



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
Peter Hans, President

June 26, 2019

MEMORANDUM

TO: CC Business Officers and Chief Business Officers
CC Controllers-Bookkeepers
CC Basic Skills Directors

FROM: Jason W. Forlines, CFE, Associate VP, State Level Accounting & Operations

RE: *Accounting Procedures Manual* updated

As outlined in the “What’s New” heading at the beginning of Section 1 of the APM, we have made three updates to Section 1 of the *Accounting Procedures Manual* (APM). The first is to reflect the travel subsistence rates for the new fiscal year (effective for travel commencing on or after July 1, 2019) as shown in the table below.

| | Old rate | New rate | Difference |
|------------------------|----------|----------|------------|
| Breakfast | \$8.40 | \$8.60 | 20¢ |
| Lunch | \$11.00 | \$11.30 | 30¢ |
| Dinner (in-state) | \$18.90 | \$19.50 | 60¢ |
| Dinner (out-of-state) | \$21.60 | \$22.20 | 60¢ |
| Lodging (in-state) | \$71.20 | \$75.10 | \$3.90 |
| Lodging (out-of-state) | \$84.10 | \$88.70 | \$4.60 |

Secondly, we have clarified that members of college boards of trustees are considered public officials by Internal Revenue Service and are therefore statutory employees. For that reason, they are included in the travel policies for employees. This is not a policy change but a clarification of the existing policy.

Thirdly, we have clarified that college-paid moving costs are subject to both Social Security and Medicare taxes. The acronym for the *Federal Insurance Contributions Act* (FICA) had been used and because of a terminology issue in Colleague there is often a misconception that FICA only includes the old age and survivors’ disability insurance (OASDI) portion known commonly as Social Security. The FICA legislation includes Social Security and Medicare so tax documents referring to FICA include both taxes. Thus, college-paid moving costs are subject to both taxes in addition to federal and state income taxes.

The revised APM is attached and is also available from the College Budget & Accounting section of our website at <https://www.nccommunitycolleges.edu/finance-operations/budget-accounting>. Please ensure that this information is shared with those on your campus who also need this information.

Attachment

CC19-028
Email