

CHAPTER 9: FINANCIAL SERVICES

TABLE OF CONTENTS

		Page
3358:14-9-01	Operational Budget	2
3358:14-9-02	Capital Expenditures	4
3358:14-9-03	Reserve Funds	10
3358:14-9-04	Fees	12
3358:14-9-05	Cash & Cash Management	13
3358:14-9-06	Purchasing Policy	16
3358:14-9-07	Payroll	20
3358:14-9-08	Bookstore & Textbook Adoption	27
3358:14-9-09	Surplus Property	28
3358:14-9-10	Financial Policies	29
3358:14-9-11	Insurance	44
3358:14-9-12	Leases	45
3358:14-9-13	Subrecipients	47
3358:14-9-14	Federal Awards	51
3358:14-9-15	Post-Issuance Compliance	54
3358:14-9-16	Cash-on-Hand	59

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-01 Operational budget.

Effective: Reaffirmed by Board of Trustees 10/4/13

- (A) The fiscal year begins the first day of July of each calendar year and ends the thirtieth day of June of the following year.
- (B) The annual operating budget will be prepared by the chief fiscal and administrative officer and president and will be submitted to the board of trustees for approval before June thirtieth of the preceding year.
- (C) The chief fiscal and administrative officer and president jointly shall have the authority to allocate funds for expenses not included in the approved operational budget but are required to bring those budget changes to the next board meeting for approval. At least once during the year the board of trustees shall consider an amendment of the annual operating budget.

Effective: 03/16/2015

CERTIFIED ELECTRONICALLY

Certification

03/05/2015

Date

Promulgated Under: 111.15

Statutory Authority: 3358

Rule Amplifies: 3358

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

Procedure No.9-01(B): OPERATIONAL BUDGET

Effective Date: 10/4/13

- (1) The process for establishing the budget will include input from all departmental budget managers and will focus on the strategic goals of the college. A budget committee which includes at minimum, one member representation from each of the governance councils, the Director of Finance and Business Services and the Chief Fiscal and Administrative Officer will review and make recommendations for funding of departments through the budget process.

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-02 Capital expenditures.

Effective: Reaffirmed by Board of Trustees 10/4/13; Amended 6/23/23

- (A) The purpose of this policy is to require Northwest state community college to be strategic in the use of its facilities and equipment resources to meet its mission, and to maintain safe and attractive facilities and to do so in a responsible manner.
- (B) The college campuses are those locations at which the college owns the property, and on which there is potential growth in the number of degrees and certificate programs offered.
- (C) Other facilities at which the college provides course and service offerings shall be considered college sites.
- (D) The board of trustees shall approve all major capital projects that require a formalized bidding process and state contracts to be issued.
- (E) The board of trustees shall make a determination on a project by project basis whether to include additional qualifications to ensure a responsible bidding pool when it is in the best interest of the college.

Effective: 7/31/2023

CERTIFIED ELECTRONICALLY

Certification

07/20/2023

Date

Promulgated Under: 111.15

Statutory Authority: 3358

Rule Amplifies: 3358

Prior Effective Dates: 3/16/2015

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

Procedure No.9-02(B): CAPITAL – PROPERTY AND EQUIPMENT

Effective Date: 10/4/13

- (1) **Capitalization Policy:** Physical assets acquired with unit costs in excess of \$5,000 (per unit) are capitalized as property and equipment on the College's financial statements. Items with unit costs below this threshold shall be expensed in the year purchased.
- (a) Capitalized property and equipment additions are accounted for at their historical cost and all such assets, except land, are subject to depreciation over their estimated useful lives, as described later.
 - (b) Capitalized assets will be reported as expensed for grants if they were so budgeted in the grant application. However, for the College's financial statements, these assets will be capitalized and depreciated.
- (2) **Equipment and Furniture Purchased with Federal Funds (2 CFR Part 215.34):** Northwest State Community College may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a federal grant. Equipment and furniture charged to federal awards will be subject as described below.
- (1) For purposes of federal award accounting and administration, *equipment* shall include all assets with a unit cost greater than \$5,000.
 - (2) All purchases of *equipment* with federal funds shall be approved, in advance and in writing, by the federal awarding agency.
 - (3) Adequate insurance coverage will be maintained with respect to equipment and furniture charged to federal awards.
 - (4) For equipment (or residual inventories of supplies) with a remaining per unit fair market value of \$5,000 or less at the conclusion of the award, Northwest State Community College shall retain the equipment without any requirement for notifying the federal agency.
 - (5) If the remaining per unit fair market value is \$5,000 or more, Northwest State Community College shall gain a written understanding with the federal agency regarding disposition of the equipment. This understanding may involve returning the equipment to the federal agency, keeping the equipment and compensating the federal agency, or selling the equipment and remitting the proceeds, less allowable selling costs, to the federal agency.

Establishment and Maintenance of a Fixed Asset Listing: All capitalized property and equipment shall be recorded in a property log. This log shall include the following information with respect to each asset: (2 CFR part 215.34 (f)(1))

- 1. Date of acquisition
- 2. Cost
- 3. Description (including color, model, and serial number or other identification)

- number)
4. Source of the equipment, including the federal award number, if applicable
 5. Whether the title vests in the College or the federal government
 6. Information to calculate the federal share of the cost of the equipment, if applicable
 7. Location of asset
 8. Depreciation method
 9. Estimated useful life

A physical inventory of all assets capitalized under the preceding will be taken on an annual basis by Northwest State Community College. This physical inventory shall be reconciled to the property log and adjustments made as necessary. All adjustments resulting from this reconciliation will be approved by the Chief Fiscal and Administrative Officer.

- (4) **Receipt of Newly Purchased Equipment and Furniture:** At the time of arrival, all newly purchased equipment and furniture shall be examined for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the vendor immediately.

In addition, descriptions and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the vendor immediately.

- (5) **Depreciation and Useful Lives:** All capitalized assets are maintained in the special property and equipment account group and are not included as an operating expense. Property and equipment are depreciated over their estimated useful lives using the straight-line method.

In the year of acquisition, depreciation is recorded based on the number of months the asset is in service, counting the month of acquisition as a full month (Example: an asset purchased on the fifteenth day of the fifth month shall have eight full months of depreciation (eight-twelfths of one year) recorded for that year.)

Estimated useful lives of capitalized assets shall be determined by the Business Office in conjunction with the department or employee that shall utilize the asset.

For accounting and interim financial reporting purposes, depreciation expense will be recorded on an annual basis.

- (6) **Changes in Estimated Useful Lives:** If it becomes apparent that the useful life of a particular capitalized asset will be less than the life originally established, an adjustment to the estimated useful life shall be made. All such changes in estimated useful lives of capitalized assets must be approved by the Chief Fiscal and Administrative Officer.

When a change in estimated useful life is made, the new life is used for purposes of calculating annual depreciation expense. In the year in which the change in estimate is made, the cumulative effect of the change shall be reflected as depreciation expense in the College's Statement of Revenue, Expenses and Changes in Net Assets.

- (7) **Repairs of Property and Equipment:** Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.

Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

- (8) **Dispositions of Property and Equipment:** If equipment is sold, scrapped, donated, or stolen, adjustments must be made to the fixed asset listing and property log. If money is received for the asset, then the difference between the money received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss (if the money received is less than the book value) or a gain (if the money received is more than the book value).

Write-Offs of Property and Equipment: The Chief Fiscal and Administrative Officer approves the disposal of all capitalized fixed assets that may be worn-out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the Chief Fiscal and Administrative Officer. If not located, this property will be written off the books with the proper notation specifying the reason.

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

Procedure No. 9-02(C): BIDDING PROCEDURE TO ENSURE RESPONSIBLE CONTRACTOR
Effective Date: 6/23/2023

This procedure sets forth the criteria for Northwest State Community College (also referred to as “the College”) when the Board of Trustees elects to include additional criteria for a specific project.

A. The criteria available for Board consideration includes, but is not limited to, the following:

- 1) Evidence the bidder participates in, sponsors, or hires graduates of a construction apprenticeship program certified and regulated by the State of Ohio or the U.S. Department of Labor, a vocational program, or a comparable training program.
- 2) Disclosure of any safety violations issued by or settlement agreements between the bidder and the Occupational Safety & Health Administration or a state-based-agency of similar jurisdiction during the ten years prior to the submission of the bid.
- 3) Disclosure of any violation of, or settlement agreement related to, any wage and hour laws at the local, state, or federal level during the ten years prior to the submission of the bid.
- 4) Disclosure of an active and compliant Ohio Bureau of Workers Compensation insurance policy.
- 5) Disclosure of any license issued by the Ohio Construction Industry Licensing Board that has been assigned to the bidder.
- 6) Disclosure of any legal judgments against the bidder during the ten years prior to the submission of the bid.
- 7) Disclosure of the relevant experience of the bidder, including the number of years in business under its present and any former business names.
- 8) A complete listing of all the bidder’s ongoing and completed public and private construction projects within the last three years, including the nature and value of each contract and the name, address, and phone number or email address for a representative of the owner of each project.
- 9) Disclosure of any state or federal Environmental Protection Agency complaints issued against the bidder during the ten years prior to the submission of the bid.
- 10) Description of the management experience of the bidder’s project manager(s) and superintendents(s) who will be assigned to the project.
- 11) If the bidder is a foreign corporation not incorporated under the laws of Ohio, a Certificate of Good Standing from the Ohio Secretary of State demonstrating its right to conduct business in the State of Ohio.

