



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Jennifer Haygood

Acting President

March 16, 2018

MEMORANDUM

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

FROM: Jason W. Forlines, CFE, Director of Systems Accounting & Special Projects

RE: *Accounting Procedures Manual* updated

We have made significant updates to the *Accounting Procedures Manual* (APM) based on changes to the State’s travel policies, changes in Internal Revenue Service rates, changes to the Basic Skills Program, and changes to the Carl D. Perkins Career & Technical Education Program.

As outlined in the “What’s New” heading at the beginning of Section 1 of the APM, authorization for reimbursements for car services and mobile phone ordered car services has been granted, the mileage reimbursement rate and rules for calculating the reimbursement have been updated, IRS rates and limits have been updated for tax year 2018, and meal reimbursements for day trips have been eliminated. The elimination of meal reimbursements for day trips brings the travel policy into compliance with Internal Revenue Code.

As the “What’s New” heading at the beginning of Section 2 of the APM indicates, that portion of the document was updated to reflect changes in Basic Skills and Carl D. Perkins Career & Technical Education code descriptions and program rules, and three vocational codes were added.

The revised APM is attached and is also available from the College Budget & Accounting section of our website at <http://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

cc: Robert J. Witchger, Ed.D., Director Career and Technical Education
Gilda Rubio-Festa, AVP College and Career Readiness

CC18-011

Email



**ACCOUNTING PROCEDURES MANUAL
AND
REFERENCE GUIDE**

SECTION 1: FISCAL PROCEDURES

**DIVISION OF BUSINESS AND FINANCE
VERSION 2018.3
REVISED 3/16/2018**

What's New

March 2018

The *Travel* section was updated. Pursuant to a memorandum dated January 19, 2018, from State Budget Director, Charles Perusse, this document has been extensively updated to reflect the following changes, with the affected subsection(s) in parentheses following the update:

- The 2018 IRS standard business mileage rate, which increased from 53.5¢ to 54.5¢ per mile and the 2018 IRS standard depreciation mileage rate, which remained unchanged at 25¢ (*Transportation by Personal Vehicle*);
- The 2018 state excess mileage rate of 33¢ per mile replaces the IRS medical or moving purposes mileage rate, which was 17¢ per mile (*Transportation by Personal Vehicle*);
- The change in the mileage rate structure from a threshold of 100 miles per day of travel status to 100 miles in total while in travel status. (*Transportation by Personal Vehicle*);
- To update guidance for tip allowances for taxis and car services (*Tips and Gratuities*);
- To allow for reimbursement for the use of car services and mobile phone ordered car services (*Travel to/from Airport at Authorized Traveler's Duty Station, Travel to/from Airport at Authorized Traveler's Destination*);
- To prohibit meal reimbursements for travel that is not in overnight status in order to comply with IRS regulations. (*Meals during Overnight Travel, Meals for Conferences or Events Requiring Employee Attendance*);
- To allow reimbursement for online residential rental services that are supported by demonstrated savings (*Reimbursement for Lodging*); and
- To increase the rate for breaks to provide for coffee, snacks, and related items (*Assemblies Sponsored by the College*).

The *Payroll* section was updated. This document has been updated to reflect the 2018 IRS elective deferral limitation, which increased from \$18,000 to \$18,500. See the *Spreading Pay* subsection for details.

As always, this is just a summary of the changes and readers should consult the individual subsections details.

August 2017

The *Payroll* section was updated. Following Numbered Memo CC17-033, this document has been updated to include four new subsections: "Members of Boards and Commissions as Employees," "Taxability of Payments and Accountable Plan Rules," "De Minimis Fringe Benefits," and "Awards." These sections are intended to provide an outline to assist colleges in finding the appropriate guidance for making decisions about which board and commission members should be treated as employees, and how fringe benefits should be handled for all employees. See each of these new subsections for details.

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I. Vending & Concession Activities

The board of trustees of each college shall adopt local policies consistent with G.S. 115D-58.13 for the budgeting, accounting and expenditure of funds generated through vending machines and other convenience concession activities. Funds generated through vending facilities, vending machines, and other convenience concession activities shall not be used to supplement the salary of any college president.

II. Travel

A. Purpose of Regulations

Statutory regulations for per diem, transportation, and subsistence allowances for state contained in G.S. 138-5, 138-6, and 138-7 apply to community colleges and their boards of trustees. It is the intent of this section to provide statements of policy for uniform interpretation to pay or reimburse allowable state travel expenses pertaining to official travel and subsistence for official college business.

B. Official College Business

Official college business occurs when an employee or other person is traveling to attend approved job related training, work on behalf of, officially represent, or provide a service related to the college mission. Travel that would not directly benefit the college is not reimbursable.

C. Employee Responsibility

An employee traveling on official college business is expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Excess costs, circuitous routes, delays, or luxury accommodations and services unnecessary, unjustified, or for the convenience or personal preference of the employee in the performance of official college business are prohibited.

Colleges may authorize credit cards and/or procurement cards ("p-cards") for employees during travel on college business. Employees will be responsible for unauthorized costs and any additional expenses incurred for personal preference or convenience. Employee misuse of college issued credit cards and/or p-cards is grounds for termination. All travel is contingent upon the availability of funds in the proper budget line item.

D. Definition of Terms

For purposes of this policy, the following definitions apply:

Authorized traveler – A college employee or non-college employee (as defined later) who is authorized for travel on official college business (as defined later).

Blanket authorization for college presidents only – G.S. 115D-20(1) requires college Presidents to report to the college's board of trustees. Therefore, the College Board of trustees shall pre-authorize the President's routine travel in the manner they see fit and determine the level of detail they require before authorizing travel, subject to State

Board of Community College guidelines. In addition, in the interest of fiscal responsibility, it is the Board's responsibility to examine the President's travel at their discretion.

Blanket authorization for all others, excluding college presidents – A travel approval form necessary to conduct college business on a routine basis and claim mileage reimbursement only. The blanket authorization must contain the following:

1. name of the person traveling;
2. destination(s) and purpose for travel as defined by the college, such as various site visit to monitor classes, nursing instructors commuting to local hospital(s) to conduct student clinical training, commuting to local banks to deposit daily college deposits, commuting between campuses, etc.;
3. dates of travel for example July 1, 201x – June 30, 201x;
4. source of funding; and
5. any other information necessary to justify traveling on a routine basis.

A blanket authorization form may be completed and approval secured annually. The blanket travel authorization form must be approved prior to departure for all routine travel for which reimbursement is issued.

Common carrier – Commercial scheduled airplane, train, or bus.

Conference – A formal gathering for the purpose of conducting business and exchanging information. Registration fees may be paid for the actual amount expended for such meetings as shown by a valid receipt or invoice.

Duty station – While employed by the college, it is the headquarters or job location assigned by the college at which the college employee spends the majority of his/her working hours.

In-state – Within the borders of North Carolina.

Institute – A formal gathering for the purpose of training and instruction. Tuition fees may be paid for instructional costs incurred in such meetings.

Non-college employee – A person who is not legally employed by the college, such as:

- A consultant whose compensation will be paid from a general expense line item rather than from a payroll;
- An employee of another governmental jurisdiction, local or federal, in whose travel the college may have a business interest; or
- A student in a community college or technical college.

Non-state funds – Any funds expended or deposited in the college's bank account (county, institutional/special, STIF).

International – Anywhere not included in in-state and out-of-state of this subsection. Generally understood to be travel outside of the country, for the purposes of this policy it also includes travel to Alaska and Hawaii.

Out-of-state – All of the contiguous United States except within the borders of North Carolina. This excludes Alaska and Hawaii.

State Funds – Any funds expended or deposited with the State Treasurer, whether derived from appropriations, grants or college receipts.

Stipends – A fixed and regular payment such as a salary for services rendered. Colleges approving stipends must withhold appropriate taxes pursuant to IRS guidelines (see *Publication 15* and *Publication 15-A*).

Subsistence – Lodging, meals, registration, phone calls, and all other items allowed by this policy, which are not defined as transportation by this policy.

Transportation – The means of moving from one physical location to another. The cost of transportation includes reimbursement paid for the use of private or public motor vehicles, fares paid on public conveyances, tolls, and parking fees.

Travel – All activities involving expenses for transportation, subsistence, or registration, which are authorized to be paid from state, federal, county or institutional/special funds or which involve college vehicles for transportation.

E. Authorization

For college presidents only – G.S. 115D-20(1) requires college presidents to report to the college's board of trustees. Therefore, the board of trustees shall pre-authorize significant or unusual trips, etc., in the manner in which they see fit and determine the level of detail they require before authorizing the trip, subject to State Board of Community College guidelines. In addition, in the interest of fiscal responsibility, it is the board's responsibility to examine the president's travel at their discretion. A travel authorization must be completed and approved for all travel not covered under blanket authorization (i.e. overnight trips, out-of-state travel, requests for excess expenses, etc.).

For prospective professional employees

Approval for reimbursement of transportation expenses of prospective professional employees visiting a college for a *call back employment interview* may be approved by the college president or his or her designee. These expenses are limited to transportation and subsistence for three days at the in-state rate. Amounts in excess of one thousand dollars (\$1,000.00) must be approved by the System Office President and the Office of State Budget and Management.

Students

Students who travel on official college business and whose expenses are paid or reimbursed by the State of North Carolina are subject to these regulations, including statutory subsistence allowances, to the same extent as college employees. Travel by students for the purpose of participating in athletic contests and activities of student organizations must be paid from funds supporting the particular organization or activity, not state funds. Colleges shall pay or reimburse travel expenses related to athletic contests and student organization activities consistent with its local policy, provided that this policy does not provide subsistence allowances that are higher than statutory rates. In addition, state funds shall not be used to charter transportation for student field trips *unless* the field trip is a **mandatory** course requirement, *not optional*, and must be part of the course outline from inception.

For all others not previously listed – An approval form is required for travel that is necessary to conduct college business and not on a routine basis. This authorization allows the traveler to claim mileage and/or per diem reimbursements. A travel authorization form must be completed and approved for all travel not covered under a blanket authorization (i.e. overnight trips, out-of-state travel, international travel, requests for excess expenses, etc.) and must contain the following:

1. name of the person(s) traveling;
2. destination(s) and purpose for which the trip will be made;
3. dates of travel;
4. source of funding (including the department/unit);
5. mileage and/or air fare, hotel and/or registration fee costs, and any other information necessary to justify the trip must be attached/included with the authorization form;
6. excess request (if needed) with justification.

The travel authorization form must secure approval of the college president or his/her designee for all trips prior to departure, regardless if traveling in a college owned or private owned vehicle. In addition, written authorization must be secured *in advance* from the college president or his/her designee for excess lodging and for registration fees.

F. Per Diem Compensation

Per diem compensation, whether called a stipend or by any other name, is not authorized for college employees who are in paid status. Employees of the college who are off payroll, but are to return to work and be put back on payroll (such as nine month instructors who are off pay status during the summer months) may receive compensation/stipend for attending conferences and/or workshops during the time when they are off payroll. Colleges approving stipends must withhold appropriate taxes pursuant to IRS guidelines (see *Publication 15* and *Publication 15-A*).

G. Subsistence Rates

Subsistence is an allowance related to lodging and meal costs, including gratuities. For the purposes of determining eligibility for allowances, travel status means being away from the employee's normal duty station or home and, while traveling, the employee

must be acting in his/her official capacity as required by his/her work activities. The maximum allowable statutory rate for meals and lodging (subsistence) are shown in Table 1, below. The maximum includes lodging only if an overnight stay is required and excludes lodging for day trips.

Table 1 – Current daily subsistence schedule.

	In-state	Out-of-state
Breakfast	\$8.40	\$8.40
Lunch	\$11.00	\$11.00
Dinner	\$18.90	\$21.60
Lodging (actual, up to)	\$71.20	\$84.10
Maximum	\$109.50	\$125.10

The payment of sales tax, lodging tax, local tax, or service fees applied to the cost of lodging is allowed in addition to the lodging rate and is to be paid as a lodging expense. The employee may exceed the part of the ceiling allocated for lodging without approval for over-expenditure provided that the total lodging and food reimbursement that the employee is entitled to for that day does not exceed the maximum allowed daily subsistence.

H. Tips and Gratuities

Reimbursable gratuities or tips must be considered reasonable for items that are not already covered under subsistence. Excessive tips will not be reimbursed. A reasonable tip would be one that a prudent person would give if traveling or conducting personal business and expending personal funds. For further guidance, the following information is provided when calculating a tip:

- Airports: baggage handling/Skycaps = no more than \$2 per bag; shuttle drivers = no more than \$2 per bag.
- Parking/auto related: valets = \$2 per car when collecting the car; taxi or ride sharing service drivers no more than \$5 per trip.

Tips for handling baggage at common carrier terminals and/or when arriving at or departing from the place of lodging are allowed and must be itemized under "other expenses". Baggage tips are not counted toward the authorized subsistence maximums, but may be claimed as miscellaneous and excessive tips must be documented with a receipt. Tips for room service and other hotel services are not reimbursable. The costs of laundry, entertainment, alcoholic beverages, "set-up," between-meal snacks or refreshments, and other personal expenses are not reimbursable.

For tips and gratuities for meals, see *Reimbursement for Meals*, later.

I. Out-of-State Travel

Out-of-state travel status begins when the employee leaves the state and remains in effect until the employee returns to the state. However, in-state allowances and reimbursement rates apply when employees and other qualified official travelers use

hotel and meal facilities located in North Carolina immediately prior to and returning from out-of-state travel during the same travel period.

J. International Travel

All out-of-country travel must be authorized by the college president or such department official designated by him or her. International travel status begins when the employee leaves the contiguous United States and remains in effect until the employee returns to the contiguous states. If the employee and other qualified official travelers use hotel and meal facilities located outside North Carolina, but within the contiguous United States, immediately prior to and upon returning from international travel (or to Hawaii or Alaska) but during the same travel period, out-of-state subsistence rates shall apply.

K. Authorization for Lodging

Prior written approval by the department head or his or her designee must be obtained in order to qualify for reimbursement for overnight stays. Supervisory personnel certifying the reimbursement request as necessary and proper must require documentation from the traveler to substantiate that the overnight lodging was necessary and accomplished. The travel must involve a travel destination located at least 35 miles from the employee's regularly assigned duty station or home, whichever is less, to receive approved reimbursement. "Duty station" is defined as the location where the employee is assigned. The designation of an employee's home as the duty station requires the approval of the department head.

L. Reimbursement for Lodging

Each authorized traveler is responsible for his or her own request for reimbursement. The travel must involve a travel destination located at least 35 miles from the employee's regularly assigned duty station or home, whichever is less. Requests for reimbursement shall be filed within thirty days after the travel period ends for which the reimbursement is being requested. Specific dates of lodging must be listed on the reimbursement request, which shall be substantiated by a receipt from a commercial lodging establishment (or online residential rental service, if supported by demonstrated savings), not to exceed the maximum per night for in-state or out-of-state lodging as shown in *Subsistence Rates*, earlier. Reimbursement to an authorized traveler sharing a room with a member of his or her family will be limited to the single occupancy rate. Telephone access fees for business calls are considered a miscellaneous expense. Telephone access fees for personal calls are only reimbursable if they comply with the policy found later in this section.

M. Excess Lodging

Excess lodging authorization for in-state, out-of-state, and international travel (including Alaska and Hawaii) must be obtained in advance from the college president or his or her designee. Excess lodging is allowed when the travel is to a high cost area and the authorized traveler is unable to secure lodging within the current allowance, or when the authorized traveler submits in writing an opinion that his/her personal safety or security is unattainable within the current allowance. Excess lodging authorization is not allowed for reason of convenience or personal preference for the employee. The college may allow the authorized traveler to exceed the part of the ceiling allocated for lodging

without approval from the college president provided that the total lodging and food reimbursement does not exceed the maximum daily subsistence.

N. Penalties and Charges Resulting from Cancellations

Penalties and charges resulting from the cancellation of travel reservations (including airline, hotel, or other travel reservations and conference registration) shall be the college's obligation if the authorized traveler's travel has been approved in advance and the cancellation or change is made at the direction of and/or for the convenience of the college. If the cancellation or change is made for the personal benefit of the authorized traveler, it shall be the authorized traveler's obligation to pay the penalties and charges. However, in the event of accidents, serious illness, or death within the employee's immediate family or other critical circumstances beyond the control of the authorized traveler, the college may pay the penalties and charges.

O. Authorization for Meals

An authorized traveler may be reimbursed for meals, including lunches, while on official college business when the authorized traveler is in overnight travel status. The destination must be located at least 35 miles from the authorized traveler's regularly assigned duty station (vicinity) or home, whichever is less, to receive approved reimbursement.

Prior written approval by the college president or his or her designee must be obtained in order to qualify for reimbursement for meals if the authorized traveler is within 35 miles of the authorized traveler's regularly assigned duty station (vicinity) or home, whichever is less. Supervisory personnel certifying the reimbursement request as necessary and proper must require documentation from the authorized traveler to substantiate that the payment for meals was necessary and accomplished.

P. Reimbursement for Meals

Each authorized traveler is responsible for his or her own request for reimbursement. Tips for meals are included in the meal allowance. Each meal reimbursement rate must be listed on the reimbursement request. Departure and arrival times must also be listed on the reimbursement request. The costs of meals included in other related activities (registration fees, conference costs, hotel registration, etc.) may not be duplicated in reimbursement requests. An authorized traveler may be reimbursed, if requested, for breakfast even if their lodging establishment offers a free continental breakfast.

Costs of meals furnished with other related activities (registration fees, conference costs, etc.) may not be duplicated on the reimbursement request. See the exception in *Meals and Commercial Air Travel*, later.

Q. Meals during Overnight Travel

Authorized travelers may be reimbursed for meals for partial days of travel only when in overnight travel status and the partial day is the day of departure or the day of return. The following applies:

- Breakfast: depart duty station prior to 6:00 am and extend the workday by two hours.

- Lunch: depart duty station prior to noon on the day of departure or return to duty station after 2:00 p.m. on the day of return.
- Dinner: depart duty station prior to 5:00 p.m. on the day of departure or return to duty station after 8:00 p.m. on the day of return and extend the workday by three hours.
- The travel must involve a travel destination located at least 35 miles from the employee's regularly assigned duty station (vicinity) or home, whichever is less.

Allowances cannot be paid to authorized travelers for meals if travel does not involve an overnight stay.

R. Meals and Day-to-Day Activities

College employees may not be reimbursed for meals in conjunction with a congress, conference, assembly, convocation or meeting, or by whatever name called, of employees within a single college, state department, institution or agency, or between the employees of two or more colleges, state departments, institutions or agencies to discuss issues relating to the employee's normal day-to-day business activities.

S. Meals for Conferences or Events Requiring Employee Attendance

A college employee, when traveling in overnight status, may be reimbursed for meals, including lunches, when the employee's job requires one's attendance at the meeting of a board, commission, committee, or council in one's official capacity and the meal is preplanned as part of the meeting for the entire board, commission, committee or council. Such board, commission, committee, or council must include persons other than the employees of a single college, state department, institution, or agency. This provision does not apply to conference, seminars or workshops *unless* the lunch is a *preplanned* part of the formal agenda, and/or is included as part of the registration fee.

