



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
H. Martin Lancaster, President

July 31, 2000

IMPORTANT DEADLINE!!
August 18, 2000 (DCC2-1)
September 1, 2000 (Longevity)

MEMORANDUM

TO: Business Officers

FROM: Larry Morgan, Director of Auditing & Accounting

SUBJECT: DCC2-8 (Notice of Budget Action Approval
2% Transfer Restriction
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 distributing your total formula curriculum and non-curriculum instructional allotments and your “Base and Enrollment” allotment. This DCC2-8 establishes a certified budget for your college and 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 Friday, August 18, 2000.

CC00-182
Paper Copy

2% Transfer Restriction

The requirement of “*no more than two percent (2%) system wide may be transferred from faculty salaries without the approval of the State Board of Community Colleges*” remains in effect for fiscal year 2000-01.

In an attempt to comply with the 1999 Session of the General Assembly, your final formula budget allocation for 2000-01 has been realigned based on the final budget and expenditures reported for the system as a whole for fiscal year 1999-00. A portion of your curriculum salaries has been realigned to purpose 130 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 has developed 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)

In order for the DCC2-1 to be finalized, form DCC 2-4 must be prepared and submitted with the DCC2-1. To assist in preparing the necessary DCC2-4's, please pay close attention to the following:

1. The Basic Skills Block Grant has been posted to Adult Basic Education salaries (purpose 321). A DCC2-4 must reflect the portions to transfer to other Basic Skills purposes (322 and 323) as necessary.

2. Community Service Block Grant funding for fiscal year 2000-01 is included on the formula allotment sheet. This amount has been budgeted in purpose 331 (salaries). Funds may be transferred to other costs within purpose 331.
3. Non-instructional formula allotments have been posted to purpose 130 (salaries). A DCC2-4 must show the amount being transferred to other costs in purpose 130 as well as to other purposes and object groups.
4. Curriculum instructional allotments, including contracted instruction, have been posted to purpose 220 by object groups (salaries versus other costs). Non-curriculum instructional allotments have been posted to purpose 310 by object groups (salaries versus other costs). The DCC2-4 must show the amount being transferred to other purposes and object groups.
5. Each allotment listed on the College Allotment Summary (attachment A) must be included on the DCC2-4 by purpose, category, and object group (salaries versus other costs).
6. VOED allotments must be budgeted on the DCC2-4 by activity according to the approved VOED application. Please list the corresponding activity number along with the budget amount on the DCC2-4. The DCC2-1 and the DCC2-4 must reflect the amount shown on attachment A (23%).
7. **Summer-Term Funding** must be budgeted and noted separately on the DCC2-4 in curriculum instructional purposes (210, 220, 230, and 240) only.

As a reminder, **DO NOT** include the following on the DCC2-1 or DCC2-4:

- **\$500 Salary Compensation Bonus**
- **Equipment Carryover (920)**
- **Book Carryover (930)**
- **Equipment Reserve (921)**
- **House Bill 275 Funding (current and capital)**
- **New Industry**
- **Special Appropriations Outside the State Aid Formula**
- **Longevity**
- **Construction balances and repair/renovation balances reimbursed by the System Office must be listed under institutional funds on the DCC2-1.**

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Budgets may be transferred between equipment (920), books (930) and current operating. However, current funds that are transferred into equipment or books without exhausting full equipment or book budgets, will not be eligible for carryover at the end of the fiscal year.

Attached you will find a revised form DCC2-1. When preparing the DCC2-1, please use the revised form. If you have created this form in your computer on a spreadsheet, it must reflect the necessary revisions.

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 (attachment A). Likewise, plant fund revenues for state funds should equal your equipment (920) and book (930) allotments. Note: If you have been approved to place a portion of categorical allotments into equipment, show the budget along with the regular equipment and book budget on the DCC2-1 form.

Your DCC2-1 for fiscal year 2000-01 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 Friday, August 18, 2000.**

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, 2000. In completing the application, you must use the retirement rate of 7.13 percent. Categorical funds cannot be requested on the application.

If you have questions, please contact this office.

LLM/ahd

Attachments

pc: Presidents
Kennon Briggs
Alice Smith
Annette Dishner