- 12) Disclosure of any debarments of the bidder by any public authority in the United States during the ten years prior to the submission of the bid.
 - 13) Description of the bidder's Occupational Safety and Health Administration compliant safety program.
 - 14) Disclosure of an active and compliant Ohio Drug Free Workplace policy issued by the State of Ohio.
 - 15) Disclosure of the percentage of the bidder's workforce that has five or more years of experience within their trade.
- B. The failure of the required submissions of criteria 1-15 above may result in the bid being considered non-responsive.

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-03 Reserve funds.

Effective Date: Revised 7/1/18, 6/21/24

- (A) The board of trustees shall establish all reserve fund accounts, priorities of reserve fund accounts, and purpose of reserve fund accounts.
- (B) The board of trustees shall designate the funds to be transferred into the reserve fund accounts from other funds through approval of the college budget.
- (C) The board of trustees shall approve all expenditures from reserve fund accounts through approval of the college operational budget or special board approval outside of the normal budgeting processes.
- (D) The following includes each reserve fund for the college:

<u>Account</u>	<u>Reserve Fund</u>	<u>Purpose</u>	<u>Guidelines</u>
4301	Unallocated	Encompasses funds previously approved for expenditure by the Board. Used to accommodate budget tolerances and offset underspent or overspent annual budgets.	This fund balance shall be reviewed annually upon approval of the financial audit; any amount exceeding 25% of total reserve balance shall be distributed to other reserve accounts at the direction of the Board.
4311	Contingency	Cover unexpected expenses that may occur to support ongoing operations. Examples include: natural disasters, sudden increases in utility costs, unanticipated technology / facility upgrades.	The Strategic Financial Analysis for Higher Education recommends a Primary Reserve Ratio of at least .40. The College shall contribute at least \$300,000 to the Contingency fund each year the Primary Reserve Ratio is less than .40.
4312	Instructional Equipment	Used to provide classroom instructional equipment, labs, chairs, computer labs, interactive displays	
4313	Student Fees	Student parking & maintenance, maintenance building, snow plows, gators, mowers, fitness center and locker rooms	
4316	ODHE Capital Component	Funds provided by ODHE to offset spending overages for capital improvements	
4334	Business Growth	Funds for strategic initiatives tied to the Strategic Plan (i.e. establishment of new programs)	

4335	Building & Equipment M&R	Update and repair equipment and spaces on campus	
------	-----------------------------	---	--

Effective: 03/16/2015

CERTIFIED ELECTRONICALLY

Certification

03/05/2015

Date

Promulgated Under: 111.15

Statutory Authority: 3358

Rule Amplifies: 3358

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-04 Fees.

Effective: Reaffirmed by Board of Trustees 10/4/13

Revised: 6/7/14; 2/5/16; 4/26/19, 10/27/23

- (A) The board of trustees shall establish fees for the college based on the recommendations of the president and chief fiscal and administrative officer and in accordance with state guidelines. Fees shall be subject to change without notice, based on the effective date at the time of approval by the board.
- (B) Tuition and fees must be paid in full each semester by the date established by the college. The college may drop student registrations if tuition and other fees are not paid by established deadlines.
- (C) The college reserves the right to withhold grades and degrees of students who are delinquent in the payment of fees. The college reserves the right to refuse registration if there is a balance of fees from a previous term.
- (D) Tuition and/or fees may be refundable pursuant to college procedures.
- (E) The president has been granted the authority to waive the out-of-state fees for up to fifteen international students per semester. The selection of the students to receive the waiver will be based upon the timeliness of the request. International students who receive fee waivers must be taking face-to-face classes. Online classes do not qualify for the out-of-state fee waiver.
- (F) Fees may be waived to remain in compliance with federal and state laws and rules.
- (G) Collection of fees will be in accordance with college procedures and all accounts will be written off to bad debt expense when an account is three hundred sixty-five days past due and has had no activity for sixty days.

Effective: 6/2/2020

CERTIFIED ELECTRONICALLY

Certification

05/19/2020

Date

Promulgated Under: 111.15

Statutory Authority: 3358

Rule Amplifies: 3358

Prior Effective Dates: 03/16/2015

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-05 Cash and cash management.

Reaffirmed by Board of Trustees 10/4/13

All funds must be presented to the Business Office for deposit within 24 hours of receipt.

Effective: 03/16/2015

CERTIFIED ELECTRONICALLY

Certification

03/05/2015

Date

Promulgated Under: 111.15

Statutory Authority: 3358

Rule Amplifies: 3358

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

Procedure No.9-05(B): CASH AND CASH MANAGEMENT

Effective Date: 10/4/13

Cash Management Accounts

(1) General Checking Account (operating account):

The primary operating account provides for routine business check disbursements. All cash and credit card deposits are made to this account.

Interest earned on restricted endowed funds shall be allocated based upon the source of funds invested as defined by the Chief Fiscal and Administrative Officer.

(2) Federal Funds Account:

The primary account used for electronic receipt of state, federal, company, grant or other funds. These funds are transferred by the Director of Finance and Business Services to the general checking account. Interest earned on restricted endowed funds shall be allocated based upon the source of funds invested as defined by the Chief Fiscal and Administrative Officer.

(3) Payroll Account:

The primary account provides for employee payroll disbursements. Bi-monthly transfers are made from the general checking account into this account to allow checks or direct deposits of employee pay disbursements.

(4) Investment Account:

The College also maintains an investment account. Excess funds in excess of anticipated cash flow needs shall be transferred into the College's investment account. Transfers to or from the savings account shall be initiated by the Chief Fiscal and Administrative Officer.

Authorized Signers

The following Northwest State Community College personnel are authorized to sign checks drawn on the general operating and payroll accounts:

- President
- Chief Fiscal and Administrative Officer
- Director of Finance and Business Services

Chief Fiscal and Administrative Officer will promptly notify the College's financial institutions of changes in authorized signatures upon the departure of any authorized signer.

Bank Reconciliations

Bank account statements are received each month by the Business Office where a reconciliation between the bank balance and general ledger balance is prepared by someone who is not an authorized check signer. The bank reconciliation process will be completed each month.

All bank reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations, are reviewed by the Chief Fiscal and Administrative Officer or Director of Finance and Business Services on a monthly basis.

Bank reconciliations are filed in the current year's accounting files.

Petty Cash

Northwest State Community College will provide imprest funds for valid, minor office expenditures (not for employee advances), and to periodically replenish these funds up to its Board of Trustee authorized balance. The Business Office is responsible for ensuring that the petty cash fund is locked at all times.

All disbursements from the petty cash fund must be accompanied by a completed and approved petty cash voucher. Receipts are required for all disbursements from petty cash.

The Petty Cash custodian shall prepare a reconciliation of the petty cash account on a periodic basis. Petty cash reconciliations are subject to review by the Director of Finance and Business Services, who may also perform periodic surprise cash counts and reconciliations.

Wire Transfers

The President, Chief Fiscal and Administrative Officer and Director of Finance and Business Services shall be the only Northwest State Community College employees authorized to transact or approve wire transfers from Northwest State Community College bank accounts. To prevent anyone else from transacting a wire transfer, a system shall be employed that requires any wire transfers initiated by anyone else must be validated with the college Chief Fiscal and Administrative Officer by the bank.

Confirmations of all wire transfers are approved by the Chief Fiscal and Administrative Officer.

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-06 Purchasing policy.

Effective: Reaffirmed by Board of Trustees 10/4/13

- (A) The college will follow a competitive procurement process for the purchase of materials, supplies, equipment, and services necessary for its operations.
- (B) Expenditures of all college funds from all accounts that are used to purchase materials, supplies, equipment, and services shall be made in accordance with procedures adopted pursuant to this policy.
- (C) The president and chief fiscal and administrative officer may establish bid limits for goods and services in amounts not to exceed the bid limits established by the state of Ohio.
- (D) Strict adherence to all applicable federal laws, laws of the state of Ohio, college policies, and sound business practice will be observed.
- (E) Any commitment made by an employee of the college other than through the procedures adopted pursuant to this policy is the personal responsibility of the person making the purchase.
- (F) Purchases from a vendor in which a Northwest state community college employee has significant proprietary interest are prohibited unless a full disclosure is presented in accordance with the college procedure.