Similarly, a college employee may be reimbursed for meals, including lunches, when the meal is included as an integral part of a congress, conference, assembly, convocation, etc. Such congress must involve the active participation of persons other than the employees of a single state department, institution, or agency; the employee's attendance is required for the performance of his/her duties, *but must not be part of that employee's normal day-to-day business activities*; the congress must be planned in advance with a formal agenda; and the congress must provide written notice or an invitation to participants.

T. Meals and Commercial Air Travel

Authorized travelers are allowed to claim reimbursement for meals even though they are shown and offered as a part of the authorized traveler's flight schedule on a commercial airline.

U. Excess Meals

No excess reimbursement will be allowed from state funds for meals unless such costs are included in registration fees, there are predetermined charges, and/or the meals were for international travel or travel to Alaska or Hawaii. The college president or his or

her designee may grant excess subsistence for meals for out-of-country travel. To claim excess subsistence, prior approval must be secured prior to departure.

V. Authorization for Registration Fees

All registration fees must be approved in advance by the college president or his or her designee. Convention or conference registration fees must be included on the travel authorization request prior to departure. Registration fees for webinars or other on-line training that does not involve travel should not be requested on a travel authorization, but should be processed using the college's normal purchasing procedures. The college president or his or her designee must reduce the cost by unrelated items that are not a direct part of the official convention or conference, such as tours or social activities.

Registration fees may be paid by the college or the authorized traveler. An assembly must involve the active participation of persons other than the employees of a single college or agency and must be necessary for conducting official college or state business. When a registration fee includes the cost of one or more meals, it is the responsibility of the college to ensure that reimbursements for such meals are not approved on the travel authorization.

W. Reimbursement or Direct Payment of Registration Fees

Authorized travelers may not claim reimbursement for meals included in registration fees. To reimburse an authorized traveler for a paid registration fee, the employee must provide documentation of the expense by a receipt. It is the authorized traveler's responsibility to obtain the receipt, not the college's responsibility. A copy of a cancelled check used to pay a registration fee cannot be used as a valid receipt for reimbursement purposes. The employee will have to exercise due diligence to obtain a receipt in order to be reimbursed.

If the registration fee is paid by the college directly to the vendor through the accounts payable process, the proper registration fee documentation (i.e. brochures, invoices, etc.) must be received for payment to be processed and filed with the expense voucher as other accounts payable invoices. Registration fees shall be distinguished from tuition fees. Tuition expenses which generate continuing professional education credits must be coded to expenditure object 53980X - Employee Education Expense.

X. Transportation by Common Carrier

Reimbursement for air, rail, or bus fare is limited to actual coach fare, substantiated by receipt. Reimbursement for check-in fees is limited to actual costs substantiated by receipt. Tickets for commercial air travel may be purchased by the college or by the authorized traveler and claimed on his or her expense account. Travel by coach class must be utilized. Exceptional conditions requiring the use of first class accommodations may warrant reimbursement provided a statement of the condition is attached. A receipt is required for reimbursement. Flight insurance is not reimbursable.

Requests for all travel as passengers on non-commercial (charter flights) aircraft are made and approved in the same manner as transportation by other means. In order to

be approved, the use of a charter flight must be more economical than a commercial flight and/or be necessary because of unusual travel circumstances.

Y. Super Saver Rates

When traveling by common carrier to conduct official college business, authorized travelers traveling to their destination earlier than necessary and/or delaying their return to avail the college of reduced transportation rates may be reimbursed subsistence for additional travel days if, in the opinion of the college president or his or her designee, the amount saved due to the early and/or delayed travel is greater than the amount expended in additional subsistence. When the reduced airfare rates require staying overnight one Saturday night, to be eligible for reimbursement, the authorized traveler must stay overnight on the Saturday closest to the first or last day of official state business to which the authorized traveler is attending. With sufficient justification, the college president or his or her designee can make an exception to this requirement prior to travel commencing.

Z. Transportation by International Flights

Authorized travelers traveling internationally or to Alaska or Hawaii on overseas flights may be reimbursed actual business class fare (substantiated by receipt) with prior approval of the college president or his or her designee.

AA. Frequent Flyer Miles

Frequent flyer miles earned by an authorized traveler while traveling on official college business at state expense are the property of the college. Frequent flyer miles accumulated by an individual authorized traveler during previous official college business trips should, to the extent possible, be used by the authorized traveler accumulating the frequent flyer miles while traveling on future official college business trips.

BB. Coupons or Certificates for Reduced Air Fare

Coupons or certificates for reduced air fare, if acquired by an authorized traveler while traveling on official college business at state expense, are the property of the college and should be used, to the extent possible, by the authorized traveler on future official college business trips.

CC. Fees and Service Charges

With sufficient justification and documentation and with approval of the college president or his or her designee, authorized travelers can be reimbursed for usual, customary, and reasonable fees and service charges imposed by travel agents for assistance in making travel arrangements.

DD. Transportation by Personal Vehicle

Travel shall be conducted in the most efficient manner and at the lowest and most reasonable cost to the college. With regard to passenger vehicle travel, whether in-state or out-of-state, college travel policies shall:

- Maximize utilization of college-owned vehicles

- Make use of State term contracts for short-term rentals (State Term Contract 975B Vehicle Rental Services), and
- Reimburse for use of personal vehicles on a limited basis.

Colleges are encouraged to establish policies that promote efficient travel, such as ride-sharing. When college-owned resources are not available, the college may procure vehicles through the State's term contracts or reimburse use of personal vehicles. If a college employee chooses to use a personal vehicle, actual mileage is reimbursable. Mileage is measured from the closer of duty station or point of departure to destination (and return).

An authorized traveler who has been approved for reimbursement for the use of a personal vehicle shall be reimbursed the current standard business mileage rate set by the Internal Revenue Service (see Table 2, below, for rates as of this publication) or a lower rate approved by the college's board of trustees when using their personal vehicle for official college business and the round trip does not exceed 100 miles in total.

However, if an authorized traveler chooses to use a personal vehicle and the round trip exceeds 100 miles in total, colleges will reimburse the authorized traveler at the current state excess mileage rate (see Table 2, below, for rates as of this publication), or a lower rate approved by the college's board of trustees, for all miles traveled. Parking fees, tolls, and storage fees are reimbursable when the required receipts are obtained (see *Parking*, later). Fines for traffic and parking violations are the responsibility of the state employee.

As mentioned in the last two paragraphs, for the purposes of reimbursing authorized travelers for the use of their personal vehicle for official college business, colleges may use either the prescribed mileage rates and their respective restrictions or establish a lower or more restrictive rate structure than the foregoing rate structure as a result of the limited budget availability for travel (State Board of Community College Action Item Attachment FC-5, 07/16/04). Reimbursement rate structures must be approved and adopted by the college's board of trustees.

It is the responsibility of the college to review the IRS business standard mileage rate annually and obtain local board approval prior to changing the reimbursement mileage rate to the prevailing rate or any amount less than the prevailing rate.

Reimbursement shall not be authorized for expenses which exceed the established rate of travel or actual air-coach rate when:

- A college-owned vehicle is available.
- Railroad, airplane, or other alternate transportation is feasible and would be more economical, considering transportation, subsistence, and salary costs.

For *college owned* automobiles on official state business, reimbursement shall not exceed the rate established by the local board of trustees for transportation by privately

owned automobiles less the current depreciation portion of the IRS standard business mileage rate (see Table 2, below).

	Per mile
IRS standard business mileage rate	54.5¢
IRS depreciation mileage rate	25¢
Mileage rate for trips exceeding 100 miles in total	33¢

Reimbursement may be made to College Board of Trustees for their commute from their home to their duty station to conduct official College Board meetings.

EE. Transportation by a Rental Vehicle

For both in-state and out-of-state travel, rental vehicles shall be obtained through State Term Contract 975 B Vehicle Rental Services when available. If the rental agency does not bill the college directly, the authorized traveler will be reimbursed up to the rental rate of a standard class vehicle based on the State's term contract, unless there is a documented business purpose for rental of a larger vehicle and that purpose has been approved through the travel authorization process.

Review State Term Contract 975B Vehicle Rental Services for a complete listing of all vehicle rates and options: <http://www.pandc.nc.gov/975b.pdf>

Differences in cost when renting a vehicle from a class that exceeds the cost of a standard vehicle must be approved in advance by the college president or his or her designee. Without such approval, the authorized traveler must pay the difference in the cost.

Authorized travelers must present an original itemized receipt from the rental agency for reimbursement. Authorized travelers should choose the most economical means of refueling the rental vehicle, which is typically to refuel the rental vehicle before returning it to the rental agency. Gas receipts for refueling the rental vehicle from a commercial gas station or rental agency are required for reimbursement. No reimbursement will be made for rental insurance purchased because college employees are covered under the college's auto insurance program. However, reimbursement for automobile rental insurance will be permitted for individuals engaged in official college business during travel to international destinations.

FF. Travel to/from Airport at Authorized Traveler's Duty Station

Reimbursement for travel between the authorized traveler's duty station or home (whichever is less) and the nearest airline terminal (or train/bus station if applicable) and for parking (see also *Parking*, later) may be made under the following circumstances.

For travel by:

- Taxi, car service, mobile phone ordered car service, or airport shuttle - actual costs with receipt (but see *Tips and Gratuities*, earlier).
- Private car – the business standard mileage rate set by Internal Revenue Service

(see *Transportation by Personal Vehicle*, earlier) for a maximum of two round trips with no parking charge, or for one round trip with parking charges. Receipts are required for airport parking claims (see *Parking*, later).

- Use of public transportation – In lieu of using a taxi or airport shuttle, employees can be reimbursed without receipts \$5 for each one-way trip either from the airport to the hotel/meeting or from the hotel/meeting to the airport or the actual cost of the travel with the submission of receipts.

GG. Travel to/from Airport at Authorized Traveler's Destination

Reimbursement for travel to and from the airline terminal (or train/bus station if applicable) at the authorized traveler's destination may be made when travel is via most economical mode available as listed below:

- Taxi, car service, mobile phone ordered car service, or airport shuttle service – actual costs with receipts (but see *Tips and Gratuities*, earlier).
- Rental vehicles - may be used with the prior approval of the college president or his or her designee; however, rental vehicles may not be used for the sole convenience of the employee (receipt required).
- Use of public transportation – In lieu of using a taxi or airport shuttle, employees can be reimbursed without receipts \$5 for each one-way trip either from the airport to the hotel/meeting or from the hotel/meeting to the airport or the actual cost of the travel with the submission of receipts.

HH. Parking

Parking expenses are reimbursable while in the course of conducting official college business as long as such expenses are determined reasonable and clearly show that there was care taken to keep the costs to the college as low as possible. Any parking rates considered excessive and only for the convenience of the authorized traveler will not be reimbursable. An example of excessive or inappropriate parking would be the use of an airport's hourly parking lot for an overnight trip.

II. Travel Involving Trips Other than to and from the Airport

The actual costs of taxi and shuttle service fares are reimbursable when required for travel on official college business (but see *Tips and Gratuities*, earlier). The request must be documented with a receipt. The use of public transportation is reimbursable for actual costs with a receipt.

JJ. College-Owned Vehicles Used for Instruction

Reimbursement is allowed when using college owned vehicles for purposes of instruction, and college policies and procedures must be developed and approved by the local boards of trustees to calculate the appropriate reimbursement rate. Colleges should use the same reimbursement model as is used by the North Carolina Department of Administration (NCDOA) Motor Fleet Management Division for the State of North Carolina.

This model requires colleges to determine the anticipated resale value, salvage percentage, salvage value, and salvage miles for all vehicles. Next, create the applicable vehicle classes (i.e. sedan, truck, van, SUV), and apply the appropriate inflation rate for all vehicles. (Note: NCDOA Motor Fleet uses an inflation rate of 3% for 3 years, per the recommendation of OSBM). Then, colleges will need to determine their mileage reimbursement rate annually by calculating the following:

- Weighted vehicle class depreciation rate
- Vehicle class gas rate
- Vehicle class repair rate

The above rates are then added together to determine the mileage reimbursement rates for each vehicle class. Since college owned vehicles vary in size, number, and class from college to college, each college is responsible for calculating an appropriate reimbursement rate for the institution.

Table 4 – Example mileage and expense calculations.

Vehicle Class	Number of Vehicles	Vehicle Type Description	Miles Driven 7/1/09 - 6/30/10	Total Gas Expenses 7/1/09 - 6/30/10	Total Repair Expenses 7/1/09 - 6/30/10	Total Expenses
SUV	5	2005 Ford Escape Hybrid 4W	60,255	\$5,063.76	\$2,411.51	\$7,475.27
SUV	15	2006 Ford Escape Hybrid	245,215	\$20,864.28	\$3,341.63	\$24,205.91
SUV	8	2008 FORD ESCAPE HYBRID	48,211	\$4,398.61	\$109.72	\$4,508.33
SUV	28		353,681	\$30,326.65	\$5,862.86	

Table 5 – Example depreciation calculations.

Vehicle Class	Number of Vehicles	Vehicle Type Description	Purchase Price	Salvage (%)	Resale Value	Depreciable value	Salvage Miles	Depreciation Weight
SUV	5	2005 Ford Escape Hybrid 4W	\$24,900.00	25%	\$6,225.00	\$18,675.00	90,000	1.16577

SUV	15	2006 Ford Escape Hybrid	\$18,322.00	25%	\$4,580.50	\$13,741.50	90,000	2.57341
SUV	8	2008 FORD ESCAPE HYBRID	\$12,693.00	25%	\$3,173.25	\$9,519.75	90,000	0.95082
SUV	28							4.69000

Table 6 – Example operational cost calculations.

Vehicle Class	Number of Vehicles	Vehicle Type Description	Depreciation Rate	Gas Rate	Repair Rate	Billing Rate
SUV	5	2005 Ford Escape Hybrid 4W	0.23315	0.08404	0.04002	
SUV	15	2006 Ford Escape Hybrid	0.17156	0.08509	0.01363	
SUV	8	2008 FORD ESCAPE HYBRID	0.11885	0.09124	0.00228	
SUV	28		0.16750	0.08575	0.01658	0.26982

In summary, the steps to calculate mileage reimbursement for instructional use of college vehicles are as follows:

1. Create policies for anticipated resale value, salvage miles, and use of an inflation rate (Note: NCDOA Motor Fleet uses an inflation rate of 3% for 3 years, per the recommendation of OSBM).
2. Determine vehicle classes (i.e. sedan, truck, van, SUV), miles driven, and total gas and repair expenses (shown in Table 1).
3. Use the policies created in Step 1 to determine the salvage miles, to apply the salvage percentage to the purchase price, and to calculate the resale value and depreciable value (shown in Table 2). Determine depreciation rates for each vehicle class (shown in Table 3 fourth column) by multiplying the purchase price by the inflation rate minus the resale value, divided by the salvage miles. It will be necessary to weigh depreciation rates (shown in Table 2 last column) if there are multiple vehicles in a class (i.e. five 2005 Ford Escape Hybrid 4W). Multiply the depreciation rate by the number of vehicles to calculate the depreciation weight.

4. Determine gas and repair rates for each vehicle class by dividing last fiscal year's expenses by the miles driven (shown in Table 3).
5. Add the depreciation, gas, and repair rates for each class to determine the reimbursement rate for vehicles in each class.

KK. Travel Advances

All authorized travelers who travel on official college business may be issued advances when authorized by the college president or his or her designee in order that personal funds will not be required. Fiscal records must be maintained by the college for proper control. Eligibility for advances and reporting requirements are as follow:

- College employees who have been issued college credit cards for travel purposes should not be issued travel advances unless there is substantiated justification.
- Travel advances for occasional travel must not exceed the estimated cost of the trip and may not be issued more than five working days prior to the date of departure. Advances must be deducted from the reimbursement request on the travel expense report that is to be submitted within thirty days after the travel period or June 30th, whichever comes first.
- Travel advances for regularly scheduled travel for employees who travel each month may be made through an annual advance of funds equal to the average monthly expense. All reimbursement requests shall be filed and paid monthly for incurred expenses and the advance must be repaid as of June 30th annually or earlier if required by the college. If it is determined that the monthly reimbursement has averaged less than the annual advancement, the advance must be reduced to the newly established amount.

Travel advances may be issued from grants/special projects from an accounts receivable code in the project's special fund, but the advance cannot be requested from the System Office on the project's request for reimbursement (Form NCCCS 2-33). Only actual expenses will be reimbursed by the System Office. If a college chooses to pay registration fees, airline fare, etc. in advance, the payment should be charged to the appropriate expenditure code and source of funds, not an accounts receivable code.

LL. Long Distance Telephone Charges

Authorized travelers are not allowed to charge long distance phone calls to the college for calls made of a personal nature, except as stated below. All long distance calls that are to be paid by the college are those made pursuant to the employee conducting official college business. Official business phone calls are NOT reimbursable from state funds. Official business calls may be reimbursed from non-state funds up to five dollars (\$5.00) without the point of origin and destination being identified. Calls over five dollars (\$5.00) must be identified as to point of origin and destination.

MM. Reimbursement for Telephone Charges

Official phone calls are reimbursable under "Miscellaneous." Individual calls over \$5.00 must be identified as to point of origin and destination. Reimbursement must be made from non-state funds.

NN. Allowable Personal Calls

An authorized traveler who is in travel status for two or more consecutive nights in a week is allowed one personal long distance telephone call for each two nights, for which reimbursement to the authorized traveler may not exceed \$3.00 for each in-state call or \$5.00 for each out-of-state call. Documentation is required for reimbursement. Reimbursement must be made from non-state funds.

OO. Employee Emergency Calls

Authorized travelers may be reimbursed for a personal long distance call(s) if such call(s) is/are of an emergency nature as determined by the college. An example is a call made when an authorized traveler calls home to inform someone that the travel period has been extended beyond original plans due to unforeseen reasons. Reimbursement must be made from non-state funds.

PP. Mobile Telephones

Because mobile telephone charges (cellular and digital) are based on measured use, no personal calls should be made on college-owned mobile telephones except in case of emergency as determined by the college. Mobile telephone calls to conduct official college business should only be used when more economical means of telephoning are not reasonably available. If an authorized traveler uses his/her personal mobile telephone in conducting official college business, the authorized traveler can be eligible for reimbursement when more economical means of telephoning are not reasonably available. In order for the college to reimburse the authorized traveler, the traveler must indicate on his/her telephone bill the reimbursable calls, individuals called, and nature of calls and submit the telephone bill to their supervisor for approval. If the supervisor approves the calls as related to official college business, the college will reimburse the actual billed cost of the call(s) from non-state funds.

QQ. Use of Telephone with Computer Hook-ups

Authorized travelers traveling on official college business who need to transmit data electronically (including email) or use the internet for official college business purposes should use the most cost-efficient manner available. Prior to reimbursement, the employee's supervisor must approve. Documentation and justification must be attached to the request for reimbursement. Reimbursement may be made from state funds for data transmissions.

RR. Assemblies Sponsored by the College

Whenever feasible, assemblies should be held in facilities owned by the college. When necessary, other facilities may be rented and the costs charged to participants as part of a registration fee. If no registration fee is charged, rental of facilities becomes local responsibility. For subsistence allowance purposes, the 35 mile limitation with regard to employee's duty station as set forth previously does not apply for employees attending formal meetings.

