized Software</td>
<td>10 years</td>
<td>Straight-Line</td>
</tr>
</tbody>
</table>
SECTION 8: INSURANCE

The Alabama Community College System Board of Trustees and the Chancellor of the Alabama Community College System have issued policies governing insurance requirements for the College. Board Policy 310.02 covers the types of insurance coverage and amounts for the insurance policies below:

8.1 Property Insurance
“Each institution shall insure with the State Finance Department, Division of Risk Management, all buildings and personal property belonging to the institution, with the exception of motor vehicles.” The Division of Risk Management website, www.riskmgt.state.al.us, has all of the information about property insurance, including on-line forms, surveys, and handbooks.

The Division of Risk Management will mail out property certification forms in March for the next fiscal year (October 1 – September 30). The forms are to be updated and returned to the Division by June 30. Careful attention should be paid to amounts in the 100% building value and insurance contents columns to ensure correct coverage amounts. There is a $500 deductible per incident.

If the College experiences a loss, call the Division of Risk Management to receive a claim number, then fax and mail a Property Loss Notice form to them. Since capital assets currently consist of items above $5000, the College will have to estimate the loss of non-capitalized assets in order to recoup those costs, which could be substantial.

Construction of new buildings should be covered by the construction company’s builder’s risk insurance policy. Make sure you have copies of the following company documents:

- Workman’s Compensation policy
- General Liability policy
- Performance Bond
- Payment Bond
- Any other policy you think necessary to protect the College.

Additional insured:
- Alabama Community College System Board of Trustees and its members
- Alabama Community College System Office and its employees

8.2 General Liability Insurance
The Alabama Community College System Board of Trustees has authorized general liability insurance since 1985. The Alabama Community College System Office receives bids each year and makes a recommendation to the Board of Trustees, which approves the purchase of the insurance. The premiums are allocated to each college based on FTE enrollment. This policy provides coverage
for claims against the College for bodily injury or property damages. The policy usually has a high retention amount (deductible), currently $50,000 per incident. The College should provide for this retention amount in their budget since one claim’s legal fees could quickly exceed this amount. The College should also have a good risk management plan, including an environmental health and safety plan, which should lessen the College’s exposure to risk.

The College is required to notify the Alabama Community College System Office and the insurance carrier immediately upon receipt of any claims against the College. The System Office will provide guidance on legal representation, if needed. The College is required to send a Monthly Report on General Liability Claims or Events form to the System Office.

Additional insured:
- Alabama Community College System Board of Trustees and its members
- Alabama Community College System Office and its employees

8.3 Professional Legal Liability Insurance (Errors and Omissions)
The Alabama Community College System Board of Trustees has authorized professional liability insurance since 1995. The System Office receives bids each year and makes a recommendation to the Board of Trustees, which approves the purchase of the insurance. The premiums are allocated to each college based on FTE employees. This policy provides coverage for claims resulting from wrongful acts, such as alleged breach of duty, neglect, error, misstatement, misleading statement or omission by an insured solely in the performance of their duties for the College. The policy usually has a high retention (deductible) amount, currently ranging from $35,000 to $100,000 per incident depending on the institution.

The College is required to notify the System Office and the insurance carrier immediately upon receipt of any claims against the College. The System Office will provide guidance on legal representation, if needed. The College is required to send a Monthly Report on Error and Omissions Claims or Events form to the System Office.

Additional insured:
- Alabama Community College System Board of Trustees and its members
- Alabama Community College System Office and its employees

8.4 Vehicle Liability Insurance
Board Policy dictates “that each institution shall purchase and maintain liability insurance coverage on all vehicles owned by the institution. The following shall be the minimum insurance limits:

- $100,000 limit for bodily injury to each person
- $300,000 limit for bodily injury for each occurrence
• $100,000 property damage with no deductible
• $1,000 medical payments each person
• $10,000/$20,000 uninsured motorist coverage

The College should request quotes for vehicle insurance that provides coverage for the College-owned vehicles, rented or leased vehicles or personal vehicles used for institutional business (this should be limited). To adequately safeguard the assets of the College, the coverage amounts above should be increased to $1,000,000 for liability insurance, which provides coverage for bodily injury and property damage (combined single limit policy). Uninsured motorist coverage, which provides for payment of bodily injury claims by employees who are not at fault in a wreck with an uninsured motorist while operating an authorized College vehicle, should be increased to $100,000. Medical payments cover reasonable medical and funeral expenses incurred by employees who are injured in a College motor vehicle and should be increased to $5,000. Make sure the policy lists as additional insured:

- Alabama Community College System Board of Trustees and its members
- Alabama Community College System Office and its employees

8.5 Fidelity Bond Coverage
Board Policy 302.01 reads, “All Alabama Community College System institutions are required to purchase fidelity bond coverage.”

All institutions are required to provide coverage on the following institution officials and employees at the minimum stated rates as follows:

- President or equivalent $500,000
- Second in Charge $500,000
- Chief Financial Officer $500,000
- Treasurer $500,000
- Financial Aid Officer $500,000
- Blanket bonds for others handling funds $100,000

This insurance covers employee theft and covers all employees for $100,000 and an additional $400,000 for the above designated employees. This policy has a $1,000 deductible.

8.6 Athletic Insurance
The Alabama Community College Conference provides two insurance plans to cover intercollegiate athletic programs. The two plans work in concert to provide a deductible of $5,000 and total benefit amount of $10,000,000.
8.7 Theft Insurance
During registration, the College might have a significant amount of cash on hand. Employees should know that in case of a robbery, the cash is covered and give the cash to the robber.

8.8 Student Insurance
Health Professions Liability Insurance – all students participating in these classes are covered by a health professions liability policy to protect the student and the College from malpractice suits. The students pay for the cost of the policies.

Alabama State Board of Adjustment – The Board of Adjustment was established to provide a method of payment by the State for injuries or property damage or death, which the State has a legal or moral obligation to pay in those cases where legal action against the State is barred by the doctrine of sovereign immunity.

Claims are to be filed by the individual seeking restitution; not by the College. Examples of types of claims filed include: damage to student’s or employee’s vehicle or other property while on campus; water damage to employee’s personal items in office; insurance deductible or uncovered medical services due to an on-the-job injury or accident of student or employee.

Claims must be filed on the forms required by the College and the Board of Adjustment. Effective October 1, 2008, uncontested claims up to $5,000 can be paid by the College without Board of Adjustment approval. Claims over $5,000 must be submitted to the Board of Adjustment. Forms and instructions are available on their website at www.bdadj.alabama.gov