Effective: 03/16/2015

CERTIFIED ELECTRONICALLY

Certification

03/05/2015

Date

Promulgated Under: 111.15

Statutory Authority: 3358

Rule Amplifies: 3358

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

Procedure No.9-06(B): PURCHASING PROCEDURES

Effective Date: 10/4/13

Responsibility for Purchasing

All department heads or their designees shall have the authority to initiate purchases on behalf of their department, within the guidelines described here. Department directors shall inform the Business Office of all individuals that may initiate purchases or prepare purchase orders. The Accounting Department shall maintain a current list of all authorized purchasers (FOMPROF).

The Business Office shall be responsible for processing purchase orders. The Chief Fiscal and Administrative Officer has approval authority over all purchases and contractual commitments, and shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

Code of Conduct in Purchasing (2 CFR Part 215.40)

Ethical conduct in managing the College's purchasing activities is absolutely essential.

- Staff shall discourage the offer of, and decline of, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services.
- Staff shall notify their immediate supervisor if they are offered such gifts.
- No Board of Trustee member, employee, or agent shall participate in the selection or administration of a vendor if a real or apparent conflict of interest would be involved. Such a conflict would arise if an officer, board member, employee or agent, or any member of his or her immediate family, his or her spouse or partner, or a college partner employs or is about to employ any of the parties indicated herein, has a financial or other interest in the vendor selected.
- Board of Trustee members, employees, and agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements.
- Unsolicited gifts of a nominal value up to \$25.00 may be accepted.

Competition (2 CFR Part 215.43)

In order to promote open and free competition, purchasers will:

- Be alert to any internal potential conflicts of interest.
- Be alert to any noncompetitive practices among contractors that may restrict, eliminate, or restrain trade.
- Not permit contractors who develop specifications, requirements, or proposals to bid on such procurements unless prior approval has been granted by the Chief Fiscal and Administrative Officer and/or President.
- Award contracts to bidders whose product or service is most advantageous in terms of price, quality, and other factors.
- Issue solicitations that clearly set forth all requirements to be evaluated.

Nondiscrimination

All vendors or contractors who are the recipients of College funds or who propose to perform any work or furnish any goods under agreements with Northwest State Community College, will be notified annually of the following important principles:

1. Vendors or contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation, or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the vendors or contractors.
2. Vendors or contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for meeting the intent of this section.

Procurement

The following are Northwest State Community College's procurement procedures:

1. Northwest State Community College shall purchase only items that are necessary for the performance of the activities required by a federal award. (*2 CFR Part 215.44(1)*)
2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the federal government. (*2 CFR Part 215.44(2)*) This analysis should only be made when both lease and purchase alternatives are available to the program.
3. Price analysis may be made in various ways, including comparison of price quotations submitted or market prices. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability. (*2 CFR Part 215.45*)

4. Documentation of the cost and price analysis associated with each procurement decision shall be retained in the procurement files pertaining to each federal award. (2 CFR Part 215.46)
5. For all procurements in excess of the federally-defined simplified purchase acquisition threshold (\$150,000), procurement records and files shall be maintained that include all of the following:
 - a. The basis for contractor selection.
 - b. Justification for lack of competition when competitive bids or offers are not obtained.
 - c. The basis for award cost or price.
6. All contracts with vendors shall require the vendor to certify in writing that it has not been suspended or debarred from doing business with any federal agency or be confirmed by researching potential vendors on the Excluded Parties List at the GSA website [www.epis.gov].)
7. Northwest State Community College shall not utilize the cost-plus-a-percentage-of-costs method of contracting. (2 CFR Part 215.44(3)(c)).

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-07 Payroll.

Effective: Reaffirmed by Board of Trustees 10/4/13

- (A) Employment of all college personnel will be affirmed by the board of trustees.
- (B) Employee pay shall be deposited directly into a bank of the employee's choice on the fifteenth day and final day of each month or the working day preceding the fifteenth day and final day of each month.
- (C) The chief fiscal and administrative officer is authorized to make payroll deductions required by law or approved by the board of trustees.

Effective: 03/16/2015

CERTIFIED ELECTRONICALLY

Certification

03/05/2015

Date

Promulgated Under: 111.15

Statutory Authority: 3358

Rule Amplifies: 3358

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

Procedure No.9-07(B): PAYROLL PROCEDURES

Effective Date: 10/4/13

Classification of Workers as Independent Contractors or Employees

Northwest State Community College considers all relevant facts and circumstances regarding the relationship between the College and the individual in making determinations about the classification of workers as independent contractors or employees. This determination is based on the degree of control and independence associated with the relationship between Northwest State Community College and the individual. Facts that provide evidence of the degree of control and independence fall into three categories:

1. Behavioral control
2. Financial control
3. The type of relationship of the parties

Facts associated with each of these categories that will be considered in making employee/contractor determinations shall include:

1. Behavioral control:
 - a. Instructions given by Northwest State Community College to the worker that indicate control over the worker (suggesting an employee relationship), such as:
 - 1) When and where to work
 - 2) What tools or equipment to use
 - 3) What workers to hire or to assist with the work
 - 4) Where to purchase supplies and services
 - 5) What work must be performed by a specified individual
 - 6) What order or sequence to follow
 - b. Training provided by Northwest State Community College to the worker (i.e., employees typically are trained by their employer, whereas contractors typically provide their own training).
2. Financial control:
 - a. The extent to which the worker has unreimbursed business expenses (i.e., employees are more likely to be fully reimbursed for their expenses than is a contractor).
 - b. The extent of the worker's investment in the facilities/assets used in performing services for Northwest State Community College (greater investment associated with contractors).

- c. The extent to which the worker makes services available to the relevant market.
- d. How Northwest State Community College pays the worker (i.e., guaranteed regular wage for employees vs. flat fee paid to some contractors).
- e. The extent to which the worker can realize a profit or loss.

3. Type of Relationship:

- a. Written contracts describing the relationship that Northwest State Community College and the individual intend to create.
- b. Whether Northwest State Community College provides the worker with employee-type benefits, such as insurance, paid leave, etc.
- c. The permanency of the relationship.
- d. The extent to which services performed by the worker are a key aspect of the regular business of Northwest State Community College.

If an individual qualifies for independent contractor status, the individual will be sent a Form 1099 if total compensation paid to that individual for any calendar year, on the cash basis, is \$600 or more. The amount reported on a Form 1099 is equal to the compensation paid to that person during a calendar year (on the cash basis).

If an individual qualifies as an employee, a personnel file will be created for that individual and all documentation required by the Northwest State Community College personnel policies shall be obtained.

Payroll Administration

Northwest State Community College operates on a semi-monthly payroll. A personnel file is established and maintained for all employees with current documentation, as described throughout this section.

The following forms, documents, and information shall be obtained and included in the personnel or payroll files of all new employees:

1. Northwest State Community College employment application (and resume, if applicable)
2. Applicant references (work & personal)
3. Interview questions and notes
4. Form W-4 employee federal withholding certificate
5. Form I-9 employment eligibility verification
6. Copy of driver's license
7. Copy of social security card issued by the social security administration
8. Starting date and scheduled hours
9. Job title and starting salary
10. Authorization for direct deposit of paycheck, along with a voided check or deposit slip
11. Job description

For employees without a current, valid driver's license, acceptable alternative documents shall include:

1. U.S. Passport
2. Certificate of U.S. Citizenship (INS Form N-560 or N-561)
3. Voter's registration card
4. U.S. Military card
5. ID card issued by a federal, state, or local government, provided it contains a photo
6. School record or report card (for persons under age 18 only)

For employees without a Social Security card, acceptable alternative documents shall include:

1. U.S. Passport
2. Certificate of U.S. Citizenship (INS Form N-560 or N-561)
3. Original or certified copy of a birth certificate issued by a state, county, or municipal authority
4. Certificate of Birth Abroad issued by the Department of State (Form FS-545 or Form DS-1350)
5. U.S. Citizen ID Card (INS Form I-197)
6. Native American tribal document
7. ID Card for use of Resident Citizen in the United States (INS Form I-179)

Each employee payroll file shall also indicate whether the employee is exempt or non-exempt from the provisions of the Fair Labor Standards Act.

Changes in Payroll Data

All of the following changes in payroll data are to be authorized in writing:

1. New hires
2. Terminations
3. Changes in salaries and pay rates
4. Voluntary payroll deductions
5. Changes in income tax withholding status
6. Court-ordered payroll deductions

New hires and changes in salaries or pay rates shall be authorized in writing by the appropriate department director and human resources.

Voluntary payroll deductions and changes in income tax withholding status shall be authorized in writing by the individual employee.

Documentation of all changes in payroll data shall be maintained in each employee's personnel and/or payroll file.

Payroll Taxes

The Payroll Department is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid.

Northwest State Community College will notify each employee of their federal and state withholdings each December and encourage them to complete a new form W-4 if required. Withholding of federal income taxes shall be based on the most current form W-4 or state tax withholding form prepared by each employee.