Assemblies sponsored or co-sponsored by a college are considered formal when they meet the following limitations:

- There are a substantial number of participants, with at least 25 percent of the participants coming from outside the local area.
- The assembly is planned in detail in advance, with a formal agenda or curriculum.
- There is a written invitation to participants setting forth the calendar of events, the social activities, if any, and the detailed schedule of costs.

Registration fees may be charged by the sponsoring college to participants for costs of assemblies. Registration fees collected shall be deposited to a special fund and used to defray expenses of the particular assembly. All registration fees collected for this assembly must be used to pay the cost of putting on this assembly and cannot be used for any other program or purpose. Any funds remaining from collections after paying all the assembly costs must be remitted to the State.

When a registration fee is not charged, sponsoring colleges may provide refreshments for “coffee breaks” provided there are twenty (20) or more participants and costs do not exceed five dollars (\$5.00) per participant per day, per workshop. For coffee breaks to be paid by the college, the following shall be secured:

- an itemized receipt or invoice;
- a list of participants by name; and
- the purpose and duration of assembly or a formal agenda.

When assemblies are to be held under the sponsorship of a college in which the funding for all participants is budgeted, lump-sum payments to a conference center or a service organization may be made upon written authorization from the college president or his/her designee. The authorization must provide:

- the purpose and duration of the assembly;
- the number of persons expected to attend;
- the specific meals to be served at the assembly;
- the approximate daily subsistence cost per person; and
- the name of the conference center, hotel, caterer, or other organization providing the service.

Payments will be made only when sponsoring colleges attach to the payment vouchers an itemized invoice, approved by the college president or his/her designee, with a list of names, addresses, and affiliations of those attending.

It is the responsibility of the college to ensure that reimbursement for meals included in the lump-sum payment are not also included in reimbursement payments made to assembly participants.

Expense reimbursement and payment for participants at formal assemblies
 Reimbursement for expenses of college employees or payment expenses incurred on behalf of college employees participating in any formal conferences, convention, school, workshop, institute, seminar, or other organized gathering sponsored or co-sponsored

by a college shall be in accordance with all provisions of these travel regulations and shall be based on in-state rates.

Colleges can pay registration fees for their employees when attending meetings sponsored by a college. If any portion of the registration fee is to be used to defray meal costs, it is the responsibility of the college to ensure that its employees are not reimbursed for the same meals charged in the registration fees.

SS. Informal Meetings

College presidents may be reimbursed from state funds for meals for themselves and non-college employees who are their official guests, when accompanying them in the course of conducting official college business. Non-college employees include but are not limited to members of the college's board of trustees, advisory board, and/or curriculum advisory board. Such meals are not subject to the daily maximum limitations on amounts contained in these regulations and the limitations pertaining to minimum distance from duty station does not apply. Cost of meals and other expenses for family members of college employees and/or non-college employees conducting official college business are not reimbursable from state funds.

TT. Travel and Allowances-Part-Time Instructors

Temporary or part-time curriculum and extension instructors who travel more than 15 miles to or from a duty station for the purpose of teaching curriculum and extension courses may be paid mileage expense *in justified cases* approved in writing by the college's president or his/her designee. These payments must be included on an employee's W-2 form as salary payments.

Note: This policy is not intended to reimburse normal commuting expenses.

Subsistence and lodging for temporary or part-time curriculum and extension instructors may be paid when it is deemed more economical for the employee to stay overnight rather than to charge transportation costs on successive days.

If a college requires a part-time employee to travel to a conference, seminar, etc. beyond the times stated in their instructing contract, salary can be paid for the part-time employee to attend the conference, seminar, etc. A new contract must be generated and the new contract shall include written justification stating that the college requires the part-time employee to travel. The new contract costs must include driving time to and from the conference, seminar, etc., as well as the time spent attending the conference, seminar, etc. The new contract salary costs shall not include time spent each day before the conference, seminar, etc. convenes nor time spent each day after the conference has adjourned (i.e. time spent each evening in their hotel room or participating in events that state funds normally would not support). Salary will only be calculated according to a formal, printed preplanned agenda according to the days and times listed on the agenda that relate directly to conference, seminar, and etc. activities. Salary will be expended from a part-time salary object. All other travel related costs will be expended from the appropriate expenditure object(s).

UU. Timely Filing

Each employee is responsible for his/her own request for reimbursement. All reimbursement requests shall be filed for approval and payment within thirty (30) days after the travel period has ended as reflected on the approved travel authorization or June 30th, whichever comes first. Travel period is defined as the calendar month during which the travel occurred. In the case of continuing education instructors who are paid at the end of a semester, their travel period may be considered to be the end of the contract.

III. Moving and Relocation

A. Conditions and Limitations:

An employee's moving expenses may be paid by state funds only when:

- A change of residence is deemed to be in the best interest of the college, such a change is required as a result of a promotion within the department or by a change in assignment involving a transfer of the employee for the advantage and convenience of the college. Moving expenses are not allowable for initial employment or if the employee requests the change. The Office of State Budget and Management (OSBM) has approved one exception to this rule. They have given Community Colleges blanket approval to use state funds to pay for moving expenses of new Community College Presidents when the President's household and personal goods weigh less than 15,000 pounds. Should the President's household and personal goods weigh 15,000 pounds or more, colleges must request permission from OSBM.
- Requests must be approved by the college's board of trustees.
- The move is accomplished within 90 days of approval. The college's board of trustees may approve an extension of an additional 90 days.

Every effort should be made to expedite the movement of the employee's household goods. However, the time allowed for the employee's locating a new residence and moving is the responsibility of the individual college and should be granted as leave-with-pay, for up to a total of 16 hours, which is accounted for as normal workday activities. Reimbursement for moving and relocation expenses shall be prorated in the same manner in which his/her salary is funded. If the employee's salary consists of for example 80 percent state and 20 percent local, the moving and relocation allowance shall be prorated in the same manner.

All other college employees moving and relocation expenses will be paid from non-state funds.

B. Expenses Paid

The maximum payment for various categories of costs is enumerated in this section. Any additional costs must be borne fully by the employee.

1. Moving of Household and Personal Goods

Payment for movement of household and personal goods includes items such as furniture, clothing, and personal effects. Any items that require special handling

and/or packing, such as an animal, a boat, airplane, antiques, satellite dish, campers, woodworking equipment, workshop items, heavy machine equipment and building materials are not considered as household or personal goods. Payment includes, and is limited to, the cost of actual packing, transporting, and unpacking of a maximum of 15,000 pounds. If the move is on a weight basis (50 miles or more), the maximum cost to be paid can be no more than the lowest available regulated tariff rates. If additional storage is required for any such items, it is the responsibility of the employee and is not reimbursable.

When a shipment exceeds 15,000 pounds, reimbursement shall be based upon the tariff rate of 15,000 pounds, provided reimbursement does not exceed actual poundage costs. When due to extraordinary circumstances the total weight exceeds the maximum weight allowable, (15,000 pounds) a request for payment for this excess, which sets forth in detail the nature of such extraordinary circumstances, may be submitted for consideration to the Office of State Budget and Management. Except as otherwise provided specifically herein, payment may be made only for basic services performed by the carrier. No payment may be made for expedited service, space reservation, or other special or non-routine services by the carrier.

2. Insurance

Payment of transit insurance costs, in addition to that included in the carrier's required base coverage of 60 cents per pound per article, is limited to \$1.25 per pound per article, and coverage for up to 15,000 pounds. Additional coverage is the responsibility of the employee and is not reimbursable.

3. Appliance Connections

The reasonable costs of disconnection of appliances, as defined in this section, at the old residence and reconnection or reinstallation of the same appliances at the new residence, by the carrier or by a service company, may be allowed up to a maximum of \$200. This would include items typically found in performing household operations such as electrical, water, gas hook up, household appliances, and connection of a single telephone. This would not include items considered unnecessary to household operations such as television antennas, cable connection, satellite dish, nor any type of power tools or other equipment associated with home workshops, hobbies, or other activities. Also, utility deposits or the running of utility lines are not a reimbursable expense.

4. Mobile Homes

In lieu of an allowance for loading, unloading and insurance coverage, charges not to exceed a total of \$500 are allowable for the following costs associated with the movement of mobile homes utilized as the employee's residence:

- Blocking and unblocking
- Anchoring and skirting
- Movement of air conditioners and utility buildings
- Wheel rental

Claims for payment for such services, whether performed by the carrier or a service company, must be supported by itemization on the bill of lading or on paid receipts, as applicable, detailing in either case the appliances serviced, the work done, and the individual cost of each such service. Such services performed by the carrier, and for which he assumes complete responsibility, may be invoiced at the applicable tariff rates, and must be further supported by an affidavit signed by the employee verifying that the carrier performed the services.

5. Employee Travel and Subsistence

Payment for travel expenses incurred in moving the employee and his or her family from the old residence to the new residence is authorized as follows:

a) Locating a new residence

Transportation mileage calculated at the statutory rate for a maximum of three round trips by automobile with each trip not to exceed two days (2 days, 1 night), for total house hunting trips not to exceed 6 days (6 days, 3 nights). Subsistence for meal costs as shown in the travel section for each member of the family per trip. If overnight lodging is necessary, lodging is limited to one double room and subsistence for the following day is allowable.

b) Move date

Mileage calculated at the statutory rate for a one-way automobile trip (a maximum of two cars). Subsistence for meal costs as shown in the State Budget Manual travel section (Section 5) for each member of the family. Employees have two days to complete the move. If overnight lodging is necessary, subsistence for the following day is allowable. Lodging is limited to one double room. The department head or his/her designee can approve any additional time needed.

c) New duty station

Subsistence at the new duty station is not to exceed five days a week Monday-Friday, or a consecutive five day period, if working a nontraditional schedule. Mileage is limited for one-round trip per week from the employee's current residence to the new duty station, subject to state travel laws and regulations, from the time he or she begins work until he or she moves into the new residence, not to exceed a total of 40 consecutive working days, excluding any leave time.

C. Procedures for Moving and Payment

1. Arranging the Move

Prior to the actual move, the employee will submit a request to the college's board of trustees. The request shall include bids from three movers and an estimate of other allowable expenses. These regulations require competitive bids that do not exceed the tariff rates and charges as published and filed with the North Carolina Utilities Commission. Bidders must have all required state and federal licenses and insurance. Bids included in the request shall include:

- Shipment weight
- Number of cartons
- Charges for loading and unloading
- Cost of transit insurance coverage

Transportation and loading shall be governed by the rules and regulations as contained in tariffs on file with the North Carolina Utilities Commission.

The college's chief financial officer shall accept the low bid unless judged not to be to the college's advantage and interest. The chief financial officer will notify the employee in writing as to the mover receiving the contract. An advancement not to exceed 75 percent of the estimated moving costs may be made to the employee, but not more than five (5) working days before the scheduled move. Reimbursement to the employee will be on the basis of the total bid price of the successful bidder and prorated as outlined above.

2. Procedure for Payment

Upon completion of the move, the employee may pay the carrier and/or submit to the college's chief financial officer documentation consisting of:

- A bill of lading from the carrier which shows the actual rates and charges for transporting, loading and insurance, itemized by miles, loading charges with numbers and sizes of cartons, insurance coverage, as spelled out in this section.
- For moves over 50 miles, a certified weight ticket obtained by the mover and certifying the actual gross, tare, and net weights. This can be obtained from platform scales at truck stops, weight stations, etc.
- A copy of the letter authorizing the move. The college shall reimburse the employee or pay the carrier upon receipt of proper documentation. The expenditure should be charged to an account designated Employee Moving Expense.

3. Alternate Procedure

The college board of trustees may approve moving by an alternate procedure provided proper documentation and receipts support the move. The college may reimburse the actual cash expenditure made by an eligible employee in moving his/her household goods by another method, provided such reimbursement does not exceed that which would have been made if a regulated common carrier had been used. This alternative may be applicable for movement of an employee's goods by a rental trailer or truck or by a non-licensed mover. It is the responsibility of the board of trustees to determine if this method is cost effective before approval is granted.

IV. Bookstore Operations

The Operations of the bookstore should be handled through the provisions of Institutional Funds. All financial transactions pertaining to the bookstore should be kept separate from all other activities of the college.

A. Inventory

A complete physical inventory should be taken of all items for resale as of June 30 each year. This inventory should list each item on hand at June 30, and should provide columns for quantity of each unit on hand, per unit cost, and total costs. The total value of the inventory at costs should be recorded in the ledger and used to arrive at the cost of goods sold. The inventory list should be saved for use in auditing the bookstore.

All items on hand at year-end must be included in the inventory, although invoices on some of these items may not have been received until the following year. Care must also be taken to include any items which may have been returned, but for which credit has not yet been received.

Physical inventories may be desired at times other than June 30 to produce interim statements or some method of inventory estimating may be used as long as the inventory is reported at cost.

B. Bookstore Receipts

Without a Cash Register – The bookstore manager is required to issue a receipt for each sale, and will turn the money over to the business office each day. The cashier will issue a Cash Receipt – General and credit the appropriate revenue account in the institutional funds. The bookstore manager will retain a copy of the receipt for the bookstore's audit file.

With a Cash Register – The bookstore manager should clear the cash register machine at the close of each day and prepare an analysis of receipts for that day. The format of the Daily Cash Analysis will be created in the college Business Office. All overages and shortages must be shown. The business office will issue a receipt as described above. The receipt, analysis and cash register audit tape will be filed together for bookstore audits.

See 1H SBCCC 300.3(b) for the Board policy governing the use of bookstore operating revenues.

C. State Board of Community Colleges' Policy for use of Bookstore Operating Profits

All expenditures shall be consistent with the State Board of Community Colleges Code. See 1H SBCCC 300.3(c) for Board policy governing excess bookstore revenues.

V. Receipt of Library Fees

A. Procedures to be followed in the library

- Collections in the library for overdue books, copy machine use, lost books, etc. should be turned into the business office whenever the receipts total more than twenty-five dollars (\$25), but not less than once weekly. Normally this deposit should be on Friday to avoid leaving cash in the library over the weekend.
- The receipt from the cashier should be filed in the library's files for audit purposes for at least 2 years.

B. Procedures in the Business Office

- The cashier should count the cash and verify the count against the documentation provided by the library for the receipts collected.
- When fines are collected, receipts should be deposited into state funds as a refund of expense.

VI. Returned Checks

Returned checks will be replaced and should not be charged back against the bank account they received the deposit. Upon notification that a check was returned, the business office will write a replacement check from the institutional Returned Check Receivable account that is in the college's institutional current general fund. This check will be exchanged at the bank for the one that was bad. The journal entry should look like this:

- Debit returned check accounts receivable
- Credit institutional cash

A. Timely Repayment

If the original payor makes the check good, which should be the case most often, the second payment should be deposited directly into the *institutional* fund returned check accounts receivable code.

- Debit institutional funds returned check cash account
- Credit returned check accounts receivable

B. Untimely Repayment-Write Offs

If after one year or more from retrieving the returned check from the bank the check is not made good, and the college has performed due diligence collection procedures, the

fund(s) that were originally credited when the check was originally receipted against should be used to write off the debt by:

1. Drawing a check on each fund against which the original bad check was receipted.

If tuition and/or occupational registration fee:

- Debit the revenue account(s) against which the original bad check was receipted
- Credit state disbursing

If institutional funds (i.e. bookstore, student activity, etc.),

- Debit the fund's revenue code the original bad check was receipted against
- Credit the same institutional funds cash

NOTE: If at this point institutional funds are involved, a journal entry may be posted instead of writing an institutional funds check to deposit back to institutional funds returned check accounts receivable.

2. Deposit the refund check(s) to the returned check accounts receivable account in institutional funds.

- Debit - institutional funds returned check cash account
- Credit - returned check accounts receivable

C. Repayment after Untimely Process - Write-Off is completed:

If at any time after the above refund has been made, and/or the account has been written off, the check is made good by the debtor, repayment must be deposited into the codes used in #2, above under Untimely Repayment - Write-Offs.

In charging the receivable (returned check) account, it is recommended that a controlling account and subsidiary ledger be maintained and be available at all times.

Collection of processing fees for returned checks (NCGA General Statutes – Chapter 25) (25-3-506)

A returned check processing fee may be charged for payment of goods or services not to exceed twenty-five dollars (\$25.00) for a check on which payment has been refused by the payor bank because of insufficient funds or because the drawer did not have an account at the bank. The fee must be established by the college's board of trustees and deposited to general unrestricted within institutional funds.

Funds are to be used as follows:

- Support the collection efforts of the college for the returned check.
- Student aid and/or scholarships
- Other expenditures of direct benefit to students. (e.g., funding of positions for

financial aid and support of the Student Government Association.).

- Other similar expenses authorized by the board of trustees. (e.g., new faculty positions for start-up of new programs and counselors)

Funds may not be used for:

- Supplemental salaries or bonuses of any personnel.
- Administrative support of the college other than that allowed above.
- College entertainment expense. (Educational activities for non-college personnel or college personnel to enhance student success is permissible. Functions in which the primary purpose is lobbying or soliciting donations would be considered entertainment and are not permissible.)

All expenditures shall be consistent with the mission and purpose of the community college system.

If a collection agency collects or seeks to collect on behalf of its principal a processing fee as specified in this section in addition to the sum payable of a check, the amount of such processing fee must be separately stated on the collection notice. The collection agency shall not collect or seek to collect from the drawer any sum other than the actual amount of the returned check and the specified processing fee.

NOTE: If a student issues a check and it is returned as “insufficient funds”, the college must follow the above repayment policy. At no time can a college remove a student from their current class(es), but colleges are required to adopt a policy to prevent the student from registering for future class(es), curriculum or non-curriculum, or receiving grades and/or transcripts until the debt is repaid.

VII. Deposit of Receipts

A. State Funds

The Board of Community Colleges has provided that state funds shall be deposited in accordance with NCGS §147-77 which requires that every agency or college collecting funds belonging to the State of North Carolina shall deposit same on a daily basis in the name of the State Treasurer in a bank designated by the Treasurer.

The funds collected are to be deposited no later than the next business day following the date of collection. These funds are not subject to withdrawal except by draft of the State Treasurer. Checks which are taken in as receipts shall be endorsed as follows:

“For Deposit Only to the Credit of N.C. State Treasurer By: (Name of College)”

All deposits of State funds will be made on Certificate of Deposit, Form 10-4. The deposit number should be sequential. If on a given day there are no receipts of State Funds, but receipts for other funds, (institutional and/or county) a Certificate of Deposit should still be prepared and electronically transmitted at zero receipts.

Complete instructions on the use of preparation of the Certificate of Deposit may be found in A.P. No. 1.129 and 1.130. (As of this revision, sections 1.129 and 1.130 are not available for viewing on the NCCCS *Accounting Procedures Manual* web page.)

B. Local Funds

The deposit of local funds should also be handled on a daily basis and accounted for on forms provided by the local bank(s). The bank deposit slip should be prepared in duplicate with the original retained by the bank and the duplicate retained by the college and filed with the day's receipting documents reflecting the deposit.

VIII. Disbursements

All disbursements of funds handled by the college should be made by check or P-Card except for the purchase of items handled through the college's petty cash account.

