

August 2, 1999

IMPORTANT DEADLINE!!
AUGUST 23, 1999 (DCC2-1)
SEPTEMBER 1, 1999 (LONGEVITY)

MEMORANDUM

TO: Business Officers
North Carolina Community Colleges System

FROM: Larry Morgan, Director of Auditing & Accounting
North Carolina Community Colleges System

SUBJECT: DCC2-8 (Notice of Budget Action Approval)
2% Transfer Restrictions
DCC2-1 (Budget Request)
Longevity Application

DCC2-8 (Notice of Budget Action Approval-This form is being sent to the Business Officers only)

Enclosed is the DCC2-8 form which distributes your total formula curriculum and non-curriculum instruction allotments, as well as your "Base" and Enrollment" allotments. This DCC2-8 establishes a certified budget for your college which can only be revised by the receipt and approval of a DCC2-4 form. DCC2-4 forms must be completed and submitted in accordance with Section 1 of the Accounting Procedures Manual, no later than Monday, August 23, 1999.

CC99-217
Paper Copy

2% Transfer Restriction

There is a requirement that *“no more than two percent (2%) system wide may be transferred from faculty salaries without the approval of the State Board of Community Colleges.”*

In an attempt to comply with the 1999 Session of the General Assembly, your final formula budget allocation for 1999-00 has been realigned based on the final budget and expenditures reported for the system as a whole for fiscal year 1998-99. A portion of your curriculum salaries has been realigned to purpose 710 for distribution to the appropriate areas.

PROCEDURES: The State Board of Community Colleges will review budget transfers on a monthly basis. Each college will be required to obtain State Board approval to exceed the two percent transfer level. The System Office will develop tracking procedures to monitor transfers throughout the fiscal year.

APPROVAL PROCESS:

1. A written description of the factors and conditions causing the transfer need must be prepared for use by the Finance and Capital Needs Committee of the State Board, and the State Board of Community Colleges.
2. The college President and other appropriate representatives of the college will present the request to transfer in excess of two percent to the Finance and Capital Needs Committee.
3. The Finance and Capital Needs Committee will ensure that the System does not exceed the two percent transfer level, and will in their review of appeals to exceed the two percent, work to remain within the two percent parameter.

We strongly encourage colleges to closely monitor their budgets on a monthly basis and submit necessary transfers throughout the fiscal year. This will allow the System Office to track, monitor, and process transfers on a timely basis, keep the State Board abreast of transfer activity, and reduce the number of year-end transfers.

DCC2-1 (Budget Request)

For the purpose of completing the DCC2-1, the following DCC2-4's must be completed and submitted with the DCC2-1:

1. Your Basic Skills Block Grant has been posted to Adult Basic Education salaries. Please include a DCC2-4 to transfer portions of these amounts to the other Basic Skills purposes as you desire.

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2. Community Service Block Grant will not receive funding for fiscal year 1999-00. Please refer to memo CC99-192 for suggested provisions.
3. Your formula non-instructional allotment has been posted to purpose 710 by object group (salaries versus other costs). Therefore, your DCC2-4 must show the amount being transferred to other purposes/functions and object groups.
4. Your curriculum instructional allotment, including contracted instruction, has been posted to purpose 220 by object group (salaries versus other costs). Therefore, your DCC2-4 must show the amount being transferred to other purpose/functions and object groups.
5. Submit a DCC2-4 for each allotment listed on the College Allotment Summary which you received earlier; e.g., Vocational Education, HRD, etc. Please note the purpose, category, object group (salaries versus other costs), and amount to be budgeted on your DCC2-4's. VOED DCC2-4's must include the activity for which funds are being budgeted and must agree with your approved VOED application.

As a reminder, DO NOT include the following on your DCC2-4's or your DCC2-1: Salary Compensation Bonus \$125; Equipment Carryover - purpose 920; Book Carryover - purpose 930; Equipment Reserve - purpose 921; "Special Appropriations" outside the State Aid Formula; Additional Hospitalization and Longevity. Construction Balances reimbursed by the System Office must be listed under institutional funds.

6. In keeping with the provisions of budget flexibility, you may transfer state funds between categorical and formula funds with the exception of the Basic Skills Block Grant, Compensatory Education, New Industry Training, Vocational Education, Tech Prep, Worker Training Trust, and Priority Programs. These allotments must be included on your DCC2-1 along with form DCC2-4 distributing funds by purpose by object (salaries versus other costs). Funds may also be transferred between the equipment or book budgets and current operating or vice versa. However, current funds that are transferred to equipment or books without exhausting the full equipment or book budgets, will not be eligible for carryover at the end of the fiscal year. In addition, Equipment Reserve Funds (purpose 921) **MAY NOT** be transferred to any other purpose.
7. Enclosed you will find a revised form DCC2-1. When preparing your DCC2-1, please use the revised format. If you have created this form in your computer on a spreadsheet, your copy must reflect the necessary revisions.

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It is very important that your DCC2-1 "TOTAL FUNDS AVAILABLE" for state current funds equal your total current allotment shown on the college allotment summary sheet sent to you earlier. Likewise, plant fund revenues for state funds should equal your equipment and book allotments. (Note: If you have been approved to place a portion of a categorical allotment into equipment, that budget must be shown along with your regular equipment and book budget on the DCC2-1 form.)

Your DCC2-1 for fiscal year 1999-00 should be completed according to the instructions outlined in Section 1 of the Accounting Procedures Manual. **The DCC2-1 and all supporting DCC2-4's must be returned to this office no later than Monday, August 23, 1999.**

Longevity Application

Longevity payments are based on the annual salary in effect on the employee's longevity eligibility date. **The due date for longevity requests is September 1, 1999.**

If you have questions, please contact this office.

LLM/ahd

Attachment

pc: Presidents
Kennon Briggs
Alice Smith
Annette Dishner