Personnel Activity Reports

Northwest State Community College follows the requirements in 2 CFR Part 220 (OMB Circular A-21), Attachment B.8, *Compensation for Personal Services*, as well as requirements in specific grants. Therefore, salaries and wages charged to federal grants will be supported as follows:

1. Charges will be based on documented payrolls approved by responsible supervisors of the College.
2. Every staff member, whose compensation is charged, in whole or in part, directly or indirectly to federal awards, will complete activity reports that account for the federal grant activity for which the employee is compensated.
3. The reports will reflect an after-the-fact determination of the actual activity of each employee. Budget estimates will not be used as support for charges to awards.
4. The reports must be signed by the individual employee and by a responsible supervisor who has first-hand knowledge of the activities performed by the employee.
5. The reports will be prepared on the same basis as the bi-monthly pay periods.
6. Charges for non-exempt employees will also be supported by records required by the Fair Labor Standards Act.
7. Salaries and wages of employees used in meeting cost sharing or matching (in-kind) are supported in the same manner as salaries and wages charged to federal awards.

Preparation of Timesheets

Each hourly College employee must submit to the Payroll Department a signed and approved timesheet no later than 12:00 noon the day following the close of each pay period. Timesheets shall be prepared in accordance with the following guidelines:

1. Each timesheet shall reflect all hours worked during the pay period (time actually spent on the job performing assigned duties).
2. Timesheets shall be prepared electronically or manually in ink.
3. Employee errors shall be corrected electronically. Manual timesheet errors for participants shall be corrected by crossing through the incorrect entry, filling in the correct entry, and placing the employee's initials next to the change (i.e., employees shall not use whiteout or correction tape).
4. Employees shall identify and record hours worked based on the nature of the work performed.
5. Compensated absences (vacation, holiday, sick leave, etc.) should be clearly identified as such.
6. Timesheets shall be signed by the employee prior to submission.

After preparation, the staff member's supervisor shall approve timesheets prior to submission to the Payroll office. Corrections identified by an employee's supervisor shall be authorized by rejecting the electronic submission and having the employee resubmit a corrected form.

A College employee who is on leave, traveling, or is ill on the day that timesheets are due may complete their timesheet online or may telephone or email timesheet information (actual time worked and the appropriate classifications) to his or her supervisor (or designated alternate) who would then submit the information to the Payroll office. The employee must initial a timesheet submitted in this manner immediately upon his or her return to the office. Timesheets submitted in this manner shall bear the notation. The timesheet shall be signed by the supervisor or the designated alternate.

Processing of Timesheets

The Payroll Accountant may not change or correct timesheets without approving signatures from the Chief Fiscal and Administrative Officer.

Tampering with, altering, or falsifying time records, recording time on another employee's time record, or willfully violating any other timesheet policy or procedure may result in disciplinary action, up to and including discharge.

Review of Payroll

Upon production of all payroll reports and checks, the Director of Finance and Business Services reviews payroll prior to its distribution to employees. The Chief Fiscal and Administrative Officer shall sign the payroll register indicating approval of the payroll.

Distribution of Payroll

Payroll and the related check stubs are distributed electronically, except for new employees. Payroll payments for new employees shall be mailed by individuals who do not approve timesheets, are not responsible for hiring and firing, and do not control the preparation of payroll.

Control Grid – Payroll and Human Resources

Northwest State Community College strives to maintain adequate segregation of duties in its payroll and human resources functions. The following table illustrates how responsibilities have been assigned.

Duty	Chief Fiscal and	Payroll Acct	Other Business Office	Admin Supervisor	HR Staff	President
Authorizes new hires						X
Authorizes salary adjustments	X					X
Authorizes terminations						X
Sets up new employee in P/R system					X	
Enters salary adjustments to P/R system		X				
Enters direct deposit info in P/R system		X				
Codes terminated employees from P/R					X	
Reviews changes to payroll master file					X	
Approves timesheets	X			X		
Enters timesheets		X				
Reviews input of timesheet data				X		
Reviews distribution of time				X		
Reviews payroll register			X			
Prints checks (or paystubs)		X				
Prints annual W-2 forms		X				
Distributes annual W-2			X			

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-08 Bookstore and textbook adoption.

Effective: Reaffirmed by Board of Trustees 10/4/17

(A) The college bookstore shall provide for the sale of items and services to include, but not necessarily be limited to, texts and reference books, course materials, student supplies, and other items for students and employees.

(B) The cost of all texts, supplies and other bookstore merchandise is separate from and in addition to instructional fees.

Effective: 03/16/2015

CERTIFIED ELECTRONICALLY

Certification

03/05/2015

Date

Promulgated Under: 111.15

Statutory Authority: 3358

Rule Amplifies: 3358

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-09 Surplus property.

- (A) Proper resource management is essential to maintaining the public's trust in the college's ability to administer its resources. This policy is intended to address the transfer and disposal of property.
- (B) All property purchased by, donated to, or otherwise acquired by Northwest state community college is considered property of the college. Property that is no longer needed to meet the mission of the college and is declared to be surplus property shall be responsibly and properly disposed of following the procedures for disposal of surplus property. This policy applies to the disposal of surplus equipment, materials, furniture and related supplies. It does not apply to the disposal of real estate.

Effective: 03/16/2015

CERTIFIED ELECTRONICALLY

Certification

03/05/2015

Date

Promulgated Under: 111.15

Statutory Authority: 3358

Rule Amplifies: 3358

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-10 Financial policies.

Effective: Reaffirmed by Board of Trustees 10/4/17

- (A) Northwest state community college maintains financial policies and procedures based on an economic resource measurement focus and an accrual basis of accounting.
- (B) Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.
- (C) Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Effective: 03/16/2015

CERTIFIED ELECTRONICALLY

Certification

03/05/2015

Date

Promulgated Under: 111.15

Statutory Authority: 3358

Rule Amplifies: 3358

NORTHWEST STATE COMMUNITY COLLEGE POLICY AND PROCEDURES MANUAL

Procedure No.9-10(B): FINANCIAL PROCEDURES

Effective Date: 10/4/13

CHART OF ACCOUNTS

Chart of Accounts Overview

The chart of accounts is the framework and basis for the accounting system. The chart of accounts consists of account numbers based on a hierarchical system of assignment and titles assigned to the account numbers. The accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, expense, and gain and loss account.

Northwest State Community College chart of accounts is comprised of the following:

1. Assets
 2. Liabilities
 3. Controls
 4. Net Assets
 5. Revenues
 6. Wages & Benefits
 7. Expenses
 8. Transfers In and Out
 9. Funds Additions and Deductions
- Each revenue and expense account number shall be preceded by a fund code, an organization code, and followed by a program code.
 - All Northwest State Community College employees involved with account coding or budgetary responsibilities have electronic access to a current chart of accounts.

Control of Chart of Accounts

The Director of Finance and Business Services monitors and controls the chart of accounts, including account maintenance, such as additions and deletions.

Account Definitions

<u>Account Range</u>	<u>Category</u>	<u>Definition</u>
1001–1999	Assets	<u>Assets</u> are probable future economic benefits obtained or controlled by the college as a result of past transactions or events. Assets are classified as current assets, fixed assets, contra-assets, and other assets. <u>Current assets</u> are assets that are available or can be made readily available to meet the cost of operations or to pay liabilities including cash, investments, and receivables that will be collected within one year of the statement of financial position date. <u>Fixed assets</u> (property and equipment) are tangible assets with a useful life of more than one year that are acquired for use in the operation of the college and are not held for resale. <u>Contra-assets</u> are accounts that reduce asset accounts, such as accumulated depreciation and reserves for uncollectible accounts receivable. <u>Other assets</u> include long-term assets acquired without intending disposal of these assets in the near future.
2000–2999	Liabilities	<u>Liabilities</u> are probable obligations of the college to utilize assets or provide services as a result of past transactions or events. Liabilities are classified as current or long-term. <u>Current liabilities</u> will likely occur within one year of the date of the financial statements or have a due date of one year or less. Including accounts payable, accrued liabilities, short-term notes payable, and deferred revenue. <u>Long-Term Liabilities</u> will likely occur more than one year from the date of the financial statements, including compensated absences or loan payments.
3000–3999	Controls	<u>Controls</u> are used to maintain the balance with subsidiary ledgers
4000-4999	Net Assets	<u>Net Assets</u> are the differences between total assets and total liabilities.

5000–5999

Revenues

Revenues are increases of assets, or receipts from liabilities for delivering or producing goods, rendering services, or other operations. Revenues include grants received from government agencies, private foundations, corporations, and contributions received from donors.

6000-7999

Expenses

Expenses are payments or other activities using assets, or incurrences of liabilities from delivering or producing goods, rendering services, or carrying out other activities that constitute Northwest State Community College's ongoing operations.

FINANCIAL STATEMENTS

Standard Financial Statements of the College

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the College. Financial statements may reflect year-to-year historical comparisons or current year budget-to-actual comparisons.

The basic financial statements that are maintained on a college-wide basis shall include:

- 1. Statement of Net Assets** – Reflects assets, liabilities, and net assets of the College and classifies assets and liabilities as current or noncurrent/long-term and net assets by category (invested in capital assets, unrestricted, expendable and/or nonexpendable.)
- 2. Statement of Revenues, Expenses and Changes in Net Assets** – Reflects operating and non-operating revenues and expenses.
- 3. Statement of Cash Flows** – Reports the cash inflows and outflows of the College in three categories: operating activities, investing activities, and financing activities.

