

1A SBCCC 200.4 Sound Fiscal and Management Practices

- (a) Local boards of trustees shall adopt policies that assure a community college has sound fiscal and management practices. Policies to assure sound fiscal and management practices shall include at least the following:
- (1) Expending funds prudently and consistently with the approved budget.
 - (2) Demonstrating stewardship of the institution's State financial resources by effectively executing the institution's budget to ensure that the percentage of State current operating funds remaining unexpended does not exceed five percent or five times the systemwide percentage, whichever is higher.
 - (3) Ensuring that institutional fund accounts do not have a negative balance at the end of the fiscal year unless such an instance exists for a planned reason, such as an anticipated reimbursement. If any institutional fund account has a negative balance at year-end, the negative fund balance after the posting of all accrual entries shall be reviewed. In the event the negative balance is not due to a planned reason, the college shall develop a plan to rectify the negative balance, and the information shall be reported to the Board of Trustees at its first scheduled meeting following year-end.
 - (4) Tracking expenditures consistent with the North Carolina Community College System's Chart of Accounts, as outlined in the NC Community College System Accounting Procedures Manual.
 - (5) Providing financial reports to the local boards of trustees at intervals determined by the local board of trustees.
 - (6) Maintaining a system of internal controls as prescribed by G.S. 143D-7.
 - (7) Ensuring the college does not overdraw accounts by ensuring bank accounts are reconciled and any discrepancies and a plan for resolution are identified within 30 business days from the end of the prior month. In the event a college fails to comply with this requirement more than once during a fiscal year, such information shall be reported to the Board of Trustees at its first scheduled meeting following the month of non-compliance.
 - (8) Submitting complete and accurate financial statements to the North Carolina Office of the State Controller by the prescribed deadline.

- (9) Ensuring that audits are conducted consistent with G.S. 115D-20(9) and G.S. 115D-58.16.
- (10) Addressing any findings identified in audits, compliance reviews, SACSCOC reviews, or other monitoring reviews.
- (11) Ensuring that the college is actively seeking to fill leadership and other supervisory positions in a timely manner with individuals of high competence.
- (12) Monitoring staff turnover by providing an employee vacancy report for information to the local board of trustees at least biannually.

History Note: Authority G.S. 115D-5;

Eff. [July 1, 2018](#).