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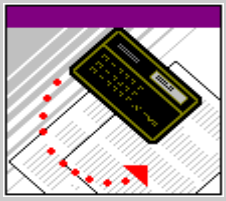

BUSINESS OFFICE

Virginia Highlands Community College

Procedures Manual

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Introduction

This manual describes the daily procedures performed by Business Office staff. Its purpose is to document the internal control structure surrounding daily operations, define necessary segregation of duties, and identify utilization of technology. These procedures support an initiative to identify and complete cross training of all Business Office operations to ensure consistent, reliable, and continuous services during periods of staff absence for training, vacation or sick leave.

Business Office Mission

We are committed to honesty, integrity and trust while providing financial support services to students, faculty and staff of Virginia Highlands Community College in the following areas:

Accounts Payable and Travel Reimbursement
Accounts Receivable (Students and Other)
Budgetary Management
Distribution of Student Financial Aid
Financial Reporting
Grant Management
Procurement and Contract Management

We are dedicated to serving all customers professionally and efficiently, adequately safeguarding the college's assets, accurately recording and verifying operating transactions, and providing consultation services relevant to the areas described above. The creativity and commitment of our staff are the foundations of our success.

Business Office Vision

We strive to be recognized in full compliance with state policies and procedures, federal regulations and Generally Accepted Accounting Procedures by meeting the following objectives:

- Meet Commonwealth financial management standards defined by the Department of Accounts including compliance with prompt payment, procurement regulations and accounts receivable management.
- Meet the needs of students including timely and accurate processing of receipts and student refunds.
- Meet the needs of faculty and staff by ensuring timely notice and explanation of procedural revisions, conducting training workshops and providing individual consultations of problem or emerging issues.
- Be creative in the pursuit of technology issues and utilize technology to increase our efficiency to the maximum extent possible.
- Uphold the College's values while supporting its mission.

1 General

1.1 Systems

The primary systems used by the business office are:

- Student Information System (SIS)
- Accounting Information System (AIS)
- PS Fixed Assets Information System (PSFAIS)
- Commonwealth Accounting Retrieval System (CARS)
- Commonwealth Integrated Payroll and Personnel System (CIPPS)

These are all "central" systems established and controlled by the Commonwealth (CARS, CIPPS) or by the Virginia Community College System (VCCS).

In addition to the primary systems, we have developed various spreadsheet applications to replace manual forms. These include voucher and batch logs, bank reconciliations, Interagency Transfer (IAT) vouchers, Petty Cash Reimbursement vouchers and daily cash settlement and reconciliation. These applications are saved on drive Z/Business Office of the Local Area Network (LAN).

Drive Z/Business Office has been specified for use by Business Office staff and allows staff to share common files. The LAN is protected with a backup server performing an automatic nightly backup of all files on the LAN. All computer files that provide supporting documentation, reconciliation or reporting must be saved on drive Z/Business Office of the LAN to ensure routine and complete backup. Staff members are responsible for backup of computer files saved to their individual workstations.

1.2 Security

1.2.1 Systems

Each staff is assigned individual operator ID's for each system necessary to perform their job duties. Access is established and authorized to be consistent with staff responsibilities and takes into account proper segregation of duties.

Each staff is responsible for protecting the integrity of access controls and passwords. Staff must log off of critical systems (i.e. SIS, AIS, CARS, CIPPS) when they will be away from their work stations for extended periods including lunch. Use of another staff's operator ID is expressly prohibited. If it becomes necessary to use another work station to cover services during lunch or other situations and the first staff did not log off the system, then the next staff shall log off for the first staff and then log on using their personal operator ID.

1.2.2 General Office

Access to cash drawers, deposits, and the safe is restricted to authorized business office personnel only. The safe shall be locked at all times and opened as needed for access/storage of cash or checks. Cash and cash items shall not be left unattended or unprotected. Access to accounting documents is restricted to business office personnel.

1.2.2.1 At the end of the day, cash drawers and all collections must be stored in the safe overnight. Window shades must be pulled and locked and both exterior doors must be locked.

1.2.2.2 Cash drawers must be either locked or stored in the safe when no business office personnel are within visual contact.

1.2.2.3 After cash settlement, deposits will be logged and stored in the safe until campus security signs the log to accept responsibility for transport to the bank.

1.2.2.4 In case of fire or emergency drills, cash drawers shall be stored in the safe unless there is apparent risk of personal injury. In the presumed risk of personal injury, the cash drawers must be locked. Window shades must be pulled and locked and both exterior doors must be locked.

1.3 General Ledger Structure

The chart of accounts provides the account structure for eight types of funds that are accounted for through four bank accounts. The design of the chart of accounts was established by the VCCS Systems Office to provide consistent financial reporting throughout the VCCS.

Bank #	Fund Type	S/L Account #'s
67 and 88 Credit Card Transactions	State Unrestricted Funds (10300-10306-1031710386-10390)	Revenue 1-0XXXX Expense 1-1XXXX thru 1-9XXXX
	State Restricted Funds 20100 20301-20311	Expense 2-XXXXX
	State Plant Funds 30100-30821	Expense 3-3XXXX
39	Local Unrestricted Funds 40001-40002 40201-40203	Revenue 4-0XXXX thru 4-09999 Expense 4-1XXXX thru, 4-99999
	Local Restricted Funds (50101-50601	Expense 5-50XXX thru 5-59999
	Local Loan Funds 60001, 60101	No current expenses
	Local Agency Funds (90001, 90101	Revenue & Expense 9-9XXXX
	Local Plant Funds 79001-79004	Expense 7-7XXXX Thru 7-79999
40	Bookstore (40201)	Revenue 4-09XXX Expense 4-90XXX
41	Federal (50301)	5-52XXX

Many of the procedures described in this manual will reflect noted differences in the processing of state and local transactions. Revenue transactions for all funds except Unrestricted (state, local and bookstore) and Agency are recorded in the appropriate general ledger using a fund addition code.

1.4 CARS Error File

The Senior Accountant reviews the CARS Error File each morning. Error code definitions from the CAPPS Manual are examined to determine the cause of the problem and appropriate resolution. Instructions for disposition are faxed to DOA.

1.5 Daily Diagnostics Reports

Several AIS daily reports are generated during the overnight update process and are printed by the Senior Accountant the first thing every morning; The Senior Accountant

or Business manager ties claims on cash to memo cash balances for banks 39, 40 and 41, reviews for problems and distributes reports to the appropriate personnel as follows:

Report #	Description	Review	Forward to
AGL00002 AGLSU001 VXDLYDRN	Trial Balance by Fund & Account Balances G/L Fund Group Summary S/L Summary Allotment and Cash Activity Daily Diagnostics	Scan for potential problem situations (i.e. insufficient cash balances in student aid accounts, bookstore, and grants). Tie individual claims on cash to memo cash balances. Verify SIS transactions updated correctly to AIS.	Business Manager, Senior Accountant
VXDLYDRN	A/P Diagnostics Report A/P Accounting Feed Daily Cycle Daily Voucher Register	Scan for rejected and suspense items. Review voucher and disbursements listings for Business Office employees. Scan account numbers recorded to correct bank.	Accounts Payable (reports are run as needed)
Suspense Account Inquiry	Daily Suspense Listing	Determine necessary correction	Senior Accountant

1.6 Batch Review and Approval

After batches have been processed and matched with the appropriate daily diagnostic report and magnetic media interface form (MMIF) where applicable. An individual with DOA Signatory Authority must approve all batches. The following persons have such authority:

VP of Administration and Finance
VP of Instruction and Student Services
Business Manager
Accountant

1.7 Check Review and Approval

Petty cash checks require one original signature. All other local checks require one signature up to $2500, and two original signatures for checks greater than $2500.

President
VP of Administration and Finance
VP of Instruction and Student Services
Business Manager

1.8 File Maintenance

1.8.1 Computer Applications

All computer files that provide source documentation or reconciliation of business office operations must be saved on Drive Z of the local area network (LAN). This will ensure timely and operable backup of files and provide means for file sharing among business office staff.

1.8.2 Accounting Documents

The business office maintains a central common filing system for all accounting documents. The files are organized as follows:

1.8.2.1 State documents

Budget entries (original, revisions, transfers)
Encumbrances
Vendor payment and travel vouchers
Interagency transfers (debit and credit)
Adjustments (ATV's, CARS only, AIS only)
Suspense corrections

1.8.2.2 Local documents

Budget entries (original, revisions, transfers)
Vendor invoices and credits
Adjustments
Suspense corrections

1.8.2.3 Deposit documents

All deposit batches are maintained in daily cash settlement files for the business office and bookstore. These files support the total cash settlement of each office.