Issuance of Vouchers

As covered in NCGS §115A-30, public funds provided for a college shall be paid out as follows:

A. State Funds

All state funds received by or deposited to the credit of a college shall be disbursed only upon warrants drawn on the State Treasurer and *signed by two employees* of the college who shall have been designated by the college's board of trustees, and who shall have been approved by the NCCCS Vice President of Business and Finance. Such funds may be disbursed in any other manner provided by regulations of the State Board of Community Colleges.

State funds expended by the colleges shall be disbursed through a disbursing account established for each college with the State Treasurer. The signature of persons authorized to sign vouchers issued on state funds shall be maintained on file with the State Treasurer and the State Board. The State Treasurer will furnish signature cards for this purpose.

The State Board of Community Colleges has established specifications for a standard check form to be used for the disbursement of State funds. Refer to the North Carolina Department of the State Treasurer Financial Operations Division Banking Operations web page for specifications. The cost of printing state checks shall be paid from state funds.

B. Local Funds

All local public funds received by or credited to a college shall be disbursed on warrants signed by two employees of the college that have been designated by the college's board of trustees, and who have been approved by the NCCCS's Vice President of Business and Finance.

IX. Petty Cash

The college will probably find it desirable to maintain a petty cash fund. This should be handled on an imprest cash basis. It would be best to operate a petty cash fund with a

minimum amount of cash. The best source to obtain this money would probably be Institutional Funds. **It may not be obtained from state funds.** If it has been determined that fifty dollars (\$50) is the amount needed to establish the fund, a check for this amount should be drawn and charged to Petty Cash.

As this fund is used to pay small bills such as postage, freight, etc. a petty cash voucher would be completed showing the line item charges and initialed by the person receiving the cash; any supporting data available would be attached. Periodically these vouchers would be summarized by line item of expenditure, by fund and a reimbursement check would be drawn to replace these vouchers bringing the petty cash back up to the fifty dollar (\$50) level. The signed petty cash voucher slips and supporting data (i.e. sales receipt) shall be filed as documentation with the check. Petty cash reimbursement checks are made payable to the Chief Financial Officer, or the Cashier, or the custodian of the petty cash fund.

Any accumulated overages or shortages should be cleared at least by the end of each fiscal year.

X. Writing-Off Uncollectible Accounts and College Loans

Colleges shall establish policies and procedures to govern techniques for collection of accounts receivable and delinquent accounts, and the writing these accounts off as uncollectible. These techniques may include use of credit reporting bureaus, judicial remedies authorized by law, and administrative setoff by a reduction of an individual's tax refund pursuant to the Setoff Debt Collection Act, Chapter 105A of the General Statutes, or a reduction of another payment, other than payroll, due from the college to a person to reduce or eliminate an account receivable that the person owes the college.

The 1979 session of the General Assembly established the Setoff Debt Collection Act (G.S. 105A). The Act provides that North Carolina individual income tax refunds are subject to State claims. A refund in whole or in part may be applied against any past due indebtedness owed the State, provided both the debt and refund, if any, are at least fifty dollars (\$50.00).

The Setoff Debt Collection Act must be incorporated into a college's collection procedures. Colleges will submit for collection all delinquent debts that are at least fifty (\$50.00) which they are owed by individuals. Past due debts include those that have been written off as uncollectible for financial statement reporting purposes as well as those that are still in the collection process. Before final setoff can occur, colleges must notify the debtor of the proposed setoff and of the debtor's right to contest the setoff through an administrative hearing and judicial review.

The following should be considered a minimum effort and should not prevent a college from adopting more stringent measures.

A. For amounts of less than fifty dollars (\$50)

A personal letter which details the date, purpose and amount of the debt should be mailed to the debtor. The debtor should be advised of state policy regarding grade

transcripts and registration for future classes. If this measure fails, the account may be written off with the approval of the college's board of trustees. Copies of all correspondence should be retained.

B. For amounts of fifty dollars (\$50) and more

A personal letter which details the date, purpose and amount of the debt should be mailed to the debtor. The debtor should be advised of state policy regarding grade transcripts and registration for future classes. If this measure fails, it should be turned over to the Collection Agency under contract with the State for this purpose and/or turned over to the College's Attorney who will write a collection letter. If the college is notified by the Collection Agency or the College's Attorney that the account is uncollectible, the debt shall be included in the "Set-Off Debt Collection Program" established with the Department of Revenue by G.S. 105A. Use of this program is mandatory for all debts of fifty dollars (\$50) and over. If all these measures fail, the account may be written off with the approval of the college's board of trustees. Copies of all correspondence should be retained.

Uncollectible accounts may be written off of a college's financial accounting records and no longer recognized as collectible receivables for financial reporting purposes, but the legal obligation to pay the debts still remains. Accounts should only be written off when all collection procedures have been conducted without results and management deems the accounts uncollectible. Accounts due from individuals or vendors must be submitted to the Department of Revenue for setoff debt proceedings at least once prior to write off. (For further details, see Subsection 350, Debt Setoff Programs.) After write off, these accounts shall continue to be submitted to the Department of Revenue for debt setoff proceedings.

A college's write-off policy must be adequately documented. Such documentation must be readily available for audit. Federally sponsored student loans should be written off and no longer considered a debt of the college when assigned to the U.S. Department of Education or other applicable federal agency.

Colleges shall develop policies and procedures to ensure that no student having any outstanding past-due accounts with that institution is allowed to enroll for the next term.

These procedures should be applied to state funds and other funds under the control of the college and that any debts rising from a Federal program are subject to all rules and regulations of the U. S. Department of Education. Also, the college has the prerogative of placing accounts with the Collection Agency or filing legal suits for any amounts.

XI. Student Fees

The State Board of Community Colleges gives local boards of trustees the authority to establish registration and other fees; to provide a new and continuing source of support for college operations; to provide local flexibility in setting fees at what the local market can sustain and retaining those fees locally; and, to provide annual accountability to the State Board in identifying the fees.

A. Establishment of Student Fees

Local college's board of trustees may establish student activity fees, instructional technology fees, college access, parking, and security fees, required specific fees, and other fees but are subject to any State Board established maximums. Guidelines for the local application of each of those fees are established in State Board Code 1E SBCCC 700.1 through 700.7.

General Provisions – 1E SBCCC 700.1

Student Activity Fees - 1E SBCCC 700.2

Instructional Technology Fee - 1E SBCCC 700.3

College Access, Parking and Security Fee (CAPS) - 1E SBCCC 700.4

Required Specific Fees – 1E SBCCC 700.5

Other Fees - 1E SBCCC 700.6

Excess Fee Receipts – 1E SBCCC 700.7

B. Disbursements of Excess Funds Receipts

1. Receipts in accounts that are classified as excess funds should be transferred from the original account source to an account classified as Excess Funds Receipts.
2. Expenditures of Excess Funds Receipts must be maintained in a separate account so that those expenses are kept separate from expenses charged to the non-excess funds in the original account. For example: Self-support collections for the year exceeded expenditures by \$20,000. A college wants to use \$10,000 of these funds to support their welding program by purchasing some welding equipment. \$10,000 should be transferred from the college's self-support account to excess receipts, and the welding equipment should be purchased from the excess receipts account.
3. Funds must be expended in accordance with 1E SBCCC 700.7.

XII. Live Client Projects

See 1H SBCCC 300.1 for State Board policy.

XIII. Parking and/or Traffic Fines (See numbered memorandum CC05-239)

Colleges approving and charging a parking and/or traffic *fin*es must remit collections to the "Civil Penalty and Forfeiture Fund" through the Office of State Budget and Management within 10 days after the end of the calendar month in which the fines were collected to comply with a July 1, 2005 ruling of the North Carolina Supreme Court. Checks are to be made payable to the Office of State Budget and Management and the description of the payment should indicate "FINES AND PENALTIES COLLECTED FOR _____(insert month and year)"and mailed to OSBM, 20320 Mail Service Center, Raleigh, NC 27699-0320.

This ruling does not affect towing fees collected under G.S. 115D-21 so long as those fees reasonably relate to the actual costs associated with the towing of vehicles. In

addition, the decision does not affect library fines or other fines beyond the scope of G.S. 115D-21.

XIV. Overhead Receipts

Many financial aid programs provide for an administrative allowance that colleges can use to offset overhead costs of administering the program. These financial aid receipts shall be divided into two parts:

A. Unrestricted

Twenty-five percent (25%) of the total amount received each year may be used for instruction, student support services, student financial aid (e.g. scholarships, grants, loans, Work Study), student refunds, student activities, curriculum development, program improvement, and professional development. Colleges may also use this portion for costs associated with financial statement audits or any other audits required by the State or Federal Government, OMB A-133 audits, or any other audits required by the State or Federal Government. If the college is required to payback funds as a result of audit findings, the college may use this portion to meet that obligation. These purposes shall be approved by the college's board of trustees only once, unless the purposes are changed. If equipment was permitted by the grant through which the indirect cost allowance was earned, equipment may be purchased with the unrestricted portion only. Funds cannot be approved for capital improvement projects.

B. Restricted

The remaining seventy-five percent (75%) of the total amount received each year may only be used for the following:

1. Publications containing financial aid and other student services information.
2. College Work Study matching or continuation of the College Work Study Program after regular funds have been exhausted.
3. Salaries and related fringe benefits in financial aid, business office, grants administration or student services, which are necessitated by grants earning overhead receipts. (Supplements to regular salaries are not permitted.)
4. Supplies and materials for use in either the financial aid office, business office, grant administration or student services which are related to the grants providing the overhead receipts.
5. Travel of persons in the financial aid office, student services or others who are responsible for administration of grants providing overhead receipts.
6. Membership dues or fees paid to financial aid and student services associations.
7. Service fees paid to billing and collection services.
8. Contractual services which are related to supporting the grants providing the overhead receipts.
9. Costs associated with financial statement audits, OMB A-133 audits, or any other required audits by the State or Federal Government.
10. Required payback of funds as a result of audit findings.
11. Student financial aid (e.g. scholarships, grants, loans).
12. Other purposes related to supporting the grants providing the indirect cost

receipts, upon receipt of written approval from the North Carolina Community College System Chief Financial Officer.

Special Provisions

The fund balance that accumulates from year-to-year in Overhead Receipts restricted, and is available for uses as described in the second part above. Funds should be transferred out of the Overhead Receipts Fund to other appropriate funds to be expended.

XIV. Payroll

A. Partial Month Pay Calculations

Colleges have two options for calculating partial month pay in Colleague: the daily rate method and the hourly rate method. No other method is approved for use at this time.

Daily rate method

Colleges may use the daily rate calculation method when calculating partial monthly pay for employees. Current functionality in Colleague supports the daily rate calculation method for several scenarios, though not all. To calculate the daily rate, Colleague divides an employee's monthly salary by the number of working days in the current working month to calculate a daily rate.

Example: An employee having a monthly salary of \$4,112.10 works 22 days in a particular month that has 23 working days. The gross pay is calculated by dividing the monthly salary of \$4,112.10 by the 23 working days in the month to get a daily rate of \$178.7869. Next, multiply the daily rate by 22 days worked to get \$3,933.31.

Monthly salary	\div	Scheduled working days	\times	Actual days worked	$=$	Partial month pay
4,112.10		23		22		3,933.31

For employees taking leave days without pay, an adjustment can be made on PPGA to delete the number of days that an employee is on unpaid leave.

Example: Assume that the employee in the example above works 19 days out of 23 and takes four unpaid days. The gross pay is calculated by dividing the monthly salary of \$4,112.10 by the 23 working days in the month to get a daily rate of \$178.7869. Once the four unpaid days are removed from PPGA, Colleague multiplies the daily rate by 19 days worked to get \$3,396.95. The salary will be correct using this method without doing any other manual manipulations of the salary in PPGA.

Monthly salary	÷	Scheduled working days	X	Actual days worked	=	Partial month pay
4,112.10		23		19		3,396.95

Hourly rate method

In most cases, adoption of the daily rate method will eliminate the need for any manual calculations. However, if a new employee has a wage start date after the first working day of the month or if an employee leaves and has a wage end date before the last working day of the month, Colleague will pay the employee using an hourly rate method in which the monthly gross is divided by the number of working hours in the month. Colleges wishing to avoid manually calculating the partial pay and manually correcting the amount shown on PPGA are permitted the flexibility to accept the hourly rate calculation.

A college may choose to make the manual interventions necessary to pay by the daily rate method if preferred but is not required to do so. Furthermore, the college may choose the method on a case-by-case basis using professional judgment to decide which method is more appropriate under the circumstances of the individual situation.

As a reminder, pay is not received for any days designated as a holiday in the following cases:

- Holidays that occur before the beginning date of employment;
- Holidays that occur after the last date of employment; or
- Holidays that occur after an employee goes on extended leave without pay if the employee does not work at least half of the workdays in that same month.

Questions about Colleague human resources and payroll processes can be directed to the CIS Help Desk at cishelpdesk@nccommunitycolleges.edu or (919) 807-7048.

B. Spreading Pay

As a service to employees on contracts shorter than twelve months, as well as for administrative efficiency, colleges may decide to offer the option of spreading contract pay over twelve months. This has the advantage of offering these employees a year of paychecks and it benefits the college by easing the burden of collecting payments from contract employees for the cost of their benefits during the months in which no paycheck is issued.

Internal Revenue Code (IRC) calls compensation earned in one period but paid in a later period deferred compensation, and it is further classified as qualified or non-qualified. Qualified deferred compensation is money deducted from an employee’s check and deposited into funds that meet the terms of IRC §401(k), §403(b), or §457(b).

Non-qualified deferred compensation is any other type of deferred compensation unless specifically exempted.

In the guidance provided by Notice 2008-62, IRS originally exempted up to a limitation of \$15,500 of deferred pay for instructional personnel as set by IRC §402(g)(1). For tax year 2018, the revised limitation is \$18,500.¹ That means that as long as the employee is paid the entire amount of their contract within the thirteen-month period that begins in the initial month of their working period (i.e., the first of the month that their contract begins) and there is a written or electronic agreement in place with the employee accepting spread pay, any deferral of pay up to the limitation is essentially treated as though it were earned in the subsequent tax year for tax purposes.

Under the IRS rules, colleges have three options:

1. A college may elect not to offer to spread pay;
2. A college may elect to offer to spread pay; or
3. A college may elect to require spreading pay.

For colleges who elect to offer to spread pay but not require it, a policy should be adopted stating whether participants will be allowed to alter their spread pay agreement or cancel it entirely during the work period. Note that the process of switching to or from a spreading agreement during a working period requires manual calculations and colleges should consider whether this is a service that they want to offer.

Regardless of whether the colleges allow intra-period modifications, agreements should specify the terms of the spread pay agreement, including when the pay is earned, the method by which the current portion will be calculated for payroll purposes (such as *pro rata*), and when the deferred portion will be paid. Colleges should pay out any unpaid balance of earnings upon termination of the employee.

¹ See <https://www.irs.gov/newsroom/irs-announces-2018-pension-plan-limitations-401k-contribution-limit-increases-to-18500-for-2018>

C. Members of Boards and Commissions as Employees

As outlined in Numbered Memo CC17-033, community college board and special commission members should generally be treated as employees for tax purposes. Federal revenue regulations provide that a public official must be an employee of the organization and payroll withholding regulations must be followed. Internal Revenue Code §3401(c) provides that the term employee includes, “an officer, employee, or elected official of the United States, a State, or any political subdivision thereof, ...or any agency or instrumentality of any one or more of the foregoing.”

On its website (<https://www.irs.gov/government-entities/federal-state-local-governments/tax-withholding-for-government-workers>) IRS defines “public office”:

- The constitution, legislation, or a municipality or other body with authority conferred by the legislature created the office

- The office was delegated a portion of the powers of a government body
- Legislative authority or law defined, either directly or indirectly, the powers conferred and the duties to be discharged by the office

In the same place as the foregoing, IRS provides the following examples:

- President and the vice president
- Governor or mayor
- Secretary of state
- A member of a legislative body such as a state legislature, county commission, city council, school board, utility or hospital district
- A judge, a justice of the peace, a county or city attorney, a marshal, a sheriff, a constable and a registrar of deeds
- Tax collectors and assessors
- Members of advisory boards and committees like boards of education, water boards and other boards and commissions

Colleges should not only treat members of boards and commissions as employees, generally, but should also run all other forms of taxable compensation through the payroll system and tax them as ordinary compensation. Other forms of compensation typically include routine personal/commuting use of a business vehicle, travel allowances, travel reimbursements that exceed customary amounts (amounts that would have been provided to any other employee in the normal course of business), season tickets to theatre or sporting events, and country club memberships. While most of these are not common among colleges, readers should be aware of these specific categories. Please see the following section, “Taxability of Payments and Accountable Plan Rules,” “De Minimis Fringe Benefits,” and, “Awards,” for more rules that apply to members of boards and commissions.

D. Taxability of Payments and Accountable Plan Rules

All amounts paid to employees are taxable unless specifically excluded by regulation. In *Publication 463*, IRS defines an accountable plan as one in which the expenses must have a business purpose, that the recipient is accountable to the employer for the amount spent within a reasonable period of time, and that excess funds received over the actual expenses are returned to the employer. A “reasonable period of time” could be thirty days prior to travel for a travel advance, sixty days after travel for an accounting of actual expenses, and up to a few months after travel for repayment of any excess.

An example of reimbursement under an accountable plan would typically involve reimbursing employees or board members for actual lodging and meal costs or providing reasonable per diem allowances. Examples of payments that would not qualify as reimbursements under an accountable plan would include reimbursing employees or board members for commuting expenses, routine meal reimbursements when not in travel status, and transportation or vehicle allowances for which employees are not required to account and return any excess.

E. De Minimis Fringe Benefits

Similarly to accountable plan rules, IRS regulations provide that colleges may elect to provide tokens of appreciation to employees, including board members, and exclude the value of such items from taxable wages if certain de minimis benefit rules are met. In order for a benefit to be a de minimis fringe benefit, it must be property or service that has so little value, considering the frequency of providing such a benefit, that accounting for it would be unreasonable. Cash and cash equivalents (such as gift cards), season tickets for theater or sporting events, country club or athletic club memberships, and similar items are never de minimis. A few examples of de minimis fringe benefits include:

- Holiday or birthday gifts, other than cash, with a low fair market value;
- Occasional personal use of a business cell phone; and
- Occasional theater or sporting tickets.

For more information, consult *Publication 15-B*.

F. Awards

There are federal revenue regulations specific to awards that increases a college's flexibility for tax-free gifts, but the rules can be tricky. First, the recipient must be considered a legal employee. Second, it must meet all of the following criteria:

- it is given to an employee for length of service or safety achievement;
- it is awarded as part of a meaningful presentation; and
- it is awarded under conditions and circumstances that don't create a significant likelihood of disguised pay.

These criteria are spelled out in *Publication 535*, and in that document IRS tells readers that the payment can be *deducted*, even if paid in cash. Since colleges don't pay income taxes, deduction is not what is important. Whether the employee must be taxed on the gift is what is important, and that is discussed in *Publication 15-B*. If the award is in cash, a cash equivalent (such as a gift card), vacations, meals, country club memberships, tickets to theatre or sporting events, and similar items, then it is taxable to the employee.