Frequency of Preparation

The objective of the Accounting Department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner.

A standard set of financial statements described in the preceding section shall be produced on an annual basis.

Review and Distribution

All financial statements and supporting schedules shall be reviewed and approved by the Chief Fiscal and Administrative Officer prior to being issued by the Business Office.

After approval by the Chief Fiscal and Administrative Officer, a complete set of bi-monthly financial statements, including the supplemental schedules, shall be distributed to the Board of Trustees.

Monthly organizational financial statements are available electronically via the Banner Admin System at FGIBDST or printed copy through FGRBDSC.

Financial statements may include additional supplemental schedules prepared or compiled by the Chief Fiscal and Administrative Officer. The purposes of these schedules are to provide additional details or explanations.

Annual Financial Statements

On an annual basis, the College shall prepare, under the direction of the Chief Fiscal and Administrative Officer, a complete set of GAAP financial statements, including footnotes addressing all disclosures required by GAAP. These financial statements shall be presented to Northwest State Community College's independent auditors for the annual audit as the draft statements from which they will conduct their audit.

A formal presentation of the College's annual audited financial statements shall be provided by the Independent Auditor to the Board Finance Committee, at which the Board Finance Committee will vote to accept or reject the annual financial statements and recommend approval of the audit to the full Board.

ACCOUNTS RECEIVABLE - BILLING/INVOICING REVENUE

The College's primary sources of revenue are:

- Tuition and Fees – Billed each semester based on student registrations.
- Fee-for-Service Income – Billed when a service is provide ie:contract training.
- Reimbursement grants – Billed monthly, or as funders require, based on allowed, incurred expenses.
- Other lesser sources of income will be collected and recorded when the services are provided.

Responsibilities for Billing and Collection

Northwest State Community College's Business Office is responsible for the invoicing of students, customers and other funding sources and the collection of outstanding receivables.

Billing and Financial Reporting

Northwest State Community College strives to provide management, staff, and funding sources with timely and accurate financial reports applicable to federal awards. These reports include monthly and cumulative expenditures, a project budget, and a balance remaining column.

Northwest State Community College shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document. Preparation of these reports shall be the responsibility of Grants Manager, subject to review and approval by the Director of Finance and Business Services and/or the Chief Fiscal and Administrative Officer.

The following policies shall apply to the preparation and submission of billings to federal agencies under awards made to Northwest State Community College:

1. The College will request reimbursement after expenditures have been incurred, unless an award specifies another method.
2. Northwest State Community College will strive to minimize the time between receipt and disbursement of grant funds.
3. Each award normally specifies a particular billing cycle. Therefore, a schedule is established for each grant and contract to ensure that reimbursement is made on a timely basis.
4. Requests for reimbursement of award expenditures will use the actual amounts as posted to the general ledger as the source for all invoice amounts.
5. All financial reports required by each federal award will be prepared and filed on a timely basis. To the extent Northwest State Community College's year-end audit results in adjustments to amounts previously reported to federal agencies, revised reports shall be prepared and filed in accordance with the terms of each federal award.

Northwest State Community College shall maintain separate billing records in addition to the official general ledger accounting records. Billing records shall be reconciled to the general ledger on a monthly basis.

At the time invoices (requests for reimbursement) are prepared, revenue and accounts receivable shall be recorded and posted on the books of Northwest State Community College.

If a federal award authorizes the payment of cash advances to Northwest State Community College, the Chief Fiscal and Administrative Officer may require that a request for such an advance be made.

Accounts Receivable Entry Policies

Individuals independent of the cash receipts function shall post customer invoices, credit adjustments, and other adjustments to the accounts receivable subsidiary ledger.

INVENTORY OF MATERIALS

Northwest State Community College maintains an inventory of materials used for the Library, Bookstore, and Food Service programs.

Northwest State Community College accounts for purchased inventory items at cost, using the first-in, first-out method of valuation. Unit cost shall be computed by adding freight, insurance, and other shipping costs to the actual cost of purchased inventory, dividing this total amount by the number of units purchased.

Physical Counts

A physical count of inventory will be performed annually. Any inventory items that appear damaged, obsolete, or otherwise unable to be sold shall be excluded from the counts. A detailed record of the physical count shall be kept by the individuals involved in taking the inventory.

At the conclusion of the physical count, the inventory count sheets shall be extended by applying the most recent unit costs to the physical quantities of each item on hand. The general ledger balance shall be adjusted to reflect the total inventory on hand as determined by the physical count.

Contributed Inventory

Inventory items donated to Northwest State Community College shall be recorded as assets of the College at the fair market value as of the date of the contribution, unless the College is acting as an agent in connection with a contribution by a donor. Contributed inventory items shall be subject to the same physical counting and other policies as purchased inventory items.

PREPAID EXPENSES

- (1) Northwest State Community College treats payments of expenses that have a time-sensitive future benefit as prepaid expenses and will amortize these items over the corresponding time period.

- (2) Prepaid expenses with future benefits that expire within one year from the date of the financial statements shall be classified as current assets. Prepaid expenses that benefit future periods beyond one year from the financial statement date shall be classified as noncurrent assets.
- (3) As part of the account coding process performed during the processing of accounts payable, all incoming vendor invoices shall be reviewed for the existence of time-sensitive future benefits.

ACCOUNTS PAYABLE

Recording of Accounts Payable

All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner.

Accounts payable are processed on a daily basis. Information is entered into the system from approved invoices or disbursement vouchers with appropriate documentation attached.

Only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the vendor records. No vendor statements shall be processed for payment.

Establishment of Control Devices

The Accounts Payable Clerk establishes control of invoices as soon as they are received. Vendors should be instructed to mail all invoices directly to the Accounts Payable department.

Preparation of a Voucher Package

Prior to any accounts payable being submitted for payment, a package called a “voucher package” shall be assembled. Each voucher package shall contain the following documents:

1. Vendor invoice (or employee expense report)
2. Purchase order as required by procurement policies
3. Any other supporting documentation deemed appropriate

Processing of Voucher Packages

The following procedures shall be applied to each voucher package by the Accounts Payable Clerk:

1. Check the mathematical accuracy of the vendor invoice.
2. Compare the nature, quantity, and prices of all items ordered per the vendor invoice to the purchase order, packing slip/electronic receipt.
3. Document the general ledger distribution, using the College’s current chart of accounts.

4. Obtain the review and approval of the purchaser, supervisor or department director, when required.

Electronic receipt/approval by department directors indicates their acknowledgment of satisfactory receipt of the goods or services invoiced and agreement to pay vendor in full. Approvals shall be documented electronically through the receiving process in the Banner administrative software system.

Payment Discounts

To the extent practical, Northwest State Community College takes advantage of all prompt payment discounts offered by vendors. When such discounts are available and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts.

Employee Expense Reports

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form. All required receipts must be attached, and a brief description of the business purpose of trip or meeting must be noted on the form. Expense reports will be processed for payment in the week in which they are received or the next payment cycle. Expenses are to be submitted within sixty days of the month in which they occurred, or they will not be reimbursed.

Reconciliation of A/P Subsidiary Ledger to General Ledger

Annually the total amount due to vendors per the accounts payable subsidiary ledger shall be reconciled to the total per the accounts payable general ledger account (control account). All differences are investigated and adjustments are made as necessary. The reconciliation and the results of the investigation of differences are reviewed and approved by the Chief Fiscal and Administrative Officer.

On a monthly basis the Accounts Payable Clerk shall perform the following procedures:

1. Check all statements received for unprocessed invoices.
2. Check the purchase order file for open purchase orders more than 60 days old and follow up.

Management of Accounts Payable Vendor Master File

When a purchaser initiates a purchase with a new vendor that is not already in Northwest State Community College's accounts payable vendor master file, the processor of purchase orders shall mail (or email) a Form W-9 and a request for completion of the Form W-9, including the vendor's full address and federal employer identification number.

Payments shall not be made to any vendor paid more than \$600 whose file does not include a Federal Employer Identification Number or Social Security Number.

CASH DISBURSEMENTS

Check Preparation

Northwest State Community College prints vendor checks and expense reimbursement checks on a weekly basis. Checks shall be prepared by persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers.

All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with purchasing, accounts payable, and travel and business entertainment policies described in this manual.
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts.
3. Generally, all vendors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services.
4. Total cash requirements associated with each check run are monitored in conjunction with available cash balance in bank prior to the release of any checks.
5. All supporting documentation is attached to the corresponding check prior to forwarding the entire package to an authorized check signer.
6. Checks shall be issued in numerical order utilizing blank security stock.
7. Checks shall never be made payable to “bearer” or “cash.”
8. Upon the preparation of a check, vendor invoices and other supporting documentation shall immediately be canceled in order to prevent subsequent reuse.