1.9 Confidentiality

All matters concerning student registration, student financial aid records, employee payroll/leave records and departmental budget records maintained or accessible to business office staff as a result of the responsibilities of their positions shall be maintained in the strictest confidence. Appropriate care and caution must be exercised in handling documents/reports to ensure the integrity of confidential information.

2 Cash Receipts

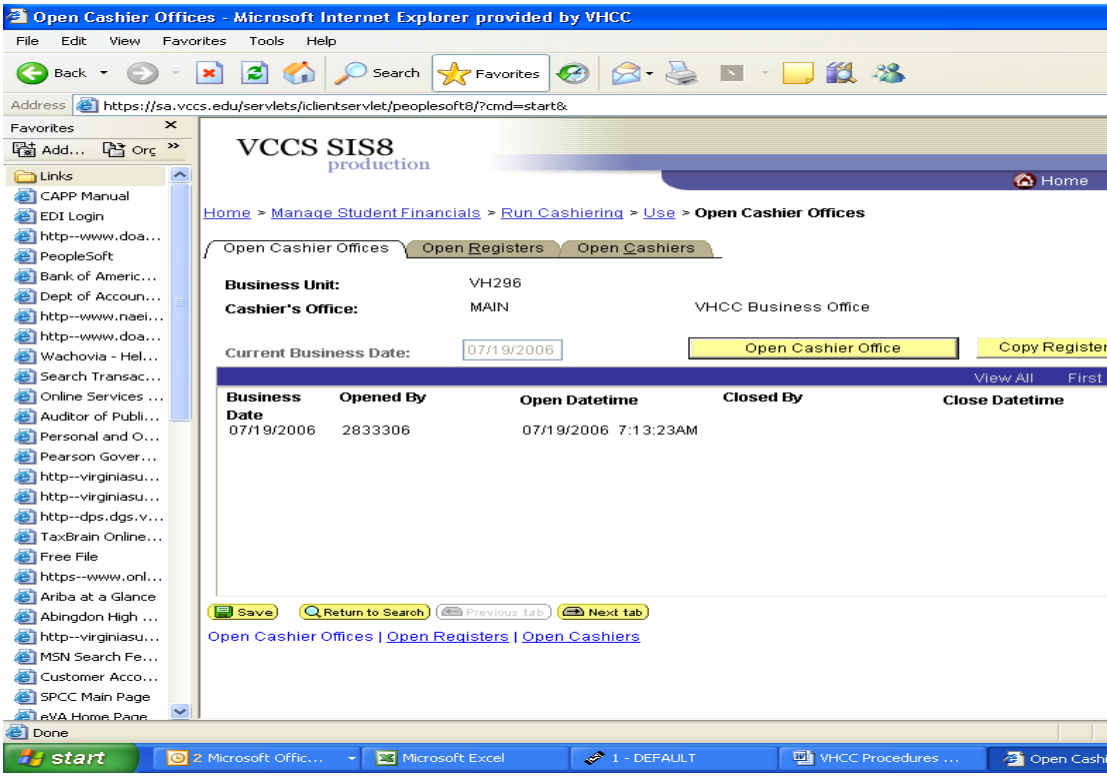
2.1 Obtain and Verify Cash Drawer

At the conclusion of each day the /Cashiering Technician removes the change fund of $100 from the daily collections. The change fund is deposited into the safe for operation the next day. Cashiering Technician balances the collections to cashiering reports for both Local and State transactions. The collections are also deposited into the safe overnight and batched the next day for depositing. The business office maintains one cash drawer with change of $100 and a Petty cash change fund of $60 which is maintained in the safe at all times.(See section 4 Daily Cash Settlement and Deposit Preparation)

2.2 Tuition and Fees Collections (PeopleSoft/Cash Registers)

2.2.1 Opening Cashier Office/ Register/Cashiers

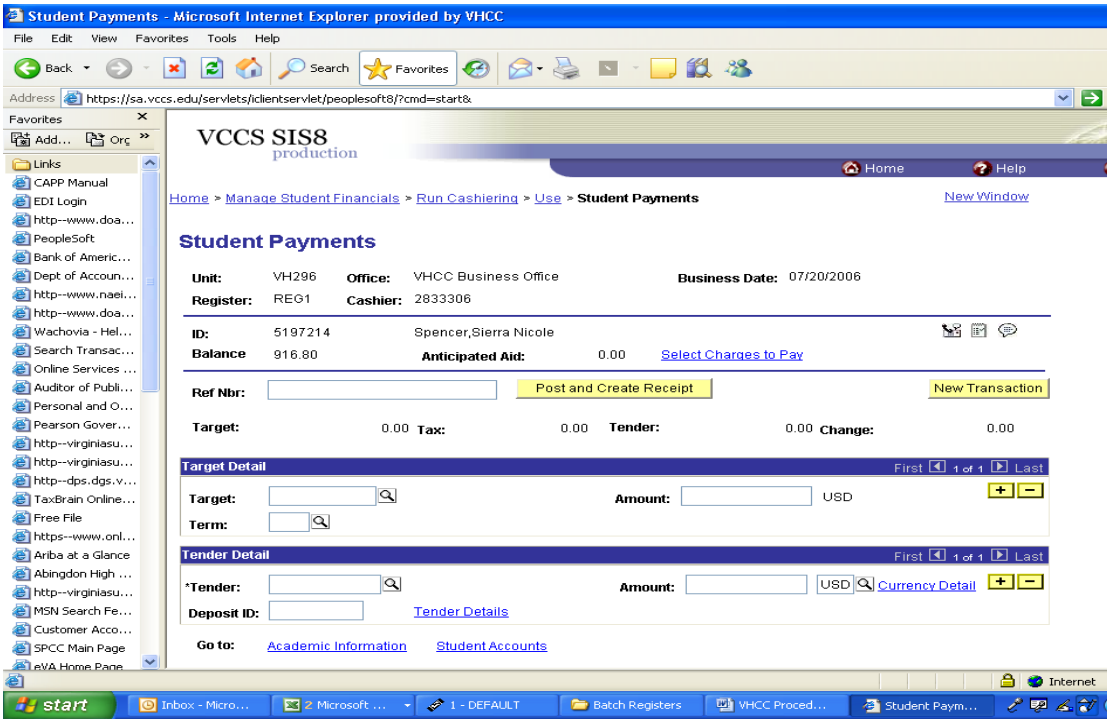
PeopleSoft cash receipting processing requires the user to sign on, open the cashiering Office, open the registers and open the cashiers. At VHCC we have two cashiering Office (Main and Night registration Office) we only us one register (Reg. 1) and multiple cashiers. Target keys (type of transaction, student payment or Corporate Payment) and Tender keys (type of payment, cash, credit etc.) is tied to each cashier and may be restricted by management. All receipt transactions are processed through two Cashiering Panels: Student Payment and Corporate Payment. Below is a screen print outlining the process to activate PS to process tuition and fee collections.



2.2.2 Transactions

Access student accounts on Student Payment Panel by keying their EmplID number. Their account information will be displayed. Select the Target key, (the type of transaction (Stu. Pay or NCR Stu pay) and the Tender type (cash, credit, check and etc.). The system will default to total charges based students current registration. If the student has registered for more than one semester the cashier has to inquiry as to the payment intention of the Payor. If student wants to pay for only one semester's charges the correct term must be entered on the panel to ensure proper posting of the payment amount.

PS SIS allows partial payments. To process less than full payment, overtype the full amount with the amount desired to pay by the Payor. Student Payment Panel is outlined below



Validated transactions may be voided before register closing occurs. Navigate to the Void Receipt Panel and select the desired transaction to Void. All void transaction requires approval by the Business Office Manager or PS Manager/Cashiering Supervisor. The original receipt information alone with the new transaction must be maintained and initialed by one of the approvers noted above.

Corporate (Accounts Receivable transactions action are process in the same matter as noted above. For additional detailed information on all PS navigation, procedures and PS set-up see PS Set-up and Procedures Manuls

2.2.3 Signing - Off

PS SIS is a Web based system which Log-off each user after 30 second of inactive.

At the end of the business day, the Cashiering Technician, PS Manager/Cashiering Supervisor or the Business Office Manager performs the daily closing process by closing each cashier, the register and the cashier Office. After the Office is closed the register total report is run and collections are balance to the Report. The balanced collections are place into the safe for depositing the next day.

