



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Dr. R. Scott Ralls, President

June 20, 2013

IMPORTANT INFORMATION
Effective Immediately

MEMORANDUM

TO: Business Officers
Controllars/Bookkeepers
Capital Project Coordinators

FROM: Matt Williams, Associate Vice President,
Chief College Accounting Officer
Division of Finance and Operations

RE: Capital Improvement Approval and Reimbursement Process Changes

On May 17, 2013 the State Board approved the following changes for the approval of amended capital improvement projects:

- State Board approval would be required for any amended project that requests an increase in State funds with funds that have not previously been approved by the State Board for a capital improvement project (i.e. requests to transfer equipment money to a capital improvement project).
- Approval of all other amendments would be delegated to the Chief College Accounting Officer, including amendments to decrease project funding, increase project funding with local funds, and transfer previously approved State funds to another project.

Note: Once a college receives approval from the System Office to transfer funds from one existing project to another existing project, the college does not have immediate access to those funds. It will take approximately three weeks for the funds to be transferred and before the funds will be available to the college

There are no changes for the approval of new capital projects, property acquisition, or property disposal. Colleges will continue to submit a 3-1 form for approval of new projects, however, effective immediately the new redesigned 3-1 form shall be used. This new form will also be used for amended project approval. The 3-2 form will no longer be used. The new form and instructions have been posted to our website. An amended 3-1 is only required when a project budget changes or at project close-out.

In addition to the 3-1 changes, the following changes to the 2-16/2-17 reimbursement process are effective as of July 1, 2013:

- All Reimbursement Requests must be completed using the new automated 2-16/2-17 Excel workbook. The new 2-16/2-17 forms will be posted to our website by July 1, 2013.
- For all contract items, colleges are required to submit copies of all contracts, change orders, design contract amendments, and/or purchase orders.
 - Colleges will not send in an invoice or a copy of the check on these items.
 - Purchase Order amounts must equal the payment amount. If the invoice amount differs from the purchase order amount the college needs to adjust the purchase order before payment of invoice.
- For non-contract or non-purchase order items (Other Fees), colleges are required to send in copies of checks and invoices.
- Payment documentation should have the project number written on each piece of paper.
- Payment documentation totaling less than 10 pages can be scanned and emailed with the forms. Documentation in excess of 10 pages should be mailed to the System Office.
- For projects funded with a combination of state and local funds, colleges that have sufficient non-state overmatch will be able to expend their state funds first. Once the college has received reimbursement for the total state amount they will no longer be required to send in payment documentation (invoices and check copies) on non-contract payments with their 2-16, 2-17 forms. All expenditures for the project must still be listed on the 2-17 form.
- Colleges will be subject to routine audits and review of their payment documentation. These audits will be at the discretion of the System Office staff.
- Colleges are required to send 2-16/2-17 forms in at least quarterly for all open projects, even for blended funded projects where the college has already received their full allotment of state funds. This is necessary to ensure that System Office project records are up-to-date and are complete when the project is finished. Failure to do so will result in the non-processing of any new 3-1 forms and/or the non-processing of the 2-16/2-17 reimbursement request for any other college projects until reimbursement requests are received.
- The System Office will notify colleges if they have any on-going projects that must complete their reimbursement process using the current process. If you do not receive that notification you are allowed to begin the new process for projects that are already underway.