Check Signing

Use of the electronic signatures shall be password protected. An authorized check signer as authorized by the Chief Fiscal and Administrative Officer (or his designee) must sign in with their password in order to enable the processing of checks. A second authorized check signer will review the check run and supporting documentation and initial approval.

Mailing of Checks

The Business Office Clerk mails checks immediately. Checks shall not be mailed by or returned to the individuals or departments that authorized the expenditures. Exceptions to this procedure (for loan closings, vendors picking up their checks) must be approved by the Director of Finance and Business Services or Chief Fiscal and Administrative Officer.

Voided Checks and Stop Payments

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as “VOID.” All voided checks shall be retained to aid in preparation of bank reconciliations.

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by deleting the check with the respective bank. A journal entry is made to record the stop payment and any related bank fees.

Recordkeeping Associated with Independent Contractors

Northwest State Community College shall obtain a completed Form W-9 or equivalent substitute documentation from all vendors to whom payments are made (see “Accounts Payable”). A record shall be maintained of all vendors to whom a Form 1099 is required to be issued at year-end. Payments to such vendors shall be accumulated over the course of a calendar year.

Control Grid – Purchasing and Disbursements

Northwest State Community College strives to maintain adequate segregation of duties in its purchasing and disbursements functions. The following table illustrates how responsibilities have been assigned.

Duty	Chief Fiscal and Administrative Officer	BSO Office Staff	Staff Acct	AP Clerk	Dir of Finance & Business Services	Various Admin or Designees
Inputs data into vendor master file		X				
Obtains Form W-9 from new vendors		X				
Periodically reviews vendor master file		X			X	
Initiates purchases						X
Authorizes purchases	X				X	X
Prepares purchase order/requisition		X				
Opens mail and distributes invoices		X				
Receives vendor invoice				X		
Assigns general ledger coding						X
Verifies invoices match purchase orders				X	X	
Inputs invoice into A/P system				X		
Selects A/P to be paid				X		
Approves A/P payments	X					
Has system access to generate A/P checks				X	X	
Runs A/P checks				X	X	
Reviews checks					X	

Mails checks		X				
Reconciles A/P to general ledger		X			X	
Performs bank reconciliations		X				
Reviews cancelled checks					X	
Reviews bank reconciliations	X					

Purchasing Credit Cards

Purchase Cardholder Agreement

You are being entrusted with a Northwest State Community College purchasing credit card. The card is provided to you based on your need to purchase goods and services on behalf of Northwest State Community College. The card may be revoked at any time without your permission. Your signature below indicates that you have read and will comply with the terms of this agreement as well as to the Purchasing Card Program Guidelines and Procedures.

I, _____, agree to the following regarding my use of the Purchase Card Program:

1. I understand that I will be making financial commitments on behalf of Northwest State Community College and will strive to obtain the best value for Northwest State Community College.
2. I understand that under no circumstances will I use the Purchase Card to make personal purchases, either for myself or for others. Further, a willful personal purchase with subsequent intent of reimbursement to the college will not be permitted. Intent to use the Purchase Card for personal gain may result in disciplinary actions, including termination of employment.
3. I agree that should I violate the terms of this Agreement and use the Purchasing Card for personal use or gain that I will reimburse Northwest State Community College for all incurred charges and any fees related to the collection of those charges including the cost of litigation.
4. I will follow the established procedures for using the Purchase Card. Failure to do so may result in either revocation of my use privileges or other disciplinary actions. Additionally, I will follow all of Northwest State Community College purchasing requirements and procedures.
5. The Purchasing Card is the property of Northwest State Community College. As such, I understand that I may be periodically required to comply with internal control procedures designed to protect the Northwest State Community College asset. This may include being asked to produce the card to validate its existence and account number.

6. I understand that purchases will not include sales tax. It is the responsibility of the cardholder to ensure that sales tax is not being paid. Contact Accounts Payable if the vendor requests a Sales Tax Exemption form.
7. I understand that purchases will not be split in order to avoid the established single transaction limit of \$1,500.
8. I agree to notify JPM Chase by telephone at 1-800-270-7760 and Northwest State Community College Director of Finance & Business Services and/or Chief Fiscal and Administrative Officer immediately if the card is lost or stolen. I understand that Northwest State Community College will be held liable for any charges made on the card prior to notification to the bank and may in turn hold me liable.
9. I agree to review and verify my Purchasing Card transactions on a weekly basis and to retain and submit to the Business Office all receipts or supporting documentation for all charges on a weekly basis. I will immediately report any unauthorized purchases on my account to JPM Chase and the Northwest State Community College Director of Finance and Business Services or Accounts Payable Department. I will notify JPM Chase and the Northwest State Community College Director of Finance and Business Services or Accounts Payable Department of any incorrect charges on my account within 60 days of the statement date if I am unable to resolve the charge with the supplier.
10. I agree to surrender the Purchasing Card immediately upon termination of employment, whether for retirement, voluntary, or involuntary reasons.
11. I understand that Failure to comply with this agreement may result in either a revocation of my use privileges and reimbursement to Northwest State Community College or other corrective action.
12. I understand that these terms and conditions or other procedures or policies concerning the use of the Northwest State Community College purchasing card may change and that I will be expected to comply with these changes upon receiving notification of them or immediately return my card to the Director of Finance and Business Services or Chief Fiscal and Administrative Officer.

ACCRUED LIABILITIES

Identification of Liabilities

The Business Office shall establish a list of commonly incurred expenses that may have to be accrued at the end of each month or annual accounting period. Some of the expenses that shall be accrued by Northwest State Community College at the end of an accounting period are:

- Salaries and wages
- Payroll taxes
- Vacation pay
- Rent
- Interest on notes payable
- General Accounts Payable

In addition, Northwest State Community College shall record a liability for deferred revenue (revenue received but not yet earned) in accordance with the revenue recognition procedures described elsewhere in this manual. Adjustments to deferred revenue accounts shall be made monthly.

Accrued Leave

Personnel policies permit employees to carry forward sick and vacation leave each year up to maximums per policy or union contracts. Such unused vacation leave is payable to an employee upon termination of employment. A portion of sick leave is also payable at retirement.

Accordingly, Northwest State Community College records a liability for accrued leave to which employees are entitled. The total liability at the end of an annual accounting period shall equal the total earned but unused hours of leave, up to an average based on 5 year used multiplied by maximums allowed accruals established by policy multiplied by each employee's current hourly pay rate.

Leave that does not "vest" with employees (i.e., leave that is not paid to employees if unused at the time of retirement of employment), such as accrued but not retirement payable sick leave, shall not be accrued as a liability.

NET ASSETS

Classification of Net Assets

Net assets of the College shall be classified based upon the existence or absence of restrictions as follows:

Unrestricted Net Assets – Net assets that are not subject to stipulations.

Expendable Net Assets – Net assets subject to stipulations that may or will be satisfied through the actions of the College and/or the passage of time.

Nonexpendable Net Assets – Net assets subject to donor-imposed stipulations that the College permanently maintain certain assets. Nonexpendable restrictions do not pass with the expiration of time, nor can they be removed through the College's actions.

Invested in Capital Assets – Net assets that represent the total investment in capital assets, net of accumulated depreciation.

Restrictions may be associated with either a time period (e.g., a particular future time period) or a purpose (e.g., specific programs). A purpose stipulation will be considered a restriction only if it is more specific than the broad limits resulting from the nature of the College, the environment in which it operates, and the purposes specified in Northwest State Community College's Board of Trustee policies.

Reclassifications from Restricted to Unrestricted Net Assets

The College shall report in its statement of activities a reclassification from restricted to unrestricted net assets if any of the following events occur:

1. Fulfillment of the purpose for which the net assets were restricted (e.g., spending restricted funds for the stipulated purpose)
2. Expiration of time restrictions imposed by donors
3. Withdrawal by the donor (or by a court) of a time or purpose restriction

If a donor stipulates multiple restrictions (such as a purpose and a time restriction), reclassifications from temporarily restricted to unrestricted net assets shall be reported only upon the satisfaction of the final remaining restriction.

Disclosures

The College discloses in a footnote to the financial statements the different types of temporary and permanent restrictions associated with the College's net assets as of the end of each fiscal year.

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-11 Insurance.

Effective: Reaffirmed by Board of Trustees 10/4/13

- (A) It is fiscally prudent to have an active risk management program that includes a comprehensive insurance package. This will ensure the viability and continued operations of Northwest state community college.
- (B) Northwest state community college maintains adequate insurance against general liability, as well as coverage for building, contents, computers, fine arts, equipment, and machinery.

Effective: 03/16/2015

CERTIFIED ELECTRONICALLY

Certification

03/05/2015

Date

Promulgated Under: 111.15

Statutory Authority: 3358

Rule Amplifies: 3358

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-12 Leases.