2.3 Non-SIS Collections (Cash Register)

2.3.1 Transactions

Non-SIS transactions are recorded through the cash register using a Business Office Receipt. The operator key must be in the operation slot. Complete the business office receipt indicating remitted by, the distribution of the collection, and sign at the bottom acknowledging receipt. Slide the receipt in the validation printer and process the transaction as follows. Key the payment amount; select the transaction type form the payment type panel, **Enter** amount tendered if different from the payment amount key above, then select the tender type (State cash, State check, State CC, Local cash, Local check, Federal cash, Federal check, Petty cash or Petty check).

Always verify cash and cash items tendered before completing the transaction. Use care in selecting the type of payment; ensure that local cash/check, federal cash/check are used appropriately. Credit cards are accepted only for state collections. A credit card may not be used to pay local or federal funds.

Transactions are voided using the Owner's key maintained by the business manager. Remove the Operator's key and replace it with the Owner's key and turn to the appropriate setting. Re-key the transaction in the same matter as previously except using a subtraction key or the refund key. Ensure that the voided transaction is recorded on the same receipt as the original transaction. Examine the receipt to determine the transaction voided correctly. Remove the owner's key and replace with operator's key and reenter the transaction correctly.

The Business Office Manager or Cashier Supervisor must initial the receipt approving the void and the corrective transaction.

2.4 Security of Cash and Cash Items

Cash and cash items must be safeguarded at all times and not left unattended. When the office is closed, all cash and cash items must be locked in the safe located in the business office. (Refer to section 1.2.2 General Office Security for additional details.)

2.5 Investments

Investments consist of certificates of deposit. The Business Manager maintains a manual files on certificate of deposit from different banks in which the college has invested to compare interest rates and ensure that rate is competitive. At the time when a certificate of deposit matures, the Business Manager reviews the files and make phone calls to the varies Banks to determine the highest rate of return and selects the new investments accordingly. *The Vice President of Finance is make aware of all investments before they are made by the Business Manager.* The interest earned on the checking account is recorded at the end of the month by the PS SIS Manager/ Cashiering Supervisor. *VHCC's Accountant verifies interest amounts before they are recorded. The Accountant balances back all CD investments and interest accruals to the accounting system to ensure accuracy.*

3 Accounts Receivable

3.1 Student Registration

Student registration may be charged to pre-approved sponsor on the PS SIS system by establishing a External Organization and Third Party Contract, the External Organization (Sponsor) is tied to the contract and the approved students for which the contract is established are deferred to the contract) This process is completed by the PS Manager/Cashier Supervisor. To maintain a proper accounting/Reporting for Tuition and Fee Receivables, receivable transactions are also posted to our receivable spreadsheet program. The program must be maintained outside of PS because there is not reporting capabilities within the PS Program. **To verify the proper posting of Student receivables to our Accounts Receivable Control;**

quarterly the PS Manager runs a PS Student Trail Balance report and ties the outstanding balances to our Accounts Receivable Control.

3.2 Financial Aid Authorization and Posting

All financial aid awards (federal, state and scholarships) are authorized and entered on PS SIS by the Financial Aid Office. All Financial Aid is posted to the Student's account by a Batch posting process or on some occasion a manual posting process. The batch is established by Financial Aid and released to Business Office for posting, once released, a posting job is released by the PS Manager/Cashier, after the batch has completed the batch totals per FA is compared to the posting batch totals to ensure that the posting was completed accurately. This process is used for Financial Aid types awarded by our FA Office.

3.3 Sponsored Tuition Authorization

A student's sponsored tuition and fees are processed through PS as outlined in section 3.1. The sponsor's are established as third party external organizations. Before tuition and fees are deferred to the sponsor's account, a valid letter of authorization listing the student's name, social security number and academic term must be received and filed in the business office.

Contract Accounts are established for all third party sponsors for each semester. The new contracts are tied to the Third Party sponsor's external Organization number. Sponsored Tuition and Fees may be viewed by Contract number or by External Organization; both will provide detail information on a third party sponsors obligation to VHCC. (See PS Manual for additional information on External Organization and Third Party Sponsors)

After the add/drop period ends for each the semester, the PS Manager, request invoices for each billable account. Printed invoices are verified and one copy mailed to the sponsor to provide details of charges. Invoices amounts are posted to our accounts receivable control maintained outside of PS. The A/R is maintained for Quarterly reporting.

Payments on accounts are receipted using PS receipting as outlined in section 2.2 above. The A/R receipt information is also posted to our Accounts receivable control to ensure proper A/R control and reporting.

3.4 Adjustments to Accounts

Adjustments may be necessary to both Student Receivable and Student Financial Aid accounts.

3.4.1 Student Receivable Accounts

Most adjustments resulting from add/drop of classes are automatically adjusted and reapplied to student receivable accounts through PS SIS in a nightly batch Calculation job. Occasionally, the automated batch calculation may not properly/completely process all necessary adjustments. More frequently, student receivable accounts require manual adjustments as a result of the late arrival of tuition authorizations. Manual adjustments to student receivable accounts are recorded by using PS student Post. This is very powerful tool is only used by the PS Manager and Business Office Manger to make student account adjustments. In addition to Student Post, adjustment may be processed using the following PS tools which are also used only by the PS Manager and Business Office Manager: Payment Reversal, Charge Reversal and Refund reversal. Each required method must be fully documented when used.

3.4.2 Financial Aid Accounts

All Financial Aid Adjustments must be processed by the Financial Office.

3.5 Tuition Refunds

Tuition and Fee refunds are processed after the add/drop period, but prior to processing refunds, a Non-update Tuition and Fee Refund job is scheduled to run overnight. The report is printed, examined and drop dates are verified to official drop input data within PS SIS. Adjustments are posted to accounts if necessary to correct any invalid refunds on the report. After corrections are input and all refunds are determined to valid, the refund job is schedule and ran in update mode. The refund job will update PS for the refunds determined and with intervention by the PS Manager, refunds are uploaded to AIS which interfaces with CARS to transmit the refund information for disbursing through the Treasurer of Virginia. The Refunds process continues throughout the semester until all potential refunds are cleared. (See PS Manual additional details relating to Student Refunding)

Manual refund process may also be used to process refunds when needed or for very small volume refund batches. The PS Manual refund process will update student accounts for the target refund and amount. The manual refund amount must be posted to AIS and CARS through the AIS Batch input process.(See PS manual for additional Manual refund details)

3.6 Non Credit Tuition

Class proposals and student applications are received from the Center for Business Industry. Classes may be billed/paid in three ways: 1) the student pays individually, 2) sponsor pays at the time of the class, 3) sponsor must be billed for the class.

3.6.1 Individual Payments

Payments for non-credit classes from students (or their parents) paying their own tuition is recorded through PS SIS as outline in section 2.2.1.

3.6.2 Sponsored Payments

Payments from sponsors are processed in two ways; payment are received by CBI at the time of the class, CBI batches the receipts and completes a transmittal form and forwards transmittal and receipts are delivered to the Business Office for process. The second method is that payment is received in the Business Office by check form the Sponsor via mail; these payments are applied to the Sponsor's corporate account through PS Corporate Post process. (See the PeopleSoft Manual details relating Third Party Accounts and Payments)

3.6.3 Non-credit Billing

Accounts to be billed are documented by a tuition authorization from the sponsor and the training proposal administered by the Center for Workforce Development. Invoices are prepared using PS as outlined above in section 3.3 Sponsored Tuition Authorization.

Payments received for invoiced non-credit proposals are verified against the invoice and processed as outlined above in Section 3.6.2.

3.7 Work Study Accounts Receivable

The financial aid office obtains invoice control number through our Account Receivable Control program from Purchasing Assistant. Financial Aid Office prepares Invoices from copies of bi-weekly time sheets for billable off-campus work study payroll accounts. Off-campus employers agree to pay 50% of work study wages paid unless they negotiate a reduced rate with the financial aid office. Invoices are prepared and sent to employers monthly using an invoice format on Lotus detailing the student's name, period and total hours worked and the total amount due.

Payments are received in the Business Office receipt as an expenditure refund to account 20301-250005-61146 (Federal Work Study) or 10300-154002-61146

(Institutional Work Study) as described in section 2.3 Non-SIS Collections. Original receipt is filed with the invoice in the accounts receivable file. Yellow copy of receipt is maintained with the daily deposit batch.

3.8 Locality Contributions

Local governments in our service region provide financial support to the college's local unrestricted funds, the Small Business Development Center and local capital projects. Each year when their annual budgets are finalized, they inform the President's Office of their intended commitments for the coming year.