Otherwise, such gifts are excludable from an employee's wages under the following circumstances:

- the award is made under an established written plan, and
- the plan does not discriminate in favor of highly compensated employees (see *Publication 15-B* for the current limits), and
- the average cost of all employee achievement awards (both qualified and nonqualified awards for length of service and safety) made by the employer during a single year does not exceed the cap (see *Publication 15-B* for the current limits).

For more information, consult *Publication 15-B*.

XV. Foreign National Compliance Policy

All North Carolina State Government Agencies, Universities, Community Colleges and Institutions have been tasked with the responsibility of withholding and reporting on payments to Foreign National individuals and vendors in accordance with the IRS Code Regulations Section 1441 and policies established by the Office of the State Controller (OSC). These policies and procedures are posted on the Office of the State Controller website at

http://www.osc.nc.gov/Foreign_Nationals/Foreign_Nationals_Information.html

The Tax Navigator software package was purchased by OSC and provided to state entities to assist in properly withholding and reporting payments made to foreign nationals working and studying in North Carolina. The software consists of components that calculate all applicable tax withholding, deliver all necessary tax analyses and forms required, and stand recognized by the IRS as valid software for withholding and reporting for Foreign Nationals.

The software contract terms stipulate that five community colleges have licenses to use, manage and maintain the software locally on their campuses, while the remaining 53 colleges are managed through a central database at the North Carolina Community College System Office (NCCCSO) Systems Accounting and Special Projects section of the Division of Finance and Operations. All licenses are funded and paid for by the System Office. The five colleges that have the software on campus are:

- Asheville-Buncombe Technical Community College
- Central Piedmont Community College
- College of The Albemarle
- Guilford Technical Community College
- Wake Technical Community College

A. College Responsibilities

As part of the Foreign National Compliance Program, all colleges must develop written internal policies and procedures that establish their own internal business flow process between Human Resources, Student Services and Accounts Payable. Any payments to foreign employees, vendors, contractors and students must be tracked within each college. All colleges must designate a contact person or persons in the areas of Human Resources/Payroll, Student Services, and Accounts Payable/Purchasing to communicate with the System Office and the Office of the State Controller (OSC) on matters related to foreign nationals and the Tax Navigator software. Each college submits a Foreign National College Contacts form assigning the contact(s) for each area, and the System Office verifies and updates these contacts periodically. Colleges can select as many contacts in each area as needed, and the same person can be the contact for one or more areas.

The 48 colleges managed centrally through the System Office must also submit and maintain a Foreign National College Authorized Signature Form. The designated

individuals are responsible for signing the Foreign National Data Gathering Form and the Foreign National Payment Certification Form, certifying that the information being submitted has been reviewed and is accurate to the best of his/her knowledge. These individuals are also responsible for signing the forms to be submitted to the IRS or Immigration office when necessary. It is recommended that authorized signature designees for each college include the Chief Financial Officer and the Human Resources Director.

When presented with a foreign national vendor, contractor, student or employee, the college should complete either the Foreign National Vendor Data Gathering Form or the Foreign National Data Gathering Form found on the Business and Finance website and return to the Systems Accounting and Special Projects section of the Division of Finance and Operations. Once the form has been reviewed and processed, Systems Accounting staff will notify the college of the applicable taxation rules.

It is the college's responsibility to gather all data for each individual to be tracked through Tax Navigator, whether processing the data in the locally or through the System Office, before payment is issued.

If payments made by the college to the foreign national vendor, contractor, student or employee are taxable, the college must withhold federal and/or state taxes as instructed. Payments and tax withholdings must be certified to the Systems Accounting and Special Projects Division of Business and Finance every quarter using the Foreign National Payment Certification Form.

B. Workflow for Colleges Managed through the System Office

1. College identifies a foreign national or foreign vendor that will be compensated via payroll, accounts payable or student services. The appropriate department should maintain a copy of evidentiary and supporting documentation, such as I-9, I-20, I-94, I-797, passport, employment authorization card, visa, DS-2019, W-8BEN, W-ECI, etc.
2. College completes the FNIS Data Gathering Form or FNIS Vendor Data Gathering Form and submits via email with supporting documentation to the System Office to nordstroml@nccommunitycolleges.edu.
3. System Office establishes the record containing demographic data in Tax Navigator, performs the Substantial Presence Test (SPT) and/or Treaty Analysis, if applicable, and notifies the college contact via email of the appropriate taxation rules.
4. College certifies payment and withholding information to the System Office on the Foreign National Payment Certification Form for each individual/vendor added to the system for tracking. This form will be submitted on a quarterly basis to update the information in the Tax Navigator.
5. System Office will update all records quarterly from the payment information submitted by the college.
6. At the end of the calendar year, IRS Forms 1042, 1042-T and 1042-S will be printed by the System Office and sent to the college to be submitted to the IRS by March 15 each year. Form 1042-S must also be distributed by the college to the foreign nationals/vendors by March 15 each year.

XVI. Fixed Asset Policy

A. Capitalized Assets

A capital asset is property, such as land, land improvements, easements, buildings, equipment, works of art and historical treasures, and infrastructure, with a cost equal to or greater than \$5,000.00 and a useful life of two or more years. Capital assets are acquired for use in normal operations and are not for resale. These assets must be capitalized and entered on the College's fixed asset inventory system. A physical inventory must be taken of inventoried assets at least once a year.

B. Non-Capitalized Assets

Assets costing below \$5,000.00 are expensed, not capitalized, nor depreciated for financial reporting purposes. These assets **are not consumable and have an extended useful life**. Non-Capitalized Equipment is purchased using either the **expense object code 555100 (Non-Capitalized Equipment) or the expense object code 555200 (Non-Capitalized Equipment – High Risk)**. **Non-Capitalized Equipment** is a non-consumable asset and should never be purchased using a supply object code. **Object Codes 555100 and 555200** can be used with either a **capital purpose code (920, 940) or with a current operating purpose code (1XX, 220, 3XX, 4XX, 510)**. Only expenditures charged to capitalized equipment object codes in purpose code 920 will be used to calculate the amount of equipment carryover funds.

C. High Risk Assets

The System Office has designated the following equipment as **high risk**: data processing and networking equipment, servers, computers, laptops, portable projectors, iPads and other tablets, and guns.

Equipment that the System Office considers high risk must be purchased **using the expense object code 555200 (Non-Capitalized Equipment – High Risk)**. Colleges can also use **expense object code 555200 (Non-Capitalized Equipment – High Risk)** for other items that they consider high risk, such as, audio-visual equipment, microscopes, and medical equipment. Using a separate object code for high risk equipment purchases provides a balancing tool between the monthly state funds expense report and the fixed asset inventory system, for those colleges that are adding non-capitalized high risk equipment to their fixed inventory system.

D. Fixed Assets System

Colleges are required to enter capitalized assets to the college's fixed asset inventory system

Colleges are not required to enter equipment purchased with a non-capitalized equipment object code to the college's fixed asset inventory system, but are allowed and encouraged to track them on the inventory system. Non-capitalized assets tracked on the inventory system must be designated with a source code of 9.

An annual physical inventory is not required on non-capitalized inventoried items, but Colleges **should inventory non-capitalized items kept on the inventory system at least once every 2 to 3 years, if not annually**, and high risk items not kept on the inventory system at least once every 2 to 3 years, if not annually.

Colleges must have the ability to **keep track of high risk non-capitalized equipment**. The college's tracking process for **Non-Capitalized Equipment – High Risk** items must be written and reported to the System Office. Colleges submit their written process to the System Office upon request, and the written process must be **signed** and approved by the CFO.

XVII. Reporting Damage, Theft, Misuse of State Funds/Property

- Report the damage, theft, embezzlement, or misuse of any state-owned personal or real property by institutional officials or employees to the Director of the State Bureau of Investigation in accordance with G.S.114-15.1
- Whistleblower Protection
- State Auditor Hotline
- Retirement Hotline: The North Carolina Retirement Systems has created a Fraud and Abuse Hotline that allows citizens to report potentially fraudulent behavior by members, benefit recipients and employers in the Retirement Systems. You are encouraged to contact the N.C. Retirement Systems to report possible fraud and abuse regarding areas such as:
 - Return-to-work violations
 - Disability fraud as it pertains to the N.C. Retirement Systems, not Social Security disability
 - Receipt of a deceased member's benefits
 - Impersonation of an N.C. Retirement Systems employee

Report Retirement Systems fraud now to one of the following:

- 1-855-90FRAUD (1-855-903-7283)
- 1-919-807-4945 (Raleigh area)
- www.nctreasurer.com/retfraud to submit a fraud report

XVIII.Changing depositories

The Banking Operations team within the Financial Operations Division of the Department of State Treasurer is excited to announce a new page on the Department's website that will provide resources and guidance on our depository relationships across North Carolina. Visit the new page here:

<https://www.nctreasurer.com/fod/Pages/Banking-Relationships.aspx>

XIX.P-card/credit cards

Refer to the Administrative Code **01 NCAC 05B.1523** and the General Statute **G.S. 143-49.8** for rules governing the use of P-cards.

A. P-Card Rebates

The system office will generate payments to colleges receiving procurement card rebates when notified by the Office of the State Controller (OSC) and funds are received from the Department of State Treasurer.

Colleges should deposit the rebates into the general ledger account(s) where the original expenditures were made. Any amounts deposited to state fund general ledger accounts should be recorded as refunds of expenditure using the appropriate NARD code so that these amounts are reflected accurately on the monthly 2-12 Receipts and Deposits page.

The federal government must be allocated their portion of any rebate received from the use of procurement cards by colleges. The federal portion is based on the participation by the federal government in the particular grant or program that generated the rebate. Each college is responsible for calculating the federal financial participation rate, applying that rate to the rebate received and remitting that amount back to the specific granting federal agency via check. The exact procedure for the return of funds should be agreed upon with the granting agency.

An OSC approved method to calculate the federal financial participation rate is to divide total college Schedule of Expenditures of Federal Awards (SEFA) expenditures for the fiscal year by the total college expenditures for the fiscal year for accounts with any federal revenues. Any other method by which a more precise rebate allocation is generated may also be used, including the actual rate for a particular grant where the federal funds were spent, if that is easily identified.

Each college is responsible for proper documentation on the receipt of these funds, the accounts to which they were deposited, any methods of calculation or allocation between accounts and/or federal portions, and all other details about accounting for these rebates, as each college is responsible for any future inquiries concerning the receipt and processing of these rebates.

XX. Records Retention

Refer to the State Records Retention Schedule on the State Archives website for rules governing the retention of state records. The URL for the current retention schedule is: http://archives.ncdcr.gov/Portals/3/PDF/schedules/NCCCS_Colleges_Final_7-26-16.pdf?ver=2016-08-08-113555-747. This link was posted to the North Carolina State Archives blog located at <https://ncrecords.wordpress.com/category/schedules>.

XXI. Document History

Date published	Description
March 2015	<p>Travel – Corrected the total daily travel reimbursement rates as shown in the written words. (The reimbursements amounts shown on the chart in Section II, Part C and shown in numbers in Section II, Part B were correct)</p> <p>Travel – Statement about on-line training added to the section on Registration Fees - All registration fees must be approved in advance by the college President or his/her designee. Convention or conference registration fees must be included on the travel authorization request prior to departure. Registration fees for webinars or other on-line training that does not involve travel should not be requested on a travel</p>

	<p>authorization, but should be processed using the college's normal purchasing procedures.</p> <p>Moving and Relocation – Added a statement giving colleges blanket approval to use state funds for moving and relocation expenses for new Presidents Moving expenses are not allowable for initial employment or if the employee requests the change. The Office of State Budget and Management (OSBM) has approved one exception to this rule. They have given Community Colleges blanket approval to use state funds to pay for moving expenses of new Community College Presidents when the President's household and personal goods weigh less than 15,000 pounds. Should the President's household and personal goods weigh 15,000 pounds or more, colleges must request permission from OSBM.</p> <p>Moving and Relocation – Clarification that the Office of State Budget and Management is the approval authority for approving employee moving expenses when household goods weigh above 15,000 pounds</p> <p>Writing off Uncollectible Accounts and College Loans – This section was completely rewritten and the minimum requirements were changed to give colleges more flexibility.</p> <p>Student Fees – Disbursements of Excess Funds Receipts section added. Requires colleges to keep the expenses related to excess funds receipts in a separate institutional account from the original source account.</p> <p>Payroll – Updates the Partial Monthly Pay Calculations section to the daily rate method which is the way colleague calculates partial monthly pay</p> <p>Foreign National Compliance Policy – Change in the number of colleges that maintain their own Tax Navigator (Windstar) software license for foreign tax compliance from ten to five.</p>
June 2015	<p>Payroll – Spreading Pay was added. Provides guidance to colleges about spreading pay for employees on instructional contracts less than twelve months.</p>
October 2015	<p>Travel – The travel policies were updated for current rate information.</p> <p>Payroll – <i>Partial Month Pay Calculations</i> and <i>Spreading Pay</i> were combined into a single Payroll section. This section combines the payroll issues into one section and updates the guidance on partial month pay to offer colleges flexibility in calculating partial month pay.</p> <p>Document History – section was added. This will allow users to track the history of modifications to this document.</p>
March 2016	<p>Travel – In addition to being completely reorganized for better reference and to reduce redundancy, the travel policies were updated for:</p> <ul style="list-style-type: none"> • the decrease in IRS mileage rate from 57.5¢ per mile to 54¢ per mile; • the current IRS depreciation rate of 23¢ per mile; • the current state motor fleet rate of 34¢ per mile; • the introduction of a tiered mileage reimbursement system for mileage above and below 75 miles per trip; • the rental of vehicles under state contract;

	<ul style="list-style-type: none"> the allowance of tips for taxi and other ground transportation drivers of 15% of the fare plus up to \$2 per bag; and the handling of “super saver” rates and frequent flyer miles earned on official college business trips. <p>Live Client Projects – Readers are now referred to the Board policy at 1H SBCCC 300.1.</p> <p>P-card/credit cards – In accordance with Office of the State Controller Memo No. 15-22, this section was updated to reflect that federal rebates are no longer to be sent to OSC but remitted directly to the granting agency.</p> <p>Records Retention – section was added. Refer to the State Archives website for the State Records Retention Schedule. Currently, the URL is http://stateschedules.ncdcr.gov/Schedules/North%20Carolina%20Community%20College%20System/Colleges%20in%20the%20Community%20College%20System/NCCCS_Colleges_CommCollSystem_Admin.pdf</p> <p>This document was updated for ADA compliance. The font family was converted from serif to sans serif. The online version will be available in grayscale.</p>
December 2016	<p>Travel – In accordance with Numbered Memo CC16-052, this document has been updated to show that reimbursement for official use of a personal vehicle is to be reimbursed at the IRS standard business mileage rate up to 100 miles per day of travel status and any miles driven in excess of that threshold are to be reimbursed at the IRS medical or moving purposes mileage rate. See the Transportation by Personal Vehicle section for details.</p>
January 2017	<p>Travel – This document has been updated to reflect the 2017 IRS standard business mileage rate, which decreased from 54¢ to 53.5¢ per mile; the 2017 IRS standard depreciation mileage rate, which increased from 24¢ to 25¢; and the 2017 IRS medical or moving purposes mileage rate, which decreased from 19¢ to 17¢ per mile. See the Transportation by Personal Vehicle section for details.</p> <p>Records Retention – The North Carolina Department of Natural and Cultural Resources, State Archives Division, has completed the new records retention schedule for community colleges. See the Records Retention section for details.</p>
July 2017	<p>Travel – Pursuant to a memorandum dated July 7, 2017, from State Budget Director, Charles Perusse, this document has been updated to reflect changes in the state travel subsistence rates effective July 1, 2017. The in-state breakfast rate has increased from \$8.30 to \$8.40, the lunch rate has increased from \$10.90 to \$11.00, and the dinner rate has increased from \$18.70 to \$18.90. The out-of-state breakfast rate has increased from \$8.30 to \$8.40, the lunch rate has increased from \$10.90 to \$11.00, and the dinner rate has increased from \$21.30 to \$21.60. The in-state lodging rate has increased from \$67.30 to \$71.20 and the out-of-state lodging rate has increased from \$79.50 to \$84.10. See the Subsistence Rates subsection of the Travel section for more information about these daily rates.</p>
August 2017	<p>Payroll – Following Numbered Memo CC17-033, this document has been updated to include four new subsections: “Members of Boards and Commissions as Employees,” “Taxability of Payments and Accountable Plan Rules,” “De Minimis Fringe Benefits,” and “Awards.” These sections are intended to provide an outline to assist colleges in finding the appropriate guidance for making decisions about which board and commission members should be treated as employees, and how fringe benefits should</p>

	be handled for all employees. See each of these new subsections for details.
January 2018	Travel – This document has been updated to reflect the 2018 IRS standard business mileage rate, which increased from 53.5¢ to 54.5¢ per mile; the 2018 IRS standard depreciation mileage rate, which remained unchanged at 25¢; and the 2018 IRS medical or moving purposes mileage rate, which increased from 17¢ to 18¢ per mile. See the <i>Transportation by Personal Vehicle</i> section for details.
March 2018	<p>Travel – Pursuant to a memorandum dated January 19, 2018, from State Budget Director, Charles Perusse, this document has been extensively updated to reflect the following changes, with the affected subsection(s) in parentheses following the update:</p> <ul style="list-style-type: none"> • The 2018 IRS standard business mileage rate, which increased from 53.5¢ to 54.5¢ per mile and the 2018 IRS standard depreciation mileage rate, which remained unchanged at 25¢ (<i>Transportation by Personal Vehicle</i>); • The 2018 state excess mileage rate of 33¢ per mile replaces the IRS medical or moving purposes mileage rate, which was 17¢ per mile (<i>Transportation by Personal Vehicle</i>); • The change in the mileage rate structure from a threshold of 100 miles per day of travel status to 100 miles in total while in travel status. (<i>Transportation by Personal Vehicle</i>); • To update guidance for tip allowances for taxis and car services (<i>Tips and Gratuities</i>); • To allow for reimbursement for the use of car services and mobile phone ordered car services (<i>Travel to/from Airport at Authorized Traveler's Duty Station, Travel to/from Airport at Authorized Traveler's Destination</i>); • To prohibit meal reimbursements for travel that is not in overnight status in order to comply with IRS regulations. (<i>Meals during Overnight Travel, Meals for Conferences or Events Requiring Employee Attendance</i>); • To allow reimbursement for online residential rental services that are supported by demonstrated savings (<i>Reimbursement for Lodging</i>); and • To increase the rate for breaks to provide for coffee, snacks, and related items (<i>Assemblies Sponsored by the College</i>). <p>Payroll – This document has been updated to reflect the 2018 IRS elective deferral limitation, which increased from \$18,000 to \$18,500. See the <i>Spreading Pay</i> subsection for details.</p>



**ACCOUNTING PROCEDURES MANUAL
AND
REFERENCE GUIDE**

SECTION 2: CHART OF ACCOUNTS

**FINANCE AND OPERATIONS DIVISION
VERSION 2018.3
REVISION DATE 3/16/2018**

What's New?