Effective: Reaffirmed by Board of Trustees 10/4/13

(A) Classification of leases

- (1) Northwest state community college classifies all leases in which the college is a lessee as either capital or operating leases. Northwest state community college shall utilize the following criteria to determine whether a lease is capital or operating in nature:
 - (a) The lease transfers ownership to Northwest state community college the end of the lease term.
 - (b) The lease contains a bargain purchase option.
- (2) All leases that do not possess any of the four preceding characteristics shall be treated as operating leases. In addition, all leases that are immaterial in nature shall be accounted for as operating leases.

(B) Reasonableness of leases

- (1) Northwest state community college assesses the value of leases according to the requirements of 2 CFR part 220 as follows:
 - (a) The rate is reasonable when compared to similar property in the same area.
 - (b) The rate of any alternatives.
 - (c) The type, life expectancy, condition, and value of the property leased.
- (2) Rental arrangements will be reviewed every five years to determine if circumstances have changed and other options are available.

Effective: 03/16/2015

CERTIFIED ELECTRONICALLY

Certification

03/05/2015

Date

Promulgated Under: 111.15

Statutory Authority: 3358

Rule Amplifies: 3358

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

Procedure No.9-12(B): Leases

Effective Date: 10/4/13

Accounting for Leases

All leases that are classified as operating leases and immaterial capital leases shall be accounted for as expenses in the period in which the lease payment is due. For leases with firm commitments for lease payments that vary over the term of the lease (i.e., a lease with fixed annual increases that are determinable upon signing the lease), the amount that Northwest State Community College shall recognize as monthly lease expense shall equal the average monthly lease payment over the entire term of the lease. Differences between the average monthly payment and the actual monthly payment shall be accounted for as an asset or liability.

All leases that are classified as capital leases shall be treated as fixed asset additions. As such, upon the inception of a capital lease, Northwest State Community College shall record a capitalized asset and a liability under the lease, based on the net present value of the minimum lease payments (or the fair value of the leased asset, if it is less than the present value of the lease payments). Periodic lease payments shall be allocated between a reduction in the lease obligation and interest expense. The capitalized asset recorded under a capital lease shall be depreciated over the term of the lease, using the straight-line method of depreciation.

Northwest State Community College shall also maintain a schedule of all operating and capital leases. This list shall include all relevant lease terms, including a schedule of future annual lease payment obligations.

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-13 Subrecipients.

Effective: Reaffirmed by Board of Trustees 10/4/13

(A) Making of subawards

- (1) From time to time, Northwest State Community College may find it practical to make subawards of federal funds to other colleges or organizations. All subawards in excess of the small purchase threshold shall be subject to the same procurement policies described in the purchasing section. In addition, all subrecipients must be approved in writing by the federal awarding agency and agree to the subrecipient monitoring provisions described in the next section.
- (2) With respect to subrecipients with whom Northwest State Community College has not recently had a relationship, the College shall determine an appropriate level of pre-award inquiry that shall be performed. The purpose of such inquiry, which may involve a site visit to a potential subrecipient, is to gain assurance that a potential subrecipient has adequate policies and procedures in place to provide reasonable assurance that it is capable of complying with all applicable laws, regulations, and award provisions.

(B) Monitoring of Subrecipients

- (1) When Northwest State Community College utilizes federal funds to make subawards to subrecipients it is to monitor each subrecipient in order to provide reasonable assurance that subrecipients are complying, in all material respects, with laws, regulations, and award provisions applicable to the program.
- (2) In fulfillment of its obligation to monitor subrecipients, the following policies apply to all subawards of federal funds made by Northwest State Community College to subrecipients:
 - (a) Subaward agreements shall include all information necessary to identify the funds as federal funding. This information shall include:
 - (i) The applicable Catalog of Federal Domestic Assistance (CFDA) title and number
 - (ii) Award name
 - (iii) Name of federal agency
 - (iv) Amount of award
 - (b) Subaward agreements shall identify all applicable audit requirements, including the requirement to obtain an audit in accordance with OMB Circular A-133, if the subrecipient meets the criteria for having to undergo such an audit.

- (c) Subawards shall include a listing of all applicable federal requirements that each subrecipient must follow.
- (d) Subawards shall require that subrecipient employees responsible for program compliance obtain appropriate training in current grant administrative and program compliance requirements.
- (e) Subawards shall require that subrecipients submit financial and program reports to Northwest State Community College on a basis no less frequently than monthly.
- (f) Northwest State Community College will follow up with all subrecipients to determine whether all required audits have been completed. Northwest State Community College will cease all funding of subrecipients failing to meet the requirement to undergo an audit in accordance with OMB Circular A-133. For subrecipients that properly obtain an audit in accordance with OMB Circular A-133, Northwest State Community College shall obtain and review the resulting audit reports for possible effects on Northwest State Community College's accounting records or audit.
- (g) Northwest State Community College shall assign one of its employees the responsibility of monitoring each subrecipient on an ongoing basis during the period of performance by the subrecipient. This employee will establish and document, based on her or his understanding of the requirements that have been delegated to the subrecipient, a system for the ongoing monitoring of the subrecipient.
- (h) Ongoing monitoring of subrecipients will vary from subrecipient to subrecipient based on the nature of work assigned to each. However, ongoing monitoring activities may involve any or all of the following:
 - (i) Regular contacts with subrecipients and appropriate inquiries regarding the program.
 - (ii) Reviewing programmatic and financial reports prepared and submitted by the subrecipient and following up on areas of concern.
 - (iii) Monitoring subrecipient budgets.
 - (iv) Performing site visits to the subrecipient to review financial and programmatic records and assess compliance with applicable laws, regulations, and provisions of the subaward.
 - (v) Offering subrecipients technical assistance where needed.
 - (vi) Maintaining a system to track and follow up on deficiencies noted at the subrecipient in order to ensure that appropriate corrective action is taken.

- (vii) Establishing and maintaining a tracking system to ensure timely submission of all reports required of the subrecipient.
- (i) Documentation shall be maintained in support of all efforts associated with monitoring of subrecipients.
- (j) In connection with any subrecipient that has been found to be out of compliance with provisions of its subaward with Northwest State Community College, responsive actions by the College shall be determined by Chief Fiscal and Administrative Officer. Such actions may consist of any of the following actions:
 - (i) Increasing the level of supporting documentation that the subrecipient is required to submit to the College on a monthly or periodic basis.
 - (ii) Requiring the subrecipient prepare a formal corrective action plan for submission to the college.
 - (iii) Requiring that certain employees of the subrecipient undergo training in areas identified as needing improvement.
 - (iv) Requiring documentation of changes made to policies or forms used in administering the subaward.
 - (v) Arranging for on-site (at the subrecipient's office) oversight on a periodic basis by a member of the college accounting or grant administration staff.
 - (vi) Providing copies of pertinent laws, regulations, federal agency guidelines, or other documents that may help the subrecipient.
 - (vii) Arranging with an outside party (such as college's own independent auditors) for periodic on-site monitoring visits.
 - (viii) Reimbursing after-the-fact, and not provide advances.
 - (ix) Requiring review and approval for each disbursement and all out-of-area travel.
 - (x) As a last resort, terminating the subaward relationship and seeking an alternative.

Effective: 03/16/2015
CERTIFIED ELECTRONICALLY

Certification

03/05/2015

Date

Promulgated Under: 111.15

Statutory Authority: 3358

Rule Amplifies: 3358

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-14 Federal awards

- (A) Northwest state community college may receive financial assistance from a donor/grantor agency through the following types of agreements:
- (1) Grant – a financial assistance award given to the college to carry out its programmatic purpose.
 - (2) Contract – a mutually binding legal agreement where the college agrees to provide supplies or services and the funder agrees to pay for them.
 - (3) Federal assistance received in any of these forms will be referred to as a federal “award.”
- (B) Individual departments are responsible for preparing proposals for projects that the department intends to pursue. However, all proposals shall be reviewed and approved by the department director, chief fiscal and administrative officer, vice president, and the president via the college’s review memo process to ensure the program goals are appropriate and the proposed budget includes all appropriate costs.
- (C) Northwest state community college recognizes that as a recipient of federal funds, the college is responsible for compliance with all applicable laws, regulations, and provisions of contracts and grants.
- (D) For each grant/award received by Northwest state community college from a federal, state, or local government agency, a master file of documents applicable to the award shall be prepared and maintained. The responsibility for assembling each master file shall be assigned to the grant manager assigned to administer the program.
- (E) Northwest state community college shall follow the closeout procedures described in 2cfr part 215 and in the grant agreements as specified by the granting agency. Northwest state community college and all subrecipients shall liquidate all obligations incurred under the grant or contract within ninety days of the end of the grant or contract agreement.
- (F) Northwest state community college charges costs that are reasonable, allowable, and allocable to a federal award directly or indirectly. All allowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to federal awards.