Each locality forwards payments quarterly (August, November, February, and May) for their committed financial support. Payments received are receipted on a Business Office receipt and deposited in total into each locality prospective local account. Small Business Development support is deposited in our local clearing account and disbursed for depositing to state funds. PS manager/Cashier supervisor prepares a disbursement voucher which is forwarded to Account Payable to process a local check payable to VHCC State Funds for the portion of the Local commitment that should be deposited to the credit of Small Business Development Center.

. The Small Business Development Center's funds are recorded on a Business Office receipt as "State Funds" in account 20302-236009-40441.

3.9 Collection Efforts/Returned Checks

When a student has an insufficient funds check, the bank (Bank of America) where our Treasurer of Virginia account is located notifies (by phone) the PeopleSoft Manager/Cashiering Supervisor or Business Office Manager that the check has been returned. The PeopleSoft Manager/Cashiering Supervisor prepares a check from petty cash in the amount of the returned check and sends the petty cash check to the bank by the Security. Security brings the insufficient funds check (or copy of that check) back to the PeopleSoft Manager/Cashiering Supervisor the PeopleSoft Manager/Cashiering Supervisor prints a copy of the student's original receipt.
The PeopleSoft Manager/Cashiering Supervisor or Business Manager sends written notification to the student and allows them 7 days to repay the college for the insufficient funds check plus a $15.00 returned check fee by cashiers check, cash or money order. The PeopleSoft Manager/Cashiering Supervisor may also call the student to notify them of the returned check. The check information is put in a returned check log book. If the check is not paid within the specified time period, the PeopleSoft Manager/Cashiering Supervisor will send e-mail notification to the Admissions Office to remove the student from class due to an insufficient funds check. The PeopleSoft Manager/Cashiering Supervisor processes a manual refund (refund does not actually produce a check) against the students account to clear the account in SIS. The Business Manager request periodically a revenue refund voucher for the amount of the check(s) and the revenue refund is deposited into petty cash account by EDI. If the student does pay the check within the time period, the cashier prepares an receipt for the funds via cash register and a deposit is sent to the petty cash bank. The $15.00 is put into the cash register and posted as a Bad Check Fee and deposited as State Funds. The student will be put on set-off debt if the amount owed is still outstanding in November when set-off debt records are recorded into the IRMS system (Virginia Department of Taxation set-off debt system) along with a DBT (Debt to College-Tuition) service indicator on their SIS account.
Local fund checks are charged back to the local fund checking account and written notification is received from the bank along with a copy of the returned check. Insufficient fund checks for local funds are collected in a similar manner.

3.10 Collection Efforts

Past due notices along with a copy of the original invoice are sent at 30 and 60 days past due. Due notices are sent by Credit Collection Services, Inc (CCS). for any Student related receivable account. Accounts that are over 60 days are turned over to CCS, Inc for collections.

3.11 Debt Set Off

Accounts more than 60 days past due are reported to the Department of Taxable for participation in the Debt Set-Off Program.

3.12 VHCC has developed it own Accounts Receivable Control and Reporting System. Accounts receivable and payment transactions are recorded on the system and reconciled to AIS and SIS. The system was developed due to the fact that there is no complete Accounts Receivable system for AIS and SIS. Our accounts receivable system is an excel base system that uses interrelated workbooks to provide Accounts receivable control totals, Aging, A/R allowances, A/R classification and quarterly reporting information. *Aging and A/R allowances are computed by formula using the date in which receivables were posted.*

4 Daily Cash Settlement and Deposit Preparation

PS Manger/Cashier Supervisor and Business Office Manger prepares daily cash settlements. Due to limited staff size both may be involved in the collection of receipts during very busy collection period.

4.1 Obtain Closing Reports

The PS SIS/Cash register is obtained by requesting the register totals for current business day and balanced at the end of each day and the register total report is placed in office of the PS Manager/Cashier Supervisor's Office. Refer to Section 2.2.3 Tuition and Fees – Signing Off for additional information. First thing each morning, the PS Manager/ Cashier Supervisor obtains cash from the safe, and closing information including Credit Card settlement tapes, cash register close-out z reading and the PS register totals.

The cash register used for non-SIS collections is cleared at the end of each day by turning the operator key to the z reading position and touching the subtotal button. The register will clear the current day transactions and print a detail settlement sheet by revenue type and fund type. The register also has a journey tape that records and assigns receipt numbers, dates and time stamps each transaction. After printing is complete remove both tapes from the register and rethread spool to ready the register for operation.

Obtain credit card closing report by pressing settlement tab and entering pass-word and Enter. The report will print if there were transactions and the machine will automatically reset, otherwise the machine will display **No Transactions**.

4.2 Cash Verification

There are two groups of money to be settled (PS SIS Cash register cash drawer and collections from the cash register. Each group of collections must be counted and verified by type (cash or check) to the applicable closing report before the cash settlement report and deposit(s) are prepared. Discrepancies between cash or check and cash shortage/overage must be identified and explained in detail on the closing report. The business manager must approve the explanation of these discrepancies.

The business office maintains one (1) SIS register cash drawers. The drawer maintains $100 change fund. To balance these drawers, first reestablish the change fund ensuring good distribution of coin and currency. Generally, $2 - $3 each of

nickels, dimes and quarters; $25 - $35 each of ones, fives and tens will provide adequate distribution of the change fund. No more than $20 should be maintained in a twenty or larger bill. When necessary, large bills may be sent to the bank for change.

After the change fund is reestablished, count and verify the remaining cash, checks and credit card charges to the SIS closing report. Investigate and document discrepancies. All cash overages must be identified and included in the local deposit for the day to account **406300-61312 Cash Over/Short**. Any cash shortage must be immediately reported to the Business Manager. If the shortage occurs in the SIS register, a local funds check must be drawn on account **406300-61312** to account for the difference. Other shortages must be included in the local deposit and recorded as a debit to account **406020-61312**.

The cash register does not maintain a change fund. All collections are settled and deposited daily. These collections may be divided into four possible deposits (Local, Bookstore, Petty Cash or included with SIS collections in the State deposit). Count and verify cash, checks and credit card charges to the cash register closing report. Investigate and document discrepancies. Review the closing report and the transaction detail register tape to determine payment types agree with receipt type (i.e. Local Cash/Check transaction matches with a Local Receipt transaction). Separate collections into deposits (State, Local, Bookstore, and/or Petty Cash).

4.3 Cash Settlement and Deposit Preparation

After cash and cash items have been verified and agreed to closing reports for both the PS SIS Cash register and cash registers, process the cash settlement and deposit distribution using the Bank Deposit workbook template in Excel. ***Cash Settlement***

4.3.1 The ***Cash Settlement*** worksheet is used to document all deposits for the day. Beginning at the top of the form, complete all fields as necessary. Enter the current date and the State DC number from the deposit ticket (this is the unique eight digit number **5296**#### that has been encoded on each deposit ticket). Credit card charges must be recorded as a separate document and thereby must have an eight digit number assigned. The formulation of the document number used for credit card charges begins with 6296 (6 no meaning; 296 identifies VHCC) and the last four digits are continuous assigned numbers maintained in our log.

4.3.2 Complete the validation numbers used (from and through) for each register. The beginning validation numbers must be continuous with the ending validation numbers of the previous day.

4.3.3 Distribute the collections by cash, check, and credit card for each register beginning with the Cash Register and include distributions of Local, State, Bookstore and Petty Cash. Include PS SIS/cash Registers. This section of the worksheet summarizes collections by type and reconciles to deposits to each bank account.

4.3.4 The next section of the cash settlement report distributes each deposit to AIS accounts for recording. There are three separate distributions one for each bank deposit (state, local and bookstore). The most commonly used accounts are listed on the form. Space is provided to detail other revenues or expenditure refunds. Columns are provided for PSSIS/cash Registers and the Non SIS Cash Register. Enter distributions from the closing reports. More detail than the closing report provides may be required of collections recorded through the Cash Register. Review the batch copy of the business office receipt to determine appropriate classification. If classification cannot be determined, ask for assistance from the Accountant or Business Manager.

4.3.5 The state revenue section requires a separate breakdown of credit card charges for recording on AIS. Refer back to paragraph 4.3.1 for more information. Each of the revenue distribution sections automatically check distribution totals to amounts reflected in the cash settlement summary. When the amounts agree, **OK** appears directly under the distribution total. **ERROR** will appear if the amounts do not agree.