March 2018

Section III – Purpose Code was updated:

- Purpose code 220, *Transitional programs*, was updated to clarify allowable costs.
- Purpose code 320, *Basic Skills Plus*, was updated to clarify that it is for continuing education.
- Purpose code 321, *Adult Basic Education/English Language Acquisition*, was formerly named *Adult Basic Education/English as a Second Language* and was updated to clarify allowable costs.
- Purpose code 322, *Adult Secondary Education*, was formerly named *Adult High School and GED* and was updated to clarify allowable costs.
- Purpose code 323, *Integrated English Literacy and Civics Education*, was formerly named *Compensatory Education* and was updated to clarify allowable costs.
- Purpose code 324, *High School Equivalency Testing*, was formerly named *General Education Development Testing* and was updated to clarify allowable costs.
- Purpose code 325, *Basic Skills Administration*, was updated to clarify allowable costs.

Section IV – Vocational Code was updated:

- Vocational codes 10-19 were revised to match the new Carl D. Perkins Career and Technical Education standards.
- Vocational code 15, *Services and Activities/Direct Assistance to Students*, was updated to clarify that Form 1099-MISC need only be issued when required by IRS regulations.
- Vocational code 30, *CIP-ESAP*, was added.
- Vocational code 49, *Short Term Workforce*, was added.
- Vocational code 57, *NC CBE-State Board Reserve Funds*, was added.

Section VI – Object Code was updated:

- Object code 511300, *Full-time Professional Staff*, was updated to match the updated purpose codes.
- Object code 511310, *Part-time Professional Staff*, was updated to match the updated purpose codes.
- Object code 511340, *30 Hour Professional Staff*, was updated to match the updated purpose codes.

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General Ledger Account Structure

	XX	XXX	XX	X	XXXXX	XXXXX
FUND SOURCE 0 Institutional Funds 1 State Funds 2 County Funds 5 Accounts Receivable Clearing						
NACUBO CODE 1 Current Unrestricted 2 Current Restricted 5 Proprietary 6 Loan 7 Plant 8 Endowment 9 Agency						
PURPOSE Classifies the function of expenditures						
VOCATIONAL CODE Tracks federal and state non-formula expenditures across purposes						
LEDGER IDENTIFICATION 1 Asset 2 Liability 3 Fund Balance 4 Revenue 5 Expense						
OBJECT Structured code to identify the nature of assets, liabilities, fund balance, revenues and expenses						
UNIT Assigned by each college to support local college needs						

I. Fund Source (Position 1)

The budget source identifies the approving authority for purposes of budgeting, as prescribed by G.S. 115D.

0. Institutional Fund

Funds that are acquired and controlled entirely by the local college, including loans, scholarships, endowments, trust and agency funds, auxiliary enterprises, student fees, and private and federal grants and contracts that are not processed through the System Office.

1. State Fund

Funds that are appropriated by the NC General Assembly and allotted to the colleges by the State Board of Community Colleges. Expenditures identified with this source code will conform to the items listed in G.S. 115D-31. The only exception to this rule are certain grants and contracts which may be awarded to colleges on an individual basis, such as research grants, Title II special projects, construction grants, and other specific grants. Recipient colleges are notified of such exceptions, are classified as Institutional Funds at the time of allotment, and are funded on a reimbursement basis.

2. County Fund

Funds that are appropriated to the college by the local tax-levying authority. Expenditures identified with this source code conform to the items listed in G.S. 115D-32.

3. Unassigned

4. Unassigned

5. Accounts Receivable Clearing Fund

A self-balancing fund that contains internal colleague accrual revenue and accounts receivable transactions in order to separate them from daily cash basis transactions during the year. This clearing fund ensure that daily deposits and monthly revenue and expense reporting occurs on the cash basis, as required by the State of North Carolina. This fund is reclassified to the appropriate state, county and institutional revenue and accounts receivable accounts each year for accrual financial statement presentation purposes.

II. **NACUBO Code (Position 2)**

The NACUBO code was established to allow each college to prepare financial statements in the format recommended by the National Association of College and University Business Officers and accepted by the American Institute of Certified Public Accountants. The codes in this position identify fund groups that have been defined by the NACUBO in the book, College and University Business Administration and the AICPA in the Industry Audit Guide, Audits of Colleges and Universities. Governmental Accounting Standards Board Statements (GASB) 34 and 35 later changed public college and university financial statement format and presentation, but public colleges and universities still use the NACUBO code in daily processing.

1. **Current Unrestricted Funds**

Funds are used for regular operations in carrying out the primary educational objective of the college and those other activities that are necessary to support this primary objective. These funds are available to the college for current operating purposes without stipulation or conditions imposed by an outside agency. Included in this definition are curriculum and non-curriculum instruction, general administration and college support, library and learning resource operations, student services, plant operations and maintenance, and student aid. State funds allotted by the State Board of Community Colleges and other funds appropriated by the local tax-levying authority for current operations are considered current unrestricted.

2. **Current Restricted Funds**

Funds are used for regular current operations, but their use has been limited or stipulated by some agency or person outside of the college and its governing board. Federal, state, local and private grants made for specific and limited operating purposes are included in this group.

3. **Unassigned**

4. **Unassigned**

5. **Proprietary**

Funds are used for the sales of merchandise and the rendering of services by activities performed in addition to the primary educational objective of the college, including auxiliary enterprises, Student Government Association, and internal service funds.

6. **Loan Funds**

Funds consist of loans, the resources available for making loans, and all revenues and expenses associated with loans, made to students or employees. Loan recipients may be restricted certain criteria, such as financial status. If the recipient is named by an external agency or person, the college should consider classification as an agency fund. All loan funds are classified as Institutional Funds in the budget source.

7. Plant Funds

Funds incorporate the provision of G.S. 115D-31 and include all instructional, administrative and general equipment, land, improvements to land, buildings, improvements and renovations to buildings, and instructional resources. Plant funds also include any cash or other assets that are intended to be used for the acquisition of any of the above. Plant funds may be used with any of the three budget sources previously described.

8. Endowment Funds

Funds are designated by the principle to be non-expendable. The purpose of such an endowment is the production of income that is recorded as revenue to the endowment and then transferred to another fund for use according to the intent of the donor.

9. Agency Funds

Funds for which the college acts only as an administrator or custodian. All decisions concerning the use of these funds are made by the agency or individual who placed the funds with the college. There should not be a fund balance shown for agency funds. Separate liability accounts should be maintained to indicate ownership of the assets.

III. Purpose Code (Positions 3, 4, and 5)

These positions identify purposes and functions within the fund group. The purpose used when making entries to state and county asset, liability, fund equity and revenue accounts will always be "000".

Certain institutional funds purposes are standard across the system, while individual colleges may establish institutional purpose codes at the local level based on business needs. The standard institutional, state, and county expense accounts are classified into the following purposes and functions. Use of purposes other than those shown below **is not allowed for state expenses**. The System Office may at any time necessary establish new state and county purpose codes that have priority over any locally established purpose codes. Colleges are required to reclassify locally established codes should the System Office establish a conflicting statewide code.

See Appendix A for state purpose codes no longer used.

1. 1XX – Institutional Support

This purpose includes activities that involve the management and administration of the entire institution and includes the following purposes:

- 110 Executive Management** - Record the cost of senior level executives with responsibilities for the management of the institution as a whole. These individuals include the president, chief academic officer, chief business officer, chief student affairs officer, board of trustees, and any other officers who report directly to the president. Other technical/paraprofessional or clerical personnel who support or assist these executives with no other responsibilities may be reported in this function.
- 120 Financial Services** - Record activities involving all accounting, payroll, purchasing, auxiliary services and the business office.
- 130 General Administration** - Record expenditures for the college-at-large excluding the plant operation and executive management. This purpose will include human resources, communications, planning, institutional effectiveness, insurance, legal fees, court claims, dues and memberships, accreditation expense, public relations, advertising, marketing, printing catalogues, and the operation of print shops and other services that support the general institution.
- 131 College Work Study** - Record the expenditures for the Federal Work Study Program where students earn funds through part-time employment at the college to assist in financing the costs of postsecondary education. State funds may not be used to meet any matching funds required by participation in the program. All matching funds required must be paid from county or institutional funds.

140 Information Systems (Administrative) - Record the cost of computer operations that serve the administrative activities of the entire institution.

2. 2XX – Curriculum Instruction

Record the cost of all activities that directly involve the delivery of curriculum instruction to students. These costs shall include the salaries paid to instructors and teaching assistants (as defined in objects 513XXX) whose efforts directly involve the instruction of students. These costs shall also include all fringe benefits associated with these individuals as well as other costs including travel, supplies, service and maintenance contracts on educational equipment, and any other current expenses incurred in the course of instruction.

220 Curriculum Instruction - Record all instructional expenses related to certificate, associate, diploma, career and college promise pathways, and transitional programs.

Certificate programs are designed to lead to employment or to provide skills upgrading or retraining for individuals already in the workforce. A certificate program may be a stand-alone curriculum program title, or a college may award a certificate under an approved degree or diploma curriculum program for a series of courses taken from the approved program of study.

Associate programs are planned programs of study culminating in an associate in applied science, associate in arts, associate in fine arts, associate in science, or associate in general education degree. Associate in applied science degree programs are designed to prepare individuals for employment. These programs involve the application of scientific principles in research, design, development, production, distribution, or service. Associate in arts, associate in science, and associate in fine arts degree programs are designed to prepare students for transfer at the junior level to institutions offering baccalaureate degrees. Associate in general education degree programs are designed for students who desire a general liberal arts education.

Diploma programs are designed to provide entry-level employment training. A diploma program may be a stand-alone curriculum program title, or a college may award a diploma under an approved associate in applied science degree curriculum program for a series of courses taken from the approved program of study and structured so that a student may complete additional non-duplicative course work to receive an associate in applied science degree.

Career and College Promise Pathway programs include college transfer pathways providing up to 34 hours of tuition-free course credits toward the Core 44, an agreed-upon 44 hours of college credits that will transfer seamlessly to any public or participating private college or university; technical career pathway toward a job credential, certificate or diploma in a technical career; and innovative high schools where high school students

earn college credits by attending an approved cooperative innovative high school.

Transitional programs are used for students enrolling in college level curriculum courses with the intent to move from general interest to a specific educational program, including Basic Skills Plus and Special Credit programs.

29X Curriculum Fees - Record the additional local fees that are charged to curriculum students to offset the high cost of curriculum programs.

291 Required Specific Local Fees – Curriculum - Record fees charged to students to support other required academic costs for items that are considered to be in addition to normal supplies and materials the college typically provides for students. Such academic costs may include tools, uniforms, insurance, certification/licensure fees, e-text, lab and other consumable supplies, etc. A specific fee may be charged for refreshments and/or meals if disclosed to potential students in advance.

Specific fee rates should be determined on a cost-recovery basis. Specific fee receipts shall be used for the purposes for which they are charged. If specific fee receipts exceed expenditures for the purposes for which they are charged, the college must expend the excess receipts consistent with the provisions outlined in 1E SBCCC 700.7.

292 Instructional Technology Fees – Curriculum - Record fees charged to students to support student access to instructional technology. The instructional technology fee shall not exceed \$16 per academic term for curriculum students, and may not be charged to individuals who participate only in meetings/seminars organized by the college. A seminar/meeting is defined as a small grouping of people primarily for discussion under the direction of a leader or resource person(s) and are generally one-time offerings.

Instructional technology fee receipts shall be used to support costs of procuring, maintaining, and operating instructional technology, including both information technology (hardware and software) used primarily for instructional purposes and specialized instructional equipment necessary for hands-on instruction. Colleges are authorized to use fee receipts to hire support positions to operate, maintain, and repair this technology, as well as to buy the necessary supplies and materials for operations.

Fee receipts **may not** be used to purchase computers and other technology used primarily by college employees, nor may receipts be used to support positions that do not directly support this instructional technology.

293 - 294 Live Client Projects – Curriculum - Record revenues and expenditures for live client project fees collected and expended for Curriculum Programs. Live client projects are educational programs in which students, as part of their educational experiences and as part of the instructional course requirements, repair or remodel equipment not owned by the college; or educational programs that produce goods that are sold or services for which charges are made, such goods or services being the normal and necessary product of learning activities of students.

When repairing or remodeling equipment, the owner of the equipment must supply or pay for all parts required and colleges may charge only for services. When part of the educational program, the college must charge all clientele for the value of the goods and services provided.

Live client project receipts shall be deposited into an unrestricted institutional account. A college may determine locally whether discrete live client projects are accounted for in separate institutional accounts or in one account used for multiple live customer projects. See 1H SBCCC 300.1 for additional Live Client Project information.

3. 3XX – Continuing Education Instruction

Record the cost of all activities that directly involve the delivery of continuing education instruction to students. These costs shall include the salaries paid to instructors and teaching assistants (as defined in objects 513XXX) whose efforts directly involve the instruction of students. These costs shall also include all fringe benefits associated with these individuals as well as other costs including: travel, supplies, service and maintenance contracts on educational equipment and any other current expenses incurred in the course of instruction. The continuing education purposes are as follows:

310 Occupational Education Instruction - Record the cost of offering single courses, each complete in itself, designed specifically for training an individual for employment, upgrading the skills of persons presently employed, and retraining others for new employment in occupational fields.

311 Occupational Support - Records the costs associated with the direct administration, coordinating, scheduling and support of the occupational education instruction courses. **NOTE: Do not charge instructional costs to this purpose, i.e. instructional salary, instructional supplies, etc.**

320 Basic Skills Plus - Record the cost of continuing education courses administered under the Basic Skills Plus Program that provides employability skills, job-specific occupational and technical skills, and developmental education instruction to students concurrently enrolled in a community college course leading to a high school diploma or equivalent certificate. Colleges may use up to twenty percent (20%) of their State Literacy Funds to develop and implement a customized training program that features redesigned program delivery models, streamlined operational processes,

integrated teaching strategies, contextualized instructional materials/teaching aids, collaborative partnerships, and accelerated strategies that support student success. **Only colleges that receive State Board approval may utilize this flexibility.**

321 Adult Basic Education/English Language Acquisition - Record the Adult Basic Education (ABE) costs of offering instructional programs that provide basic skills for adults who are performing below the ninth-grade level in reading, writing, mathematics, and other basic skills. Many of these activities include pre-high school equivalency preparatory components or transition from English acquisition to ABE instructional programs. English language acquisition classes are designed to help eligible individuals who are English language learners achieve competence in reading, writing, speaking, and comprehension of the English language; and that leads to the attainment of a secondary school diploma and its recognized equivalent; and transition to post-secondary education and training; or employment. Record the instructional costs associated with offering classes in Adult Basic Education and English Language Acquisition. Allowable expenses include, but are not limited to, costs for instructors' salaries and benefits, classroom materials as outlined in your college's approved budget plan. Allowable costs may include but not limited to the following: audit services, bonding costs, compensation-personal and fringe, depreciation, equipment, employee health, maintenance, repairs, materials, supplies, computers, rental costs, training and education costs, transportation and travel costs. Unallowable costs include the following: alcohol, commencement costs, fundraising, lobbying, student activity costs and bad debts. Allowable and unallowable costs may be found within the College and Career Readiness Cost Allowability document. For the complete list of items, please refer to the [College and Career Readiness website](#).

Note: No administrative or clerical costs can be charged to this purpose code. Up to 5% of the federal portion may be used for administrative costs. See purpose code 325 for more information.

322 Adult Secondary Education (ASE) – ASE instruction may lead to a diploma, a high school equivalency certificate, transition post-secondary education, or employment. Allowable costs may include but not limited to the following: audit services, bonding costs, compensation-personal and fringe, depreciation, equipment, employee health, maintenance, repairs, materials, supplies, computers, rental costs, training and education costs, transportation and travel costs. Unallowable costs include the following: alcohol, commencement costs, fundraising, lobbying, student activity costs and bad debts. Allowable and unallowable costs may be found within the College and Career Readiness Cost Allowability document. For the complete list of items, please refer to the College and Career Readiness website.

Note: No administrative or clerical costs can be charged to this purpose code. Up to 5% of the federal portion may be used for administrative costs. See purpose code 325 for more information.

323 Integrated English Literacy and Civics Education (IELCE) – Serve English language learners who are adults, including professionals with degrees and credentials in their native countries, to achieve competency in the English language and acquire the basic and more advanced skills needed to function effectively as parents, workers, citizens, and civic participants, and to receive workforce training. IELCE will prepare adults who are English language learners for, and place such adults in, unsubsidized employment in in-demand industries and occupations that lead to self-sufficiency; and integrate with local workforce development systems and its functions to carry out the activities of the program. IELCE provides instruction in literacy and English language acquisition, civic participation, and the rights and responsibilities of citizens, and workforce training. Activities must be provided in combination with integrated education and training activities. Allowable costs may include but not limited to the following: audit services, bonding costs, compensation-personal and fringe, depreciation, equipment, employee health, maintenance, repairs, materials, supplies, computers, rental costs, training and education costs, transportation and travel costs. Unallowable costs include the following: alcohol, commencement costs, fundraising, lobbying, student activity costs and bad debts. Allowable and unallowable costs may be found within the College and Career Readiness Cost Allowability document and should be outlined in your college's approved budget plan. For the complete list of items, please refer to the [College and Career Readiness website](#).

Note: No administrative or clerical costs can be charged to this purpose code. Up to 5% of the federal portion may be used for administrative costs. See purpose code 325 for more information.

324 –High School Equivalency (HSE) Testing – As of November 1, 2017, this purpose code is no longer valid and should not be used with federal and/or state Basic Skills formula funds. Future costs associated with administering these tests may be charged to purpose 422 or similar non-Basic Skills administrative code, at the discretion of local management.

325 Basic Skills Administration – Record up to 5% of the federal portion of the Title II grant that is allowed for support and administrative functions, such as clerical personnel costs. These costs are not related to the direct provision of adult education and literacy activities as defined in WIOA. In other words, administrative costs include clerical support but do not include the cost of Basic Skills directors who spend considerable time performing program specific activities, which could be charged to purpose code 321, 322, and 323. This would depend upon the job functions as documented in

the job description of the director. Allowable costs may include but not limited to the following: audit services, bonding costs, compensation-personal and fringe, depreciation, equipment, employee health, maintenance, repairs, materials, supplies, computers, rental costs, training and education costs, transportation and travel costs. Unallowable costs include the following: alcohol, commencement costs, fundraising, lobbying, student activity costs and bad debts. Allowable and unallowable costs may be found within the College and Career Readiness Cost Allowability document and should be outlined in your college's approved budget plan. For the complete list of items, please refer to the [College and Career Readiness website](#).

Note: No other administrative or clerical costs above the 5% maximum of the federal portion of the Basic Skills grant can be charged to this purpose code. Expenses above this 5% maximum cannot be paid from state Basic Skills formula or Title II funds. See purpose code 422.

331 Community Service – Costs of single courses offered by the college from **institutional** funds that focus on an individual's personal or leisure needs rather than occupational or professional needs may be recorded in purpose 331. This program includes both cultural and civic components. **State funds cannot be used for community service efforts since the General Assembly eliminated the state Community Service block grant as of July 1, 2009.** Colleges may use institutional funds for community service offerings.