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

Effective: 03/16/2015

CERTIFIED ELECTRONICALLY

Certification

03/05/2015

Date

Promulgated Under: 111.15

Statutory Authority: 3358

Rule Amplifies: 3358

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

Procedure No. 9-14 (A) Participant Support Costs

Effective Date: 2/27/19

- (A) The purpose of this procedure is to establish the requirements that apply to participant support costs for grants/awards received by Northwest State Community College from a federal government agency.
- (B) Participant support costs (as defined in 2 CFR 200.75) are direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, symposia, seminars, workshops, or training projects.
- (C) Participant support costs may not be paid to individuals providing administrative or logistical support, individuals attending the conference as invited speakers or research subjects participating in a study.
- (D) The Uniform Guidance (2 CFR 200) requires prior approval of the Federal Agency in order to incur Participant Support Costs under federally sponsored awards. The Participant Support Costs must be incurred within the period of performance of the project and be specifically allowed by the sponsoring agency.
- (E) The federal government also expects participant support costs to be accounted for separately. According to the Uniform Guidance, grantees must request the Federal awarding agency's prior approval before transferring funds budgeted for participant support costs to other categories of expense. As a result, unused participant support costs are generally returned to the sponsor rather than spent on other categories of cost.
- (F) The Modified Total Direct Cost (MTDC) base is used to calculate the indirect (F&A) costs on all sponsored awards. The Uniform Guidance (2 CFR 200.68) states that Participant Support Costs are exempt from indirect costs in federally sponsored projects. Using the MTDC calculation, Participant Support Costs must be excluded when calculating the indirect cost allocation on federal and federal flow-through awards.

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-15 Post-issuance compliance.

Effective date: 10/29/21

Northwest state community college (the “college”) uses bonds as one means of financing capital projects in support of its mission. This post-issuance compliance policy (the “policy”) outlines the policies and procedures to promote compliance with federal income tax and securities laws, as well as the requirements set forth in the bond documents for each bond issue. This policy is to strictly follow the U.S. Constitution and laws and the Ohio Constitution and laws. For purposes of this policy, the term “bonds” means any obligation of the college incurred for the purpose of borrowing money, including, without limitation, bonds, notes and certificates of participation in capital leases.

(A) Monitoring of post-issuance compliance

Monitoring of post-issuance compliance for bonds will be the responsibility of the chief financial officer (the “CFO”). The CFO may designate employees to carry out the CFO’s duties under this policy on the CFO’s behalf in the same manner and with the same effect as any similar designation for any other purpose permitted by law.

(B) Compliance with covenants in bond documents

The CFO shall ensure compliance with all financial and operational covenants made by the college in the bond documents, including but not limited to financial reporting, insurance requirements, the recording of mortgages, restrictions on incurring additional indebtedness, restrictions on the disposition of property, and restrictions on granting liens or encumbering property.

(C) Federal tax law compliance

(1) Proper use of proceeds

The CFO shall ensure that bond proceeds are allocated to expenditures in a manner that is consistent with the purpose for which each bond issue is undertaken, as set forth in any tax compliance certificate or agreement related to each bond issue.

(2) Investment of bond proceeds

The CFO shall ensure that bond proceeds are invested in investments that are permissible under the terms of the Ohio Revised Code, the bond documents, and any applicable federal tax laws.

(3) Arbitrage rebate calculations

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

The CFO shall ensure the timely completion of arbitrage rebate calculations and filings.

(4) Administration of direct pay bonds

The CFO shall ensure the proper administration of each issue of bonds qualifying for the payment by the federal government of a credit equal to a percentage of interest on such bonds, including the timely completion and filing of any forms required by the internal revenue service to maintain or establish the applicable status of the bonds for purposes of federal income taxation.

(5) Use of bond-financed facilities

The CFO shall consult with bond counsel for the college before entering into any agreement or other arrangement for the sale, lease, or use of bond-financed property, including, but not limited to, service, vendor, and management contracts, research agreements, licenses to use bond-financed property, or naming rights agreements. The CFO or the designee of the CFO shall review such agreements for compliance with federal tax laws and complete a private business use contract review worksheet to document that such review has been completed.

(6) Post-issuance transactions

The CFO shall consult with bond counsel for the college before making any modifications or amendments to the bond documents for a bond issue, including, but not limited to, entering or modifying investment agreements; making any change in security for the bonds; engaging in post-issuance credit enhancement transactions (e.g., bond insurance, letter of credit) or hedging transactions (e.g., interest rate swap, cap); terminating or appointing successor trustees; releasing any liens; or reissuing the bonds.

(7) Remedial action

In the event that it is determined that any use of bond proceeds or bond-financed facilities is inconsistent with the character of the status for federal income tax purposes of the bonds, the CFO shall consult with the college's bond counsel for the purpose of determining the nature and extent of any remedial action necessary or proper for the college to take with respect to such bonds or bond-financed facilities according to treasury regulations section 1.141-12 or other remedial actions authorized by the commissioner of internal revenue under 1.141-12(h).

(D) Federal securities law compliance

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

- (1) The CFO shall ensure compliance with all applicable federal securities laws and regulations, including the continuing disclosure requirements of rule 15c2-12 promulgated under the Securities Exchange Act of 1934.
- (2) To the extent required by any continuing disclosure agreement, the CFO shall:
 - (a) On an annual basis, submit an annual financial report, including audited financial statements and any other information required by the continuing disclosure agreement, to the entities required by the bond documents.
 - (b) Make a timely report of any significant material events (as defined by the continuing disclosure agreement) related to the college's outstanding bond issues to the entities required by the bond documents.

(E) Recordkeeping

(1) Responsibility for records maintenance

- (a) The CFO shall be responsible for maintaining records related to bonds of the college.
- (b) The CFO shall maintain a central list of records related to each issue of bonds of the college. The list shall identify:
 - (i) The name and date of the document related to the issue,
 - (ii) The person or office responsible for the document, and
 - (iii) The physical or electronic location of the document.

(2) Bond records to be maintained

- (a) The following records shall be maintained for each outstanding bond issue for the term of the outstanding bond issue plus three years:
 - (i) Basic records relating to the bond transaction, including the trust indenture, loan, lease, or other financing agreement, the relevant IRS form 8038 (including forms 8038-G, 8038-B, or 8038-TC, as applicable) with proof of filing, and bond counsel opinion shall be maintained by the CFO's office;
 - (ii) Documentation evidencing the expenditure of bond proceeds, such as construction or contractor invoices and receipts for equipment and furnishings, as well as records of any special allocation made for tax purposes shall be maintained by the CFO's office;

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

- (iii) Documentation evidencing the lease or use of bond- financed property by public and private sources, including, but not limited to, service, vendor, and management contracts, research agreements, licenses to use bond-financed property, or naming rights agreements shall be maintained by the CFO's office; and
- (iv) Documentation pertaining to investment of bond proceeds, including the yield calculations for each class of investments, actual investment income received from the investment of proceeds, and rebate calculations shall be maintained by the CFO's office.

- (b) The CFO shall maintain the college's audited financial statements for not less than seven years.

(F) Bonds issued on behalf of college-supported entity

With respect to bonds issued by the college on behalf of any college-supported entity, the CFO shall coordinate with the respective fiscal officer of such entity to ensure compliance with all aspects of this policy.

(G) Bond counsel review

- (1) The CFO may engage bond counsel to assist in implementing this policy, including, but not limited to, assistance in the following areas:

- (a) Rebate calculations and compliance;
- (b) Records retention;
- (c) Periodic review of the central list of records related to bonds for compliance with federal tax laws regarding private business use;
- (d) Other federal tax law compliance, including any annual reporting requirements that may be imposed by the internal revenue service; and
- (e) Federal securities law compliance.

(H) Training requirements

Within six months of becoming the CFO, and on an as-needed basis thereafter, the CFO and the CFO's designees, if any, shall undergo training regarding basic federal tax concepts relating to bonds and records required to be maintained under this policy.

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

(I) Annual policy review

On an annual basis, or sooner if deemed necessary by the CFO, the CFO shall review this policy and assess the college's compliance with this policy. The CFO shall make changes to this policy as appropriate to ensure compliance with any covenants in the bond documents or the requirements of federal tax and securities laws and any other applicable law.

(J) Miscellaneous

(1) Internal use only

This policy is intended for the internal use of the college only and is not intended to establish any duties in favor of or rights of any person other than the college.

(2) Waiver of procedures

The officers and employees charged by this policy with performing or refraining from any action may depart from this policy when they in good faith determine that such departure is in the best interests of the college and consistent with the duties of the issuer under applicable laws. If the CFO is charged by this policy with taking or refraining from such action, any such departure shall require review by bond counsel.

Effective: 12/3/2021

CERTIFIED ELECTRONICALLY

Certification

11/22/2021

Date

Promulgated Under: 111.15

Statutory Authority: 3358

Rule Amplifies: 3358

NORTHWEST STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

3358: 14-9-16 Cash-on-hand.

Effective: 8/28/2026

- (A) The college shall maintain thirty (30) days cash and short-term investments.
- (B) This will be determined quarterly from currently mandated state reporting requirements.
- (C) When cash is below 30 days, the college will take measures to increase and provide a cash-on-hand report biannually (June 30 and December 31 values) to the board.