4.3.6 Print a copy of each worksheet to be filed with the daily batch file.

4.3.7 When the ***Cash Settlement*** worksheet is complete and distributions agree to the settlement summary, complete the information on the deposit tickets and pre-numbered deposit bags provided by Wachovia and Bank of America. For the state deposit, note "See attached list" instead of listing checks in the deposit and include a copy of the list prepared in section 4.3.6 above. On the deposit bags and the tear-off receipt, detail date, account (VHCC State, VHCC Local, etc.), and amount deposited and preparer's initials. Attach tear-off receipt to the Cash Settlement Report to be filed with the batch.

4.3.8 Sealed deposit bags are signed for by VHCC Security and taken to the Banks at random times. The validated deposits slips are returned to the cashiering assistant. The state deposit slips is given to the PS Manager/Cashiering Supervisor for filing and verification. The local fund deposits slips are held for recording deposit on the online check register and than returned to the PS Manager/Cashiering Supervisor for verification and filing.

4.4 Recording Deposits on AIS

Deposits are recorded on AIS using the ***Cash Settlement*** worksheet printed in section 4.3.8 Cash Settlement and Deposit Preparation. Bookstore deposits are also recorded on AIS. Obtain the Daily Cash Settlement and register closing reports and use these procedures to record the receipts. All cash receipts are recorded as Data Collect Batches on AIS deposit screen.

4.4.1 Complete the batch reference information and assign a batch number using the batch log maintained in Excel on the business office shared drive "Z/Shares/Business Office". All cash receipts batches will be **7A** agency list batches.

4.4.2 Open a data collect batch using AIS deposit. State deposits are recorded using deposit format SATV. All other deposits are recorded using other formats as outline in the deposit menu.

4.4.3 When recording state deposits, always enter the eight digit DC number (**5299****) described above in section 4.3.1, as the document number for both cash/check and credit card state deposits. **Effective 8/16/99**, "Deposit Type" must be reported for all state deposit batches recorded for deposit format SATV . Use deposit type code **01** to report cash/check deposits or **05A** to report credit card deposits.

4.4.4 Enter the transactions from the Cash Settlement Report. Be as descriptive as possible when identifying transactions. For example, Current In-State Tuition, Vending-Coca Cola, or Taxable Sales.

4.4.5 Retain a screen print of the closed batch in the daily deposit file.

4.5 AIS Verification

The following business day, match the batch header; magnetic media interface form (MMIF), daily diagnostics and daily cash receipts to the deposit batch.

4.5.1 Ensure each transaction recorded correctly and no items rejected or recorded to suspense. Identify any corrections and reference correcting batch number.

4.5.2 Assemble daily deposit file. File batch headers, daily cash receipts, bank deposit receipts and Cash Settlement Reports in the front of the file. Retain batch copies of SIS validation receipts and business office receipts along with daily closing reports. Bookstore deposits are filed separately.

4.5.3 Forward both of the deposit files to the Accountant or Business Manager for review and approval.

4.6 Reconciliation

Cash receipts are reconciled monthly during the reconciliation of AIS/CARS for state receipts and during bank reconciliation of each local bank account. Discrepancies are investigated and necessary corrective action taken. See section 13 Reconciliation for procedures.

5 Federal Drawdown and Reimbursement

VHCC receives advance funded and reimbursable type federal grants as well as Title IV student financial aid program funds. Drawdown procedures apply to the advance funded Federal programs and Title IV SFA programs and include PELL, SEOG, FWS, Title III, Student Support, and Talent Search. Drawdowns are based on actual expenditures, estimated payroll expenses and the balance of Federal cash on hand.

Reimbursable grants require expenditure of college M & O funds with subsequent reimbursement from the granting agency. These grants include Vocational Education grants (Carl Perkins and Gender Equity) and Small Business Development funds.

5.1 Student Financial Aid

5.1.1 Drawdowns for Student Financial Aid awards are based on a Financial Aid calendar of events developed for each semester. FA determine the dates in which FA is disbursed to the students for posting. FA notifies the Business Office of Financial Aid disbursements, the batches are determined and verified to the supporting documentation that is provided by the Financial Aid Office. Once verified, the Financial Aid Disbursements are Posted to the students Accounts.

5.1.2 To determine the amount of the drawdown, a Payment distribution report requested. This report provides the positive remaining balance of awards, tuition and fees and bookstore charges applied against the aid programs. This report is obtained for each aid program. Once received, the amount of drawdown is determined by adding the remaining positive award balances from the Payment Distribution report for each type of aid. The amount documented by the Payment Distribution report is retained for future reference and support documentation.

5.1.3 The Business Manager prepares the drawdown amount supported by the Payment distribution report, After approval a request for funds is submitted to the Department of Education via the internet using EDCAPS (Education Central Automated Processing Systems). The funds are electronically transferred as scheduled (default is three days) on the EDCAPS submission to our Local bank account. On the scheduled transfer date, the funds are verified as deposited by accessing the federal account on-line or by phone call. EDCAPS may be used to verify the status of previous payment request

submissions. A manual receipt and AIS **7A** batch is processed to record the receipt of the federal funds onto AIS. (Note: Federal Work Study uses the same procedures described below for Advance Funded Grants.)

5.2 Advance Funded Grants

5.2.1 Grant and Contract advances are based on actual accounts payable expenditures and estimated payroll expenditures. The amount of the drawdown is determined using our shared Federal Funds Worksheet located in our Business Office Network Drive. Our Accounts Payable Technician posts all federal fund vouchers to the worksheet as they are processed. The Payroll Office provides payroll information by email for each payroll that is processed, this information is recorded on the Federal Funds Worksheet by Fiscal Assistant or Business Manager. The sheet describes each grant by account number and amount.

5.2.2 The Federal Funds worksheet is used to submit a payment request through EDCAPS as noted above in the Student Financial Aid procedures. The procedures are the same as above after approval by the business manager and include the following additional procedure. After the AIS **7A** batch is processed, a **3A** (disbursement) batch is required to record the transfer of Federal funds from the local Federal bank account for deposit with the Treasurer of Virginia. Drawdowns are usually obtained twice monthly to provide funding for payroll costs. To prevent excess cash, grants and contract accounts usually maintain a small negative balance.

5.3 Reimbursable Grants

5.3.1 All reimbursable grants are administered by other state agencies. Usually these grants pass through the Department of Education or the Small Business Development Agency.

5.3.2 Reimbursable grants require expenditure of college M & O funds with subsequent reimbursement from the granting agency. Based upon the reporting schedule (usually quarterly) defined in the grant agreement, reimbursement reports are prepared from AIS **FBM092** reports by the project manager and forwarded to the business office.

5.3.3 After review by the Accountant or Business Manager, an Interagency Transfer Voucher is prepared and forwarded along with the reimbursement request to the granting agency. Copies of the IAT are forwarded 1) to the project manager for their file, 2) the Fiscal Technician Senior to assist in review of the **ACTR0401W** for recording the credit, and 3) business office grant file along with a copy of the reimbursement request.

5.3.4 When the reimbursement is received, an Agency Transfer Voucher is prepared to transfer expenditures from M & O accounts to the grant account using a **6A** batch type. Copies of the **FBM092** provide support for the transfer.

5.4 Indirect Costs and Administrative Cost Allowances

As a division of the Virginia Community College System, we do not prepare an indirect cost allocation plan or cost proposal. Administrative cost rates are negotiated for each grant agreement when such costs are allowed. The rate usually ranges from 6 to 8 percent of the total budgeted expenditures or may be limited to specific categories of expenditures such as personal services.

Indirect or administrative cost recoveries are obtained in lump sum for advance funded grants. For reimbursable grants, recoveries are obtained throughout the grant period during the periodic reimbursement. Transfers of state grant

indirect/administrative cost recoveries are made using a **6A** batch type. Local/federal checks are issued to transfer recoveries from locally maintained grants and SFA programs.

All indirect/administrative cost recoveries are deposited as state funds into a group of accounts specified for administrative cost recoveries. The accounts are:

10090040412	Federal Administrative Costs
10090040413	SEOG Administrative Costs
10090040414	PELL Administrative Costs
10090040432	State Administrative Costs (i.e. ODU)
10090040444	Private Administrative Costs

6 Budget

Budgets are developed for both state and local operating accounts. The local operating budget is approved by the local College Board. Normally budget revisions, adjustments or transfers do not occur in the local funds budget. This section focuses primarily on the state M & O budget procedures. The buyer specialist with assistance and review from the Accountant perform functions related to budget recordation and maintenance.