4. 35X – 37X Continuing Education Instruction – Categorical Allocations
Record the cost of all activities that directly involve the delivery of continuing education instruction through the following categorical programs tracked in purpose codes 358 through 371. Categorical program funds are state fund allocations made separately from the current operating formula budget and earmarked for certain programs or initiatives that can only be spent for the specific purposes of those programs or initiatives. **Generally, use Vocational Code 80 with purpose codes 358 through 371. All categorical equipment expenditures should be recorded in purpose code 940. Any other combinations of vocational code and purpose code required to properly record these categorical expenditures are detailed in their respective descriptions.**

357 Basic Skills – Project Skill-Up (Calendar Year 2014) – Record calendar year 2014 expenditures from grant funds awarded by the Tobacco Trust Fund to specific colleges to help individuals affected by the changes in the tobacco industry to update their current skills and provide them with additional marketable skills reflective of fast-growing occupations and/or new industries within their local communities. Project Skill-Up current operating costs are charged to vocational code 80 and equipment is charged to vocational code 88 in purpose 940.

358 Basic Skills – Project Skill-Up (Calendar Year 2015) – Record calendar year 2015 expenditures from grant funds awarded by the Tobacco Trust Fund to specific colleges to help individuals affected by the changes in the tobacco industry to update their current skills and provide them with additional marketable skills reflective of fast-growing occupations and/or new industries within their local communities. Project Skill-Up current operating costs are charged to vocational code 80 and equipment is charged to vocational code 88 in purpose 940.

359 Local Capacity Building 10%/5% - Record the costs to build the internal capacity of the college to provide customized training through instructor/trainer skill-specific training, certifications, and development of instructional materials at the local level. Local Capacity Building current operating costs are charged to vocational code 80.

Per G.S. 115D-5.1(f2), up to ten percent of college-delivered training expenditures and up to five percent of contractor-delivered training expenditures of the prior fiscal year may be allotted to each college for capacity building at that college. In order to access these funds, colleges must identify instructional delivery deficiencies and submit a description of how receipt of the funds will address such deficiencies. Colleges must also submit a projected budget for approval by the Associate Vice President of Customized Training.

360 Regional Capacity Building 8% - Record the costs of training and supporting regional community college personnel to deliver training services. Per G.S. 115D-5.1(f3), up to eight percent of the funds appropriated each year for Customized Training may be used to support much-needed depth in the training services delivery capacity of the NC Community College System. Regional Capacity Building current operating costs are charged to vocational code 80.

Funds are allotted to six colleges that serve as hosts for these regional trainers to support salary and fringes, travel and subsistence, supplies and materials, long distance telephone expenses, and training certification costs for these regional positions.

361 Customized Training Program Projects - Record the cost of offering programs for customized, job-specific training needs of new industries which are moving into the state and also for existing industries undergoing a major expansion which will result in the need for additional skilled manpower. Funds must be used in accordance with the Customized Training Guidelines adopted by the State Board (***Amended May 15, 2009 numbered memorandum CC09-14***). Customized Training program projects current operating costs are charged to vocational code 80.

- 363 Small Business Centers** - Record the cost of providing training, counseling and referral services especially designed for existing and prospective small businesses. Current operating and non-capitalized expenditures against these separately allotted state funds shall be recorded under this purpose using vocational code 83. Non-capitalized equipment is charged to object codes 555100 and/or 555200. Capitalized equipment is charged to purpose code 940, vocational code 83 and object code 553500.
- 364 Business and Industry Support - Administrative** – Record the administrative costs of positions whose responsibility is to serve existing business and industry. Colleges may only use up to \$40,000 for administrative purposes. Business and Industry Support current operating costs are charged to vocational code 80.
- 365 Business and Industry Support - Instructional** - Record the instructional costs of positions whose responsibility is to serve existing business and industry. The instructional component may only be used for instructional activities supporting the Manufacturing, Warehousing and Distribution, Business Support Services, Information Technology, and Computer Software Design industries. Business and Industry Support current operating costs are charged to vocational code 80.
- 369 BioNetwork Centers** – Record the costs for the operation of the six approved BioNetwork Centers. Funds in purpose 369 are appropriated by the State and may not be transferred to any other purpose, with the exception of BioNetwork center equipment. Bionetwork center current operating costs are charged to vocational code 80 and equipment is charged to vocational code 43 in purpose 940. Prior approval must be received before transferring funds to equipment.
- 370 NC Military Business Center** – Record the expenditures of funds appropriated by the General Assembly to Fayetteville Technical Community College for their Military Business Center. NC Military Business Center current operating and non-capitalized equipment costs are charged to vocational code 80 and capitalized equipment is charged to vocational code 40 in purpose 940. ***No other college can use this purpose.***
- 371 NC Research Campus at Kannapolis** – Record the expenditures of funds appropriated by the General Assembly for Rowan Cabarrus' research facility. NC Research Campus current operating and non-capitalized equipment costs are charged to vocational code 80 and capitalized equipment is charged to vocational code 59 in purpose 940. ***No other community college can use this purpose.***
- 373 Literacy Special Projects** – Record the expenditures for the literacy grants awarded under the Comprehensive Adult Student Assessment System (CASAS), IDEAL Distance Learning, Pathways to Employment, Comprehensive Family Literacy, English Literacy/Civics Education, and

Innovations/Transitions projects. Record the expenditures in vocational code 74 for CASAS, 75 for IDEAL, Pathways, and Family Literacy, 76 for English Literacy/Civics Education, and 77 for Innovations/Transitions. Each program should also be tracked and recorded in a separate unit code at the college level.

5. 39X – Non-Curriculum Fees

Record the additional fees that are charged to non-curriculum students to offset the high cost of occupational continuing educational classes.

391 Required Specific Local Fees – Non-Curriculum - Record the fees charged to students to support other required academic costs for items that are considered to be in addition to normal supplies and materials the college typically provides for students. Such academic costs may include tools, uniforms, insurance, certification/licensure fees, e-text, lab and other consumable supplies, etc. A specific fee may be charged for refreshments and/or meals if disclosed to potential students in advance.

Specific fee rates should be determined on a cost-recovery basis. Specific fee receipts shall be used for the purposes for which they are charged. If specific fee receipts exceed expenditures for the purposes for which they are charged, the college must expend the excess receipts consistent with the provisions outlined in 1E SBCCC 700.7.

392 Instructional Technology Fee - Non-Curriculum - Record the fees charged to students to support student access to instructional technology. The instructional technology fee shall not exceed \$5 per course for continuing education students, and may not be charged to individuals who participate only in meetings/seminars organized by the college. A seminar/meeting is defined as a small grouping of people primarily for discussion under the direction of a leader or resource person(s) and are generally one-time offerings.

Instructional technology fee receipts shall be used to support costs of procuring, maintaining, and operating instructional technology, including both information technology (hardware and software) used primarily for instructional purposes and specialized instructional equipment necessary for hands-on instruction. Colleges are authorized to use fee receipts to hire support positions to operate, maintain, and repair this technology, as well as to buy the necessary supplies and materials for operations.

Fee receipts **may not** be used to purchase computers and other technology used primarily by college employees, nor may receipts be used to support positions that do not directly support this instructional technology.

393 - 394 Live Client Projects – Non-Curriculum - Record revenues and expenditures for live client project fees collected and expended for Continuing Education classes. Live client projects are educational programs

in which students, as part of their educational experiences and as part of the instructional course requirements, repair or remodel equipment not owned by the college; or educational programs that produce goods that are sold or services for which charges are made, such goods or services being the normal and necessary product of learning activities of students.

When repairing or remodeling equipment, the owner of the equipment must supply or pay for all parts required and the college may charge only for services. When part of the educational program, the college must charge all clientele for the value of the goods and services provided.

Live client project receipts shall be deposited into an unrestricted institutional account. A college may determine locally whether discrete live client projects are accounted for in separate institutional accounts or in one account used for multiple live customer projects. See 1H SBCCC 300.1 for additional Live Client Project information.

395–9 Reserved for Future Use

6. 4XX – Academic Support and Administration

Funds expended primarily to provide support services that directly assist the academic functions of the institution's primary instructional mission, including instructional resources and technology, academic administration and curriculum development.

7. 41X – Academic Support

Record expenditures for activities that provide support for the institution's primary purpose of instruction, including library services, technology support, and separately budgeted curriculum development.

410 Library/Learning Center - Record expenditures for organized activities that directly support the operation of a catalogued or classified collection of resource material. It also includes learning resource and educational media support services that aid in the transmission and collection of information in support of the institution's educational mission.

8. 42X – 45X Academic Administration

Record expenditures for activities providing administrative support to the academic programs, but excludes executive academic officers who are included under Executive Management purpose 110.

421 Curriculum - Record the costs associated with the administration of curriculum instruction as a whole and includes related expenditures for all directors, deans, support personnel, etc. who support and/or supervise curriculum programs. The chief academic officer shall not be coded to this purpose. Department chairs in which instruction is still an important role

should have their expenditures charged under their specific curriculum purpose.

422 Continuing Education - Record the costs associated with the administration of non-curriculum instruction as a whole. It should contain the expenditures of the deans and/or directors of non-curriculum programs and any others who provide non-teaching support for the non-curriculum programs. Individuals who are associated with a specific non-curriculum program should have their expenditures charged under their appropriate purpose, excluding purposes 310, 311, 321, 322, 323, and 331, unless otherwise stated. Coordinators, Recruiters and/or Assessment and Retention Specialists in Literacy Education programs should be charged to that program. Other administrators of Literacy Education programs should be charged to purpose 422.

430 Information Systems (Academic) - Record current operating expenses incurred in operating all information systems that serve the instructional activities of the institution.

450 Technology – HB275 - Records the costs of instructional software. Funds may be budgeted as part of House Bill 275 Non-reverting Equipment, Technology and MIS Reserve or transferred into purpose 450 from purpose 922. No other funds may be transferred into purposes 450 and 922.

NOTE: Funds transferred into purpose 450 should reflect the amount of purchases only. Do not leave an unexpended budget balance in purpose 450 at June 30.

9. 5XX – Student Support

510 Student Services - Record the costs associated with the admissions office and registrar, counseling, career guidance, placement officers, placement testing, and financial aid administration.

530 Childcare - Record the expenditures of the NC Child Care Grant in assisting curriculum and qualified work study student-parents with the financial responsibilities for child care expenses so they may stay enrolled and complete their educational goals. Use vocational code 80 with all expenditures in this purpose code. No faculty, staff, or administrator employed by the college may receive or utilize funds from this grant.

These funds must be disbursed directly to the provider or the student-parent only upon receipt of an invoice from a child care provider accompanied by a student's class attendance report. Under no circumstances may colleges pay in advance for services which have not been received. Neither these funds nor any other state funds may be used to support non-State costs, including but not limited to non-instructional activities for college childcare facilities.

State funds cannot be used to support child care facilities or support child care staff positions. Colleges may not expend any of these allocations for administrative overhead, including salaries.

10.6XX – Operation and Maintenance of Plant

Record the expenditures for all activities involving the operation and maintenance of the institution's physical plant.

610 Plant Operation - Record the salaries of the plant supervisor, janitors, maids, watchmen, groundskeepers, and other individuals contributing to the operation of the physical plant and adjacent grounds. Also included in this purpose are the cost of fuel, water, power, telephone service, the cost of janitorial supplies and materials, the cost of operation of motor vehicles (but not including motor vehicles used for instruction), rental of land and buildings, and other costs necessary for the continuous operation of the plant. Insurance is not included in this purpose, but should be classified as a general administration expense.

620 Plant Maintenance - Record the salaries of all maintenance supervisors and workers. The cost of supplies, materials, parts, contracted services, and any other cost associated with the maintenance or Non-Capitalized repair of buildings, grounds, motor vehicles, heating, general electrical, plumbing, and other general plant equipment. The maintenance and replacement of furniture and equipment provided from local funds may also be included.

11.7XX – Proprietary/Other

Record the cost of auxiliary enterprises, bookstore operations, food service, parking, internal service funds, and Student Government Association funds.

71X Auxiliary Enterprises - Record activities of an auxiliary enterprise. An auxiliary enterprise is one that furnishes a good or service to either or both students and employees and charges a fee for that good or service. They are operated as self-supporting entities that are intended to make some profit, or to at least break-even.

72X Bookstore - Record activities from the sale of all merchandise in the bookstore, either operated by the college or on a contract basis with an outside party.

73X Food Service - Record activities associated with both vended food and other traditional methods of food service, either operated by the college or on a contract basis with an outside party. If a college offers more than one service of this type, each distinguishable entity should be assigned a separate unit code.

74X Parking Record activities when a parking fee is charged and the revenues are used for some phase of operating or maintaining the parking facilities.

Any use of county money for parking facilities should be confined to reporting within the "2" Budget Source.

76X Internal Service Funds - Record activities of an internal service that has been established to support the educational mission of the college and have their accounts operated through institutional funds. Internal Service Funds may include print shops, central stores, etc.

77X SGA Funds - Record any activities conducted under the auspices of the Student Government Association or similar organization. Specific assignments within the 77X series are to be made by the college.

78X Research - Record all activities related to research projects. Individual projects will be accounted for as separate entities under the 78X series of numbers. Special projects, designated as research, under Vocational Education Act funds will be included in this category.

79X Public Service - Record funds for activities designed to provide non-instructional services to individuals or groups outside the college, such as public workshops, conferences, and broadcasting services when any of these do not constitute instruction. Specific fund number assignments are left to the institution within the 79X series.

12.8XX – Student Aid

Record scholarships, grants and loans made to students to assist in the cost of post-secondary education. In cases where the college is the administrator of the funds, but does not determine recipients to any significant degree, the funds should be classified as Agency Funds. However, Pell grants are considered to be Student Aid.

81X Loans - Record any loans granted by the college to students to offset the cost of postsecondary education that must be repaid to the institution. Federal Direct Stafford and PLUS loans are recorded as "Agency Funds" since the institution acts as fiduciary agent for the student.

82x Student Aid – Federal - Record all federal aid programs separately using the 82X series purpose codes. The following standard system wide codes have been established and should be used consistently at all colleges. Colleges may assign the 82X series to any other federal aid programs that may exist at the local level.

821 Department of Education – Draw Downs - Record the amounts drawn down from the U.S. Department of Education separately from the amounts awarded to students.

823 SEOG (Supplemental Education Opportunity Grant) - Record the aid awarded to students through the SEOG grant program. The FSEOG

Program provides need-based grants to low-income undergraduate students to promote access to postsecondary education. Institutional allocations are based on institutional requests for program funding under a statutory formula.

824 PELL - Record the aid awarded to students through the Federal Pell grant program. Federal Pell Grants are direct grants awarded through participating institutions to students with financial need who have not received their first bachelor's degree or who are enrolled in certain post-baccalaureate programs that lead to teacher certification or licensure. Grant amounts are dependent on the student's expected family contribution (EFC), the cost of attendance, the student's enrollment status (full-time or part-time), and whether the student attends for a full academic year or less.

83X Scholarships - Record other aid awarded to students to offset the cost of postsecondary education. Scholarship awards can be merit-based, student specific or career specific and can be awarded by the institution, various foundations or other organizations.

13.9XX – Capital Assets

A capital asset is property, such as land, land improvements, easements, buildings, equipment, works of art and historical treasures, and infrastructure, with a cost equal to or greater than \$5,000 and a useful life of two or more years. Capital assets are recorded at historical cost or estimated historical cost. Record purchase price or cost of construction plus any other charges incurred to place the asset in its intended location and condition for use. Capital assets are acquired for use in normal operations and are not for resale. These assets may be subject to depreciation.

910 Buildings and Grounds - Record the expenditures and revenues associated with capital projects funded with county appropriations. This purpose is used only with county funds. The expenditures in this purpose may include land, land improvement, landscaping, extension of water and sewer lines, paving, architectural fees, and other capital outlays that are charged against the county's regular appropriation for this purpose. Major acquisitions and projects will probably be handled through the plant funds category under the Institutional Fund source. (See also NACUBO code "7" - Plant Funds.)

920 Equipment - Record the cost of state equipment formula funds used to procure furniture and equipment used for administrative or instructional purposes. Acceptable uses of these funds include motor vehicles used for instructional purposes, hardware and software associated with telecommunication and information technology systems, office furniture and equipment, audio-visual materials of a durable nature, and any other tangible items of substantial cost that may reasonably be expected to have a useful

life exceeding one year that is used for administrative or instructional purposes.

921 Equipment Acquisition Reserve Fund - Record equipment expenditures in accordance with an equipment acquisition plan developed by the institution and approved by the State Board. Funds are non-reverting. (Session Law 1998-1366, Section 10.2)

922 Equipment – HB275 - Record the cost of procuring instructional equipment as outlined in memo CC00-114 May 10, 2000. The following expense objects should be used with this purpose: 553150 – Computer Equipment; 553160– Allied Health Equipment; 553170 – Machinery/Mechanical Equipment; 553180 – Other Educational Equipment; 555100 – Non-Capitalized Equipment.

Funds may be budgeted as part of House Bill 275 Non-reverting Equipment, Technology and MIS Reserve. Funds are restricted to purposes 922 and 450. No other funds may be transferred into purposes 922 and 450.

NOTE: Unexpended budget balance for purpose 450 and 922 must remain in purpose 922 for June 30 carryover.

923 Equipment – Literacy - Record the costs of procuring instructional technology for the college's literacy labs and classrooms. Colleges may use up to 5 percent of the basic skills allotment to procure instructional technology, including computers, instructional software and software licenses, scanners for testing, and classroom projection equipment, for the college's literacy labs and classrooms, per Session Law 2010-31 Section 8.10. *No other equipment or capital items can be purchased with basic skills funds.* Budget can only be transferred into 923 from literacy current purpose codes 321, 322 and/or 323. No other budget can be transferred into 923.

930 Books - Record the cost of books, book-like materials, magazines and periodicals, and audio-visual materials of a durable nature.

940 Categorical Equipment - Record the cost of procuring categorical program administrative or instructional equipment, furniture, motor vehicles, data processing equipment, audio-visual materials of a durable nature, and any other tangible items of substantial cost that may reasonably be expected to have a useful life exceeding one year.

96X Fixed Assets - Record the value of tangible long-term asset such as land, buildings or equipment, obtained or controlled as a result of past transactions, events or circumstances and held for use rather than for processing or resale.

IV. Vocational Code (Positions 6 and 7)

The vocational code is composed of two digits and is necessary to capture federal and state non-formula expenditures that can be spent across multiple purpose codes. The first digit denotes the major area which the funds are expended. The second digit has no special definition.

1. Career and Technical Education Program

Vocational codes 10-19 are used to account for Carl D. Perkins Career and Technical Education Act of 2006 funds, as approved by the NCCCS Career and Technical Education Director, as well as the associated non-federal matching costs.

The term Career and Technical Education (CTE) means organized educational activities that (A) offer a sequence of courses that (i) provides individuals with coherent and rigorous content aligned with challenging academic standards and relevant technical knowledge and skills needed to prepare for further education and careers in current or emerging professions; (ii) provides technical skill proficiency, an industry-recognized credential, a certificate, or an associate degree; and (iii) may include prerequisite courses (other than a remedial course) that meet the requirements of this subparagraph; and (B) include competency based applied learning that contributes to the academic knowledge, higher-order reasoning and problem-solving skills, work attitudes, general employability skills, technical skills, and occupation-specific skills, and knowledge of all aspects of an industry, including entrepreneurship, of an individual.

