



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Jennifer Haygood
Acting President

20 March 2018

IMPORTANT INFORMATION

MEMORANDUM

TO: Members of the State Board of Community Colleges
Community College Presidents
Boards of Trustees Chairs
Community College Chief Academic Officers, Chief Admissions Officers, Basic Skills Directors, Business Officers, Continuing Education Officers, Customized Training Directors, Distance Learning, Chief Financial Officers, Financial Aid Officers, Planners, Public Information Officers, Registrars, Student Development Administrators, & Other Interested Parties

FROM: Q. Shanté Martin, *NCCCS General Counsel*

RE: **Proposed Adoption of 1A SBCCC 200.4 – “Sound Fiscal and Management Practices”**

On 16 March 2018, the State Board of Community Colleges (“SBCC”) voted to initiate rulemaking to adopt 1A SBCCC 200.4 – “Sound Fiscal and Management Practices.” The SBCC is initiating the rulemaking process to adopt this proposed rule because it is important to have sound fiscal management policies in the operation of college business offices.

The proposed adoption is published on the NC Community College System's website, www.nccommunitycolleges.edu, under "State Board Code." For your convenience, a copy of the proposed rule, is attached to this memorandum. Please post a copy of the proposed rule in prominent places so that all individuals affected by the proposed changes will be informed.

Any member of the public has the right to submit written comments on the proposed rule. Please note that any person who submits a public comment on behalf of their community college should comply with their college’s local process for submitting comments on a proposed rule. **Written comments on the rule must be received by no later than 5:00 p.m. on April 19, 2018.** Any member of the public has the right to request a hearing on the proposed rules. **Requests for a hearing must be received by no later than 5:00 p.m. on April 4, 2018.** Written comments and requests for hearing shall be directed to the following address: Q. Shanté Martin, 200 W. Jones Street, 5001 Mail Service Center, Raleigh, NC 27699-5001 or by email to publiccomments@nccommunitycolleges.edu. Thank you for your attention to this matter.

CC18-012
E-mail Copy

Attachments



State Board of Community Colleges Code

Notice of Proposed Rulemaking Form

Date: 16 March 2018

Title, Chapter, Subchapter, and Rule Number of Rule Proposed to be Adopted, Amended, or Repealed	Adopt 1A SBCCC 200.4- "Sound Fiscal and Management Practices"
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Specify whether the SBCC proposes to adopt amend, or repeal a rule:

Adopt (new rule)	Amend (change existing rule)	Repeal (delete entire rule)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Rationale for proposed adoption, amendment or repeal:	It is important to have sound fiscal management policies in the operation of college business offices.
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Proposed Effective Date of Rule	June 1, 2018
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1 **STATE BOARD OF COMMUNITY COLLEGES**
2 **TITLE 1 – COMMUNITY COLLEGES**

3
4 **CHAPTER A. STATE BOARD GOVERNANCE**

5
6 **SUBCHAPTER 200. STATE BOARD AUTHORITY**

7
8 **1A SBCCC 200.4 Sound Fiscal and Management Practices**

9 (a) Local boards of trustees shall adopt policies that assure a community college has
10 sound fiscal and management practices. Policies to assure sound fiscal and
11 management practices shall include at least the following:

12 (1) Expending funds prudently and consistently with the approved budget.

13 (2) Demonstrating stewardship of the institution's State financial resources by
14 effectively executing the institution's budget to ensure that the percentage of State
15 current operating funds remaining unexpended does not exceed five percent or
16 five times the systemwide percentage, whichever is higher.

17 (3) Ensuring that institutional fund accounts do not have a negative balance at the end
18 of the fiscal year unless such an instance exists for a planned reason, such as an
19 anticipated reimbursement. If any institutional fund account has a negative
20 balance at year-end, the negative cash balance shall be reviewed. In the event
21 the negative balance is not due to a planned reason, the college shall develop a
22 plan to rectify the negative balance, and the information shall be reported to the
23 Board of Trustees at its first scheduled meeting following year-end.

24 (4) Tracking expenditures consistent with the North Carolina Community College
25 System's Chart of Accounts, as outlined in the NC Community College System
26 Accounting Procedures Manual.

27 (5) Providing financial reports to the local boards of trustees at intervals determined
28 by the local board of trustees.

29 (6) Maintaining a system of internal controls as prescribed by G.S. 143D-7.

30 (7) Ensuring the college does not overdraw accounts by ensuring bank accounts are
31 reconciled and any discrepancies resolved within 30 business days from the end

1 of the prior month. In the event a college fails to comply with this requirement more
2 than once during a fiscal year, such information shall be reported to the Board of
3 Trustees at its first scheduled meeting following the month of non-compliance.

4 (8) Submitting complete and accurate financial statements to the North Carolina Office
5 of the State Controller by the prescribed deadline.

6 (9) Ensuring that audits are conducted consistent with G.S. 115D-20(9) and G.S.
7 115D-58.16.

8 (10) Addressing any findings identified in audits, compliance reviews, SACSCOC
9 reviews, or other monitoring reviews.

10 (11) Ensuring that the college is actively seeking to fill leadership and other
11 supervisory positions in a timely manner with individuals of high competence.

12 (12) Monitoring staff turnover by providing an employee vacancy report for information
13 to the local board of trustees at least biannually.

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

16 *Eff. _____.*