6.1 Original Budgets

The VCCS Budget Office controls state budgets. The VCCS budget model allocates budget to all 23 colleges based upon three years average enrollment. The largest portion of the state M & O budget supports personal service costs.

Excel worksheets are used to calculate personal service costs (salaries and fringes) for faculty, administrators and classified employees. The worksheets start with current salary amounts; calculate approved increases and fringe benefits at established rates for all full time employees. Insurance costs for the coming year are obtained from the Department of Risk Management. Utilities are estimated based upon historical cost with a reasonable expected increase and consideration for any major factors (bringing a new facility on-line). After personal service and fixed costs have been estimated, the remainder of the total budget is allocated for departmental operating budgets based upon prior operating budgets and actual expenditures with consideration given to needs identified in budget planning documents.

When all budget allocations are complete, personal service costs and operating budgets are consolidated into a document used for data entry to AIS. Original budgets are recorded in the current fiscal year with a **BA** batch type using screens **050/084**. Original budgets for the next fiscal year may be recorded prior to July 1 with a **BA** batch type using screens **050/089**.

6.2 Revisions

Budget revisions usually are developed by the VCCS Budget Office and include increases/decreases from base enrollment to actual enrollment, additional state grants, etc. We may also request budget revisions to allow for increased revenue collections over original estimates (i.e. non-credit revenue or indirect cost recoveries exceed original revenue estimates). Budget revisions are recorded with a **BA** batch type using screens **050/085**.

6.3 Transfers

Budget transfers are usually made at the request of budget managers or executive management. Transfers allow management flexibility to fully utilize resources to best meet the needs/goals of the college. Budget managers may request transfer of available budget between accounts under his/her budgetary control without approval from executive management. Transfers between accounts having different budgetary managers must be initiated by the manager providing the funds or executive

management. Budget transfers are recorded with a **BA** batch type using screens **050/086**.

Routine budget transfers are made periodically to transfer budget from budget holding accounts for lecturers and part-time payrolls to departmental accounts where personal service expenditures were actually charged.

6.4 Monthly Reports

Budgetary managers have online access to AIS accounts within their control and responsibility. Managers may request hard copies of the **FBM092** for any month as needed for financial reporting.

6.5 Adjustments/Corrections

Upon review of the monthly AIS **FBM092** reports, budgetary managers may identify transactions requiring adjustment or correction of accounts. Some transactions may require assistance from Accounts Payable personnel to properly research and resolve the issue. Necessary adjustments are processed by VHCC Accountant. Adjustments/corrections to state accounts are recorded with a ATV Journal Entry. Adjustments/corrections to local accounts are recorded with a Local Journal Entry. (Refer to section 12 Adjustments for more information)

6.6 Local Funds

VHCC executive management develops and submits local fund budgets to the local College Board for approval. Budgets are developed based upon historical use limited to the contributions agreed to by localities in the service area and consider current strategic initiatives of the college.

The budgets are recorded in a two step process. First, a Budget Journal records the original budget for each expenditure ledger account using Budget Journal. Second, non-mandatory cash transfers to support the estimated revenue collection are recorded by a ATV Journal entry. Transfers are made from general ledger fund 40001 (account control **5940** or **5970**) into each general ledger account using account control **4940**.

6.7 Student Activity Clubs

The VP of Instruction and Student Services develops the student activity club budgets after receipt and consideration of requests and justifications from the club advisors. The budgets are then submitted to the local College Board for approval.

The budgets are recorded in a two step process similar to local fund budgets. First, a Budget Journal records the original budget for each expenditure ledger account. Second, a local fund disbursement is recorded in account 40002 **Vending Fund** to establish revenue in each of the student club accounts using revenue source 4**9991**. This transaction is recorded through a ATV Journal entry.

7 Purchasing

This section provides a brief overview of college purchasing procedures that are more fully described in the VHCC Purchasing Manual and further supported by the DPS Agency Procurement and Surplus Property Manual. The buyer specialist serves as the VHCC purchasing officer.

7.1 Purchasing Levels

The following table provides a brief summary of thresholds for purchases of goods, printing and nonprofessional services. These thresholds apply to all purchases

Annex 3-B

Summary of Procurement Policies

I. Small Purchases - Goods and Services, other than Professional Services

purchases of any amount require written justification and must be approved in advance by the President or Dean of Finance. In addition, sole source purchases over $10,000 require approval from the Governor's office.

7.2 State Contract – Mandatory Source

The VHCC purchasing officer may issue purchase orders in any amount for any goods or service listed on a term state contract. If an item is available on state contract, VHCC cannot use local purchasing authority to purchase the goods/service from any other source unless the purchase is exempt by contract terms. Current state contracts are on line.

7.3 Small Purchase Charge Cards

Departments across campus have been designated for participation in the Small Purchase Charge Card program. Departmental/division secretaries are the specific designees for whom Small Purchase Charge Cards are issued. Through campus-wide cardholders, VHCC hopes to increase Small Purchase Charge Card utilization and thereby reduce to number of vouchers processed for payment.

Cardholders are responsible for maintaining a log of all charge purchases using an Excel worksheet. The worksheet fulfills the documentation requirements for small purchases up to $5,000. Purchase requests and pre-approval by the VHCC purchasing officer are not required; therefore, purchases are not encumbered. Use of the Small Purchase Charge Card indicates that the cardholder accepts responsibility that purchases are being made for official business purposes benefiting the college, comply with terms of state contracts and that adequate budget balance is available in the account to be charged for the expenditure.

At the end of the billing cycle, completed logs are forwarded to Accounts Payable personnel in the business office. Logs will be verified to Small Purchase Charge Card statements and consolidated for processing on AIS.

Small Purchase Charge Cards should be used for across the counter purchases and may not be used for lodging or travel expenses.

Being designated a Small Purchase Cardholder is a privilege. Abuse or continued misuse of the card or failure to maintain Card Purchase Logs completely and currently could result in having the Small Purchase Charge Card suspended.

To ensure SPCC purchase transactions are properly accounted for in reference to controllable and reportable assets, our Budget/Accountant Office has access to our SPCC reconciliation and payment excels files. These file are review by object code to ensure the proper disposition of controllable or reportable acquired assets.

7.4 Purchase Request and Approvals

Before any purchase including purchases described in section 7.3 (Small Purchase Charge Card), staff must complete an VHCC Purchase Request form and obtain approvals from the appropriate department head, all other purchases excluding purchases described in section 7.3 Small Purchase Charge Card must be approved by the VHCC Purchasing Officer or Business Manager prior to ordering goods or services

Unless otherwise agreed, original requesters will be responsible for placing orders for small purchases up to $5,000 after receiving an approved purchase request with a properly assigned PR number. All purchase orders exceeding $5,000 must be placed by the purchasing officer.

7.5 Encumbrance

All approved purchase requests are encumbered against the designated budget account. Purchases made using the procedures described in section 7.3 Small Purchase Charge Card are not encumbered. When invoices are recorded on AIS, encumbrances automatically liquidate. In some instances, encumbrances do not automatically liquidate and must be manually identified and reversed. Budgetary managers should identify liquidated encumbrances during the monthly reconciliation process and request correction by the purchasing officer. Also, the AIS **Open Commitment Report** is reviewed for open encumbrances with unreasonable dates.

7.6 Receiving

VHCC does not have central shipping and receiving. Most deliveries are made directly to the person who requested the order. The requester inspects the delivery to determine the goods are acceptable and the order complete. A receiving report is completed and forwarded to Accounts Payable to be matched with the purchase request and invoice and AIS processing.

8 Accounts Payable

8.1 State

8.1.1 Travel

All travel reimbursements are made in accordance with State Travel Regulations specified in CAPP Manual section **20335 - Travel**.

*Upon receipt in the business office, all travel vouchers are date stamped. The fiscal technician reviews the travel voucher to ensure complete documentation (properly approved Travel Estimate Worksheet, lodging receipts, etc.), proper approvals and accuracy of calculations. Notations are added to summarize charges by object code. Batch processing is used to record travel vouchers. Vouchers are keyed to AIS with **2P** batch type using Accounts Payable Vendor Payment screens .*

After processing batches are held until the following business day to be matched with daily diagnostics and batch headers. Account numbers and amounts are reviewed and necessary corrections are noted and recorded. Entire batch package (header, diagnostics and support) is forwarded to the business manager for review and approval. Approved batches are filed with final accounting documents in the business office.

8.1.2 Vendor Payments

All payments are made in accordance with Commonwealth Policies and Procedures specified in CAPP Manual section **20310 – Expenditures** and section **20315 – Prompt Pay**.

Upon receipt in the business office, all invoices, receiving reports and purchase requests are date stamped. The fiscal technician matches invoices and receiving reports to appropriate purchase request. If necessary, the fiscal technician obtains additional, necessary supporting documentation to authorize payment of the invoice.

After matching necessary supporting documentation to invoices, all invoices are assigned object code distribution, assign voucher number, assemble the batch and calculate batch control totals.

Batch processing is used to record expenditure vouchers. Vouchers are keyed to AIS with either **3P** or **XP** batch types using AIS A/P screens. Batch

numbers are assigned and maintained on an Excel spreadsheet titled BATCH Log located on Drive Z of the LAN.

After processing batches are held until the following business day to be matched with daily diagnostics and batch headers. Account numbers and amounts are reviewed and necessary corrections are noted and recorded. Entire batch package (header, diagnostics and support) is forwarded to the business manager for review and approval. Approved batches are filed with final accounting documents in the business office.

8.1.3 Interagency Transfers

All payments are made in accordance with Commonwealth Policies and Procedures specified in CAPP Manual section **20310 – Expenditures** and section **20315 – Prompt Pay**.

IAT's are no longer processed by VCCS and member Colleges. All EDI receipts form other state agencies are recorded by the college using CARS bank 0143 as a Batch Type 4 and a Deposit Type 4.

The old IAT procedures will remain for documentation purposes. The business office processes both debit (payment) and credit (receipt) Interagency Transfers (IAT's) to record payments to or from other state agencies who accept this payment process. Decentralized agencies including the major four-year institutions do not accept the IAT process and normal expenditure procedures described in section 8.1.2 Vendor Payments must be followed.

Debit IAT's

Upon receipt in the business office, all debit IAT invoices are date stamped. The fiscal technician senior matches the IAT to the receiving report and purchase request or other support documentation and reviews for type of payment requested.

After matching with necessary supporting documentation, all IAT's are forwarded to the fiscal technician to note object code distribution and assign a voucher number. All debit IAT's received during the week are consolidated and assembled into one batch each Friday to streamline weekly processing.

IAT batches must be keyed independently to AIS and on-line CARS. Debit IAT's are keyed to AIS with a **4P** batch type using screens **150/S69** and then keyed to CARS using on-line processing screens. Batch numbers are assigned and maintained in the same manner described in 8.1.2 Vendor Payments.

After processing, a copy of the IAT is returned to the credit agency initiating the transaction. Batches are held until the following business day to be matched with daily diagnostics and batch headers. Account numbers and amounts are reviewed and necessary corrections are noted and recorded. Entire batch package (header, diagnostics and support) is forwarded to the business manager for review and approval. Approved batches are filed with final accounting documents in the business office.

Credit IAT's

Credit IAT's are initiated by business office personnel to bill other state agencies for goods, services or grant reimbursement due and payable. Copies of all credit IAT's are forwarded to the fiscal technician senior.

Receipt of payment is identified by review of the weekly ACTR0401 reports of transactions posted to CARS which indicates payment processing by the debit (bill to) agency. Batches are assembled and the credit is posted to AIS only with a **4A** batch type using screens **050/S90**.

Batches are held until the next business day for verification with the daily diagnostics and forwarded to the business manager for review and approval before being filed with final accounting documents.

8.1.4 Petty Cash

All payments are made in accordance with Commonwealth Policies and Procedures specified in CAPP Manual section **20330 – Petty Cash**.

Petty cash is maintained on an imprest basis. The current amount of petty cash authorized and maintained is $2,000. This amount includes change funds as follows: $100 VHCC business office, $100 VHCC Night Office, $15 Library, 60 Petty Cash Box and $50 Abingdon Post Office Business Reply/Postage. The total of the petty cash check book balance, change funds, NSF checks due and un-reimbursed expenses must always reconcile to the total $2,000 authorized amount. The petty cash bank account is reconciled to the checkbook balance each month.

The petty cash account is used to "purchase" NSF checks deposited to the credit of the Treasurer of VA. Reimbursements of NSF checks are deposited back into the petty cash account when received. If NSF checks have not been reimbursed at the end of the fiscal year, a revenue refund voucher is processed to replenish the petty cash account from current tuition revenue.

Petty cash checks are issued upon request for small, non-recurring expenses with payment restrictions not allowing time to process and receive an "X" batch check from the Treasurer of VA (registrations, subscriptions, etc.) and must be accompanied by proper supporting documentation. Petty cash checks must not exceed $750 and require only one authorizing signature (see authorized signatures in section 1.7 Check Review and Approval). The Cashier Supervisor/PeopleSoft Manager maintains the petty cash checkbook and account balance.

All petty cash checks issued are recorded on the Petty Cash check register. A petty cash reimbursement voucher is processed as needed to maintain adequate Petty Cash. The voucher is processed at less once monthly.

Batch processing is used to record petty cash reimbursement vouchers. Vouchers are keyed to AIS with **PP** batch type. Batch numbers are assigned and maintained on an Excel spreadsheet titled VHCC Batch Log located on Drive Z of the LAN.

After processing the batch is held until the following business day to be matched with daily diagnostic and batch header. Account numbers and amounts are reviewed and necessary corrections are noted and recorded. Entire batch package (header, diagnostics and support) is forwarded to the business manager for review and approval. Approved batches are filed with final accounting documents in the business office.

8.1.5 Revenue Refunds

Revenue refunds are generally related to tuition and fees and students financial aid programs refunds. Tuition and fees and Student Aid refunds are processed as an automated job from SIS and interfaces with AIS.

Local fund payments are recorded by accounts payable using the **AIS On-Line Check Write** process. Purchase requests are matched to invoices, receipts, receiving reports and other necessary documentation to support payment.

Local funds batches are normally processed once each week but may be processed more frequently if needed. Invoices and support are reviewed for completeness and a notation of account code distribution is added. Batches are assembled and batch totals calculated.

Invoices are recorded and hecks are written using a multi-step on-line process in AIS. Batches are entered with a V**3P** batch type using AIS AP screens.

For more detailed information for processing checks on-line, refer to the **AIS On-Line Check Write** manual.

9 Financial Aid Disbursements (Federal, and State)

9.1 Disbursement of Award Balances to Students

All financial Aid assistance at VHCC is disbursed in accordance with Financial Aid's time table for Aid disbursement. All student financial assistance is disbursed by check and mailed to the students using their official address of record recorded on SIS (Student Information System). All Aid checks are processed through PeopleSoft SIS via upload process from SIS to AIS to CARS or the Treasury of Virginia. As noted all checks are issue from the Treasury of Virginia. The process is implemented by the Cashiering Supervisor/ PeopleSoft Manager. This process is implemented by activating a series of ordered steps for each Financial Aid type. Details of the steps are documented in the PeopleSoft procedures Manual.

9.2 Batch Posting Collections of Tuition Charges

Payments to sponsored tuition accounts are posted on PeopleSoft SIS as described in section 3.3 Sponsored Tuition Authorization. .

10 Fixed Assets

See Fixed Asset Procedures Manual:

11 Payroll and Leave Accounting

Reserved for future use.

12 Adjustments

Adjustments are identified throughout the data entry verification process. Review of the daily diagnostics and comparison to source documents identifies most errors that require correction including transactions that rejected processing or processed to suspense due to incorrect/invalid account numbers. Corrections and adjustments are also be identified by budgetary managers during their monthly review and reconciliation process.

12.1 Corrections

Entries that properly process to an incorrect account require correction or adjustment to reclassify the transaction to the correct account. Copies of the original transaction with a brief note explaining the reason for adjustment shall constitute adequate supporting documentation for the entry.

12.1.1 State

Corrections to state accounts are made by an Agency Transfer Voucher (ATV) entry using a Journal Entry Create. These entries interface from AIS to CARS.

12.1.2 Local

Simple journal entries to adjust local, bookstore and federal accounts are made with a Local Journal Entry.

12.2 Rejected Transactions

Rejected transactions are clearly identified on the daily diagnostic reports. The reason for rejection must be determined and the transaction re-entered using the same batch type as the original entry with reference to the original batch ID. A notation should be made on the original batch to refer to the correction batch ID.

12.3 Suspense

Transactions that post to the accounting system with an invalid account number or an account control/object code that fails the AIS global subcode edit (GSE) are recorded in suspense accounts.(161999-29100) To clear the balance in 161999- 29100 or 29200 a journal class of SSDC (State SIS - Default Clearing) to properly effect the required CARS transactions.

12.4 CARS Error File

The CARS Error File is reviewed daily to determine whether any transactions rejected when interfaced to CARS. To check the error file, access Online CARS screen **45**. Key **S** to start the search, **296** for our agency number and enter. The message at the bottom of the screen will display **END OF LOGICAL FILE** if the error file is empty. Any vouchers in the error file will be displayed with an error code. Determine the meaning of the code by review of the CARS error code listing detailed in the CAPP Manual section **70250 - Error Messages** to determine resolution. Necessary corrective action must be described on a CARS Error Correction form and faxed to DOA for entry.

Online CARS screen **46** is used to verify that all batches have successfully went to the CARS History File. Key **S** to start the search, **1** to indicate search by batch ID, **299** for our agency number and **MMDDYY** to identify the batch date desired. Batches interfacing from AIS require two (2) days processing to reach CARS; therefore use the date from two business days prior to the current date to view only the most recent batches processed. Batch status code **8** indicates that the batch has successfully written to the CARS History File without error. CAPP Manual section **70215 – CARS Online Terminal Guide**, subsection **200**, part **V** provides full description of all batch status codes **1** through **9**.

12.5 CARS only/AIS only

The monthly reconciliation of AIS and CARS may identify entries requiring adjustment to CARS only or AIS only. Entries to CARS only are entered independently, directly on-line CARS. There are batch types that may be used to independently record transactions to AIS only. These are 6**A**, **FA** and **FP**. The batches may be initiated by Journal entry and posted using various screens as appropriate for accounts payable or financial accounting transactions.

13 Reconciliation

13.1 AIS/CARS

VCCS Fiscal Services runs automated jobs to assist in documenting the reconciliation of state transactions recorded on AIS and CARS. These reports include reconciliation forms by CARS fund for appropriations, allotments, revenue, expenditures and cash. It is recommended that reconciliation be performed in the order listed.

Reports are included to aid in identifying reconciling items and list Items Recorded in CARS but not AIS, Items Recorded in AIS but not CARS and Next Month's Transactions. These reports generally run during the week following the CARS monthly close by DOA (usually the second week of the month). All reconciling items are usually identified for correction within 2-3 working days after the reports are received.

The CARS reconciliation is performed by the Budget/Accountant Office. The reconciliation includes all State classified transactions. Upon completion, the CARS Exception Register is completed and faxed to DOA. Copies of reconciliation sheets

having reconciling items are faxed to VCCS Fiscal Services. The reconciliation is approved and submitted by the VP of Administrative Services.

13.2 Local Bank Accounts

The college maintains four local bank accounts: Local, Bookstore, Federal and Petty Cash. Statements for the accounts are normally received between the 5th and 10th of the following month.

The fiscal technician serves as petty cash custodian (who does not have signature authority on the account), reconciles the petty cash bank account and submits the reconciliation to the business manager for review and approval. The reconciled cash balance is verified to the total authorized amount of petty cash.

The Fiscal Technician also reconciles the local, bookstore and federal accounts. All accounts are reconciled to AIS and cash balance sheets maintained for each account in Excel. The reconciliation includes receipts, disbursements and cash balances recorded both on AIS and through the bank account. The completed reconciliation is verified to AIS by Budget /Accountant Office.

14 Financial Reporting

14.1 Federal Cash Transactions Report

The Department of Education (ED) no longer requires the use of the Federal Cash Transactions Report. In April 1998, ED implemented a new payment management system replacing the EDPMS (Education Payment Management System) with EDCAPS (Education Central Automated Processing Systems). EDCAPS is a web-based application allowing the end user to initiate and process transactions without assistance from ED personnel. Users process both adjustments and drawdown requests directly to EDCAPS. EDCAPS allows ED to monitor and control payment (drawdown) transactions without requiring separate reporting by the user.

14.2 Quarterly Accounts Receivable Report

The Quarterly Accounts Receivable Report is the result of requirements defined in the Code of Virginia section 2.1-726 through 2.1-735. This section requires all agencies to develop procedures to properly account for, report, manage, and collect receivables in accordance with the Virginia Debt Collection Act.

At VHCC we have two major accounts receivable classifications:

Student Accounts Receivables
Bookstore Student Receivables

Our quarterly receivable reporting procedures are designed to report the activities of these major accounts receivable classifications.

14.2.1 Student Accounts Receivables (Tuition and Fees)

Student accounts receivables are created through the registration process and maintained on the A/R module of SIS and our Manual Receivable Excel Worksheet (see section 3 Accounts Receivable for more detail). SIS provides a management report (Trail balance report) that is used to produce the accounting information for the quarterly A/R report. The Trail Balance Report and Receivable Worksheets details receivables by academic term, account code, account name, and tuition revenue generated, collected and uncollected.

The Trail Balance (PS) report is requested for processing on the last day of each quarter to ensure that all quarterly transactions are included. The Trail balance report is a cumulative report; therefore, the report information cannot be used directly as produced for reporting. The Trail Balance Report

uncollected balance information is entered onto an excel spreadsheet along with balance information from the prior report from the previous quarter. This spreadsheet is used to compute A/R billings, collections and A/R uncollected tuition and fees for the current quarter. After this information is calculated, it is entered onto the quarterly A/R report in the format of an excel spreadsheet provided by VCCS Fiscal Services.

14.2.2 Reporting

The summary spreadsheets prepared in sections 14.2.1 Student Accounts are used to prepare the quarterly A/R report in the format of an excel spreadsheet provided by VCCS Fiscal Services. The quarterly report is divided into three parts:

- Detail Transactions by A/R Type - Beginning Balance, Billings, Collections, Write-offs and Ending Balance
- Collections and Statistical Information for Collections and Uncollected Balances
- Accounts Receivable Summary by Fund and Fund Detail

The quarterly report is due 30 days after the last day of each quarter. The report is submitted to VCCS Fiscal Services for consolidation with other VCCS colleges. *The quarterly report documentation is submitted to the Business Manager for review and verification. After review and verification the Quarterly report is prepared by the Business Manager and forwarded to VCCS Fiscal Services.*

14.3 Information Reporting

14.4.1 1098-T

In January of each year, the VCCS Utility generates 1098-T notices to students from transaction information recorded in SIS. Forms are mailed directly to students at their address of record in SIS. A summary report of 1098-T information is routed to each VCCS college to document information reported.

14.4.2 1099

Each January, following the December monthly close of CARS and AIS, a report *Summary of Vendor Payments by Selected Potential Sub-object Codes* is processed from AIS for the calendar year. The report is used to identify reportable payees as defined in CAPP Manual section **20320 – Information Returns Reporting**. An IRS W-9 form is mailed to all reportable vendors to obtain current written documentation of their Employer Identification Number.

Reportable payments are manually entered on Form 1099 stock obtained from the Internal Revenue Service. As specified in the 1099 Forms and Instructions, copies of the forms are mailed to vendors, IRS and retained for supporting purposes.

14.4 Annual Financial Statements

The VCCS prepares consolidated financial statements for submission to the Department of Accounts. Colleges are not required to submit individual financial statements but must complete financial disclosure worksheets and make routine year end adjustments to AIS. VCCS Fiscal Services establishes the calendar, instructions, transmittals and certifications for closing the financial year and preparing financial statements. All adjustments and transmittals must usually be completed by August 20 each year.

VHCC Detail Financial Statement Preparation:

As noted above VHCC receives financial disclosure worksheets and detail instructions to assist in the financial statement preparation. The financial statement preparation at VHCC is the responsibility of the Business Manager and the Accountant Senior. Statement preparation information received from the System Offices is recorded onto a Shared Drive on the VHCC Network. The worksheet information preparation is assigned to the appropriate departments and departmental staff. As worksheets are completed and reviewed by the Business Manager and the Accountant Senior they are submitted to the System in accordance to the required due date established by the System Office. After the all worksheets and disclosure information is completed, it is reviewed by the VP of Administrative and Financial Services and approved by the President. The Signature page and the required attachments are mailed in hard copy to the System Office. VHCC uses the following reports and documents to assist in the preparation of Financial Statement Information:

AIS Reports:	Other Reports:
GASB SCNA Local	CIPPS Reports
GASB SNA Local	Internally Prepared Worksheets
GASB Trial Balance	CARS Reports
AIS Queries	FAIS Reports
Dept. Statement and Detail Reports	Other Internal and External Reports
Trial Balance Reports	SIS Queries

Cash Allotment- Restricted and Unrestricted

College Balance Sheet- Local