The term CTE Program of Study is defined as any curriculum program that does not begin with A10 (college transfer).

The Carl D. Perkins Act stipulates required and permissive uses of funds as outlined in sections 135(b)(c). Expenditures must be documented in the college's approved local plan and budget or an approved modification to the local plan and budget. Expenditures that are not documented in the college's approved local plan and budget could result in disallowed costs.

2. Career and Technical Education Vocational Code Definitions

10 Administration – Administrative costs charged to a basic grant used in the direct support of the programs and activities that are authorized elsewhere in the local plan. Administrative costs may not exceed 5% of the current year's allocation.

Funds **may** be used for salaries, benefits, travel, and supplies directly related to the administration of this grant.

11 Strengthen the Academic, Career and Technical Skills of Students – To support activities that improve the academic and CTE skills of participating students by strengthening the academic and CTE components of CTE Programs

of Study and through the development of CTE 9-14 Career Pathways. *Section 135 (b)(1)*

Funds **may** be used on faculty and staff for DACUMs, release time for the enhancement and development of programs of study and career pathways.

Any equipment purchased for this purpose should be listed under VOC Code 17.

12 Secondary to Postsecondary Linkages – To support activities that link CTE at the secondary level to CTE at the postsecondary level through a CTE Career Pathway. *Section 135 (b)(2)*

Funds **may** be used for workshops, release time for faculty to develop CTE 9-14 Career Pathways, release time for development of local articulation agreements.

Note: Colleges using postsecondary funds to hire faculty, purchase equipment, and provide supportive services to secondary students enrolled in a postsecondary pathway will be required to document pathway progress through employment.

Requirements for the use of postsecondary Perkins fund to support Career and College Promise.

1. Students must be in an **approved** 9-14 CTE Career Pathway that includes a sequence of coursework in grades 9-14, work-based learning experiences, employer engagement and leads to a certificate, diploma or degree. (*Perkins Section 122(c)(1)(A)*)
2. Colleges using postsecondary Perkins funds to hire faculty, purchase equipment or supplies, and provide supportive services to secondary students enrolled in postsecondary pathway will be required track student matriculation from secondary to postsecondary.

Emphasis is on **postsecondary instruction**.

Any equipment purchased for this purpose should be listed under VOC Code 17.

Funds **may not** be used for secondary instruction, equipment, or classroom supplies.

13 All Aspects of Industry – To provide students with a strong experience in and understanding of all aspects of an industry through exploratory, engaging, and experiential work-based learning opportunities. *Section 135 (b)(3)*. 20% of the budget should be spend on work-based learning activities, unless state funds meet or exceed this requirement.

Funds **may** be used for salary and benefits for work-based learning coordinators, travel expenses for industry tours, job fairs, apprentice and pre-apprenticeship activities.

Funds **may not** be used for food, marketing “give-aways,” such as bags or t-shirts.

14 Develop, Improve, or Expand the use of Technology – To develop, improve, or expand the use of technology used by CTE faculty to improve the delivery of instruction. *Section 135 (b)(4)*

Funds **may** be used to improve or enhance CTE courses, teaching with interactive technology, and in certain circumstances the purchase of instructional technology equipment that expands the use of technology to enhance teaching such as distance learning.

Emphasis in on improving instructional technology for faculty.

Funds **may not** be used to purchase equipment for student use.

15 Professional Development – To provide professional development programs that are consistent with Section 122 of the Carl D. Perkins Act of 2006. *Section 135 (b)(5)* Professional development activities consistent with Section 122 include activities that:

- promotes the integration of coherent and rigorous academic content standards and CTE curricula, including opportunities for academic and CTE faculty to jointly develop and implement curricula and pedagogical strategies
- increases the percentage of faculty that meet teacher certification or licensing requirements
- is high quality, sustained, intensive, and focused on instruction, and increased the academic knowledge and understanding of industry standards as appropriated for CTE faculty
- encourages contextualized learning
- provides the knowledge and skills necessary to work with special populations
- assists in accessing and utilizing data
- provides return-to-industry externships for faculty

16 Evaluation of CTE Programs – To develop and implement evaluations of the CTE programs carried out with Perkins funds, including an assessment of how the needs of special populations are being met. *Section 135 (b)(6)*

17 Initiate, Improve, Expand, or Modernize CTE Programs – To initiate, improve, expand, and modernize quality CTE programs, including relevant technology. *Section 135 (b)(7)*

Initiate - Funds may be used to hire faculty for new CTE programs for a period not to exceed two years.

Improve/Modernize - Funds **may** be used for equipment as needed to meet current industry standards.

Expand - Funds **may** be used to hire additional faculty for a period not to exceed two years to improve the program by lowering the student/teacher ratio.

Equipment may be purchased that initiates, improves or expands CTE programs provided it meets an identified training need for employment in the region.

It is recommended that no more than 50% of the current year's allocation be spent on salaries. It is recommended that no more than 50% of the current year's allocation may be spent on equipment.

18 Activities for Special Populations – To provide activities to prepare special populations, including single parents and displaced homemakers who are enrolled in CTE programs, for high-skill, high-wage, or high-demand occupations that will lead to self-sufficiency. *Section 135 (b)(9)*

Funds **may** be used for assistive technologies, sensitivity training, work-based learning experiences in non-traditional fields, soft/employability skills training, organized group tutoring for students in rigorous programs of study.

Funds **may not** be used for direct assistance to students such as child care and transportation. If state funds have previously been used for these purposes, you cannot supplant the state funds with federal Perkins funds.

19 Other Permissible Uses of Funds – Funds used for activities outlined in the twenty permissible uses of funds found in Section 135 (c) of the Carl D. Perkins Act of 2006. Expenditures must be documented in the approved local plan and budget or an approved modification to the local plan and budget.

20 Non-Federal Matching – All instructional expenditures, including instructional equipment, from other funds sources for all curriculum programs except college transfer and developmental math/reading. Non-federal matching can also include curriculum instruction administrative and support expenditures associated with CTE, such as deans, directors and other curriculum program support personnel, student services of the admissions office, registrar, financial aid, and guidance and counseling.

However, colleges including any allowable non-instructional costs to non-federal match must keep detailed time records to substantiate the classification as non-federal match. Further, unless such timekeeping processes are in place, all student support and services should be coded to vocational code 97.

3. Other Vocational Codes

Vocational codes 21-99 are assigned by the System Office to track state funds special allotments and grant programs. Colleges are not allowed any other vocational codes in state funds except those assigned by the system office. Any expenditure charged to a vacant vocational code must be reclassified by the college. If a college is using a vacant vocational code for institutional or local accounting

needs, the college must use the state definition for state funds when the vacant code is defined and assigned. Since the definition may change annually based on the state funds budget process, only a current list of other vocational codes is provided here. Special allotments and grant programs are defined in the annual state funds budget package and in the specific grant award documents, respectively.

4. Other Vocational Code List

21	(vacant)	61	Office Admin Alignment Project
22	(vacant)	62	CBE Incubator Project
23	(vacant)	63	Acc & Fin Alignment Project (AFAP)
24	(vacant)	64	Local Gov Finance Officer
25	(vacant)	65	Job-Driven National Emergency
26	(vacant)	66	Career & College Ready Alignment Partnership
27	(vacant)	67	Gaston – Textile
28	(vacant)	68	(vacant)
29	(vacant)	69	(vacant)
30	CIP-ESAP	70	(vacant)
31	VLC	71	High Cost (Marine Technology)
32	(vacant)	72	(vacant)
33	(vacant)	73	(vacant)
34	(vacant)	74	(vacant)
35	(vacant)	75	(vacant)
36	(vacant)	76	ABE English Literacy/Civics
37	(vacant)	77	(vacant)
38	(vacant)	78	CTE Leadership NC Works Career Pathways
39	(vacant)	79	NC Career Coach
40	FTCC Military Business Ctr	80	Misc Non-Formula Allotment
41	(vacant)	81	Prison – Designated
42	(vacant)	82	Prison – Discretionary
43	Bio Eq Ctrs Approp	83	SNC Equipment
44	(vacant)	84	(vacant)
45	LCC – Motorcycle Safety	85	(vacant)
46	CCC&TI Truck Driver Trg	86	(vacant)
47	FTCC Botanical Lab	87	CVCC – EMS
48	Taste of Industry	88	(vacant)
49	Short Term Workforce	89	(vacant)
50	(vacant)	90	(vacant)
51	(vacant)	91	(vacant)
52	(vacant)	92	Campus Security
53	<i>Enroll Reserve Op</i>	93	(vacant)
54	<i>Enroll Reserve Eq</i>	94	Male Mentoring
55	Accounts Receivable Clearing	95	(vacant)
56	(vacant)	96	(vacant)
57	NC CBE-State Board Reserve Funds	97	Formula Expenditure
58	(vacant)	98	(vacant)
59	Kannapolis-Rowan Eq	99	(vacant)
60	(vacant)		

Vocational codes 53 and 54 are not currently applicable

V. Ledger Identification (Position 8)

The type of account is determined by the first digit of the six digit object code.

1. Asset
2. Liability
3. Fund Balance
4. Revenue Accounts
5. Expense Accounts

VI. Object Code (Positions 9, 10, 11, 12, and 13)

All object codes are described by a five-digit number preceded by the one-digit ledger identification. This number is structured and is increasingly descriptive as you move from left to right. As a general rule, the object codes have been defined by the first two digits in positions nine and ten, although some object codes have been defined to the twelfth or thirteenth digit. Although the college may not change the definition of an object, they may create more detailed objects by completing any digits unused by the System Office.

Use of objects other than those shown below is not allowed for state funds classification. The System Office may at any time necessary establish new object codes that have priority over any locally established expense object codes. Colleges are required to reclassify locally established codes should the System Office establish a conflicting statewide code.

Since the object subcomponent is independent from other parts of the general ledger account code components, they may be used in conjunction with any purpose or fund, other administrative rules notwithstanding.

11XXXX Current Assets

Cash and Cash Equivalents

- 110100 Petty Cash and Change Fund** – Record currency maintained for either paying small bills or making change during cash transactions.
- 110200 Cash in Bank-Non-Interest Bearing Accounts** – Record demand deposits available to the college in either institutional or county funds that do not earn interest. This account is not used with state funds.
- 110300 Cash in Bank-Interest Bearing Accounts** – Record demand deposits available to the college in either institutional or county funds. This account is not used with state funds.
- 110400 Cash Equivalents** – Record instruments in the possession of the college that may easily be converted to cash such as money market accounts, etc.

- 110600 Cash with Treasurer** – Record cash on deposit with the State Treasurer. This does not include the regular state disbursing account.
- 111100 Disbursing Account** – Record deposits made by the System Office and checks written on the account by the college. This account is used with state funds as the checking account.
- 111199 Claim on Cash** – Record internal colleague transactions to allocate cash to the individual self-balancing institutional funds from the overall institutional cash control account during accounts payable processing.
- 111555 Cash Receipts Clearing** – Record the internal colleague transactions to reclassify cash receipts from the accounts receivable control fund to the appropriate state, county or institutional fund.

Investments

- 112000 Investments** - Record certificates of deposits, money market funds, stocks, bonds or other securities of a relatively short-term nature. Such items are usually acquired to generate short-term income and recorded at the gross amount of the investment.
- 112010 U.S. Government Guaranteed Securities** – Record the notes, bonds, or other debt instruments issued by the U.S. Treasury and other U.S. governmental agencies.
- 112020 State and Municipal Debt Securities** – Record the notes, bonds, or other debt instruments issued by any State or its political subdivision (county, city, etc.)
- 112030 Corporate Bonds** – Record the unsecured and/or convertible bonds issued by a U.S. Corporation
- 112040 Corporate Stocks** – Record common stock, preferred stock and convertible preferred stock representing ownership interest in a U.S Corporation.
- 112060 Commercial Paper** – Record a short-term obligation issued by banks, corporations and other borrowers to investors with temporary idle cash. Maturity can range from 2 to 270 days and such instruments are usually unsecured.
- 112090 Investment in Real Estate** –Record land and all physical property held for investment purposes (ex. Endowment fund property).
- 112130 Certificates of Deposits** – Record all negotiable or non-negotiable bank certificates of deposits (CDs).

- 112160 Money Market Funds** – Record all money market funds held at financial institutions. Money Market Funds are open-ended mutual fund that invests in various highly liquid securities.
- 112170 Mutual Funds** – Record all mutual fund investments that raise money from shareholders and invest in stocks, bonds, options, commodities or money market securities in accordance with a state set of objectives. These funds offer the investor the advantage of diversification and professional financial management.
- 112230 Pooled Investments** – Record funds held by a bank that are pooled together with other depositors' money and invested in investment pools managed and operated by the bank (i.e. life income pools).
- 112500 Allowance-Fair Value Investments** – Record the adjustment from cost to fair value for investments outside the State Treasurer and not held by a fiscal agent.

Receivables

- 115100 Due from Private Grantors** – Record a current receivable due to the college from any private grantor that is not a government entity.
- 115110 Due from Community College Component Units** - Record amounts due from the college's Foundation, provided that under GASB 39 the Foundation is required to be presently discreetly.
- 115200 Due from County** - Record a current receivable to record a claim which is due to be paid to the college by the county.
- 115300 Due from Federal Agencies** - Record a current receivable due to the college directly from any federal agency.
- 115400 Due from State** - Record a current receivable due to the college from a state agency, another community college, a university, or some other component unit of the state not specifically defined by other object codes.
- 115410 Due from NCCCS** – Record a current receivable due to the college from the System Office. In most cases, this will represent amounts expended by the college for which they have not yet received reimbursement.
- 115500 Interest Receivable on Investments** – Record a current receivable due to the college for any interest on investments earned but not yet received by the college.

- 115600 Due from Unrestricted Current Funds** – Record a current receivable for any amounts owed from one fund at the college to another fund at the college.
- 115601 Due from Unrestricted Current Funds – AR** – Record a current receivable for any amounts owed from one fund at the college to another fund at the college created by the custom cash module processing.
- 115700 Returned Checks** – Record a current receivable for checks that are made payable to the college that were returned by the bank.
- 115750 Accounts Receivable - Students** - Record a current receivable for any amounts owed to the college by students.
- 115760 Accounts Receivable – Sponsors** – Record a current receivable for any amounts owed to the college by sponsors.
- 115780 Allowance for Doubtful Accounts – Other** – Record that portion of accounts receivable other than student accounts receivable estimated not to be collectible.
- 115790 Allowance for Doubtful Accounts – Students** – Record that portion of student accounts receivable estimated not to be collectible.
- 115800 Notes Receivable** – Record a current receivable in cases where a receivable is secured by a signed instrument. Short-term loans should be included in this category.
- 115900 Other Current Receivables** - Record a current receivable for any amounts owed to the college that have not been provided for under another object code.
- 115950 Due from Vendors** - Record a current receivable for any amounts owed to the college by vendors caused by credits, returns, over-payments, etc.
- 116000 Prepaid Items** - Record the value of items which have been paid for, but not yet used. Typical of this situation is insurance that has been purchased, but provides coverage for a future period. Entries to this account usually are made at the end of the accounting period as adjusting entries.

Inventories

- 117000 Inventories – Other** – Record the value of tangible personal property acquired for normal operations and supplies to be used in the production of goods and services that have not been provided for under another object code.

- 117060 Inventories – Central Stores** – Record the value of various custodial, maintenance, repair, safety, office and computer supplies that the college holds centrally for use by departments on an as needed basis.
- 117100 Inventories - Merchandise For Resale** – Record the value of items purchased, usually for the bookstore, and intended for resale to students or others.
- 117200 Inventories - Supplies and Materials** – Record the value of consumable items that are intended for use within the college.
- 117300 Inventories - Gas and Oil** – Record the value of fuels that are stored for use in college vehicles or the physical plant.
- 117310 Inventories – Tires and Tubes** – Record the value of any tires and tubes stored for use in college vehicles or the physical plant.
- 117320 Inventories – Parts** - Record the value of any mechanical parts stored for use in college vehicles or the physical plant.
- 117330 Inventories – Other Vehicle and Equipment Supplies** - Record the value of any other supplies stored for use in college vehicles or the physical plant.
- 117400 Inventories - Postage** – Record the value of unused postage in the form of postage machine balance or stamps as an asset.
- 118000 Undrawn Grant Awards** – Record the value of any grants awarded where funds are available to the college but have not yet been drawn.

12XXXX Non-Current Assets

Non-Current Investments

- 121000 Restricted Cash and Cash Equivalents** – Record the value of cash and cash-like instruments subject to constraints externally imposed by grantors, contributors, or laws or regulations that limit its availability.
- 122000 Long-Term Investments** – Record the value of investments that are held or intended to be held for extended periods of time, usually greater than 12 months.
- 122010 U.S. Government Guaranteed Securities** – Record the value of securities issued by the U.S. Treasury and other U.S. governmental agencies, such as the Federal Home Loan Bank, Federal Loan Bank, Government National Mortgage Association (GNMA), and Federal

National Mortgage Association (FNMA). Examples of the types of securities classified within this control would be notes, bonds, or other debt instruments which are issued by these U.S. governmental agencies.

- 122020 State and Municipal Debt Securities** – Record the value of notes, bonds, or other debt instruments issued by any State or its political subdivision, county or city.
- 122030 Corporate Bonds** - Record the value of securities issued by a U.S. corporation. Some examples include unsecured and convertible bonds. The convertible bond is recorded to this object code until it is converted to stock.
- 122040 Corporate Stocks** – Record the value of securities that represent ownership interest possessed by shareholders in a U.S. corporation. Some examples include common stock, preferred stock, and convertible preferred stock.
- 122060 Commercial Paper** – Record the value of short-term instruments, with a maturity that can range from 2 to 270 days, issued by banks, corporations, and other borrowers to investors with temporarily idle cash. Such instruments are unsecured and usually discounted, although some are interest bearing. This type of instrument can be issued directly or through a broker. Almost all commercial paper is rated as to credit risk by rating services.
- 122090 Investment in Real Estate** – Record the value of land and all physical property related to it that is owned for investment purposes, such as endowment fund properties.
- 122130 Certificates of Deposits** – Record the value of all certificates of deposits (CD's) which are either negotiable or non-negotiable.
- 122160 Money Market Funds** – Record the value of money market funds at a financial institution. Money market funds are in effect an open-ended mutual fund that invests in various highly liquid securities. Such funds usually offer check writing privileges, but are not federally insured.
- 122170 Mutual Funds** – Record the value of funds operated by an investment company that raises money from shareholders and invests it in stocks, bonds, options, commodities, or money market securities. These funds offer the investor the advantage of diversification and professional financial management.
- 122230 Pooled Investments** – Record the value of funds that are placed with a bank, pooled together with other depositors' money, and are invested in investment pools that are managed by the banks, such as life income

pools. The internal investment pools reported under this object code are not openly traded mutual funds.

Non-Current Receivables

- 123000 Accounts Receivables – Students-Non Current** - Record a non-current receivable for any amounts owed to the college by students which will not be collected until future fiscal periods.
- 123100 Accounts Receivables – Non Current** - Record a non-current receivable for any amounts owed to the college that will not be collected until future fiscal periods that have not been provided for under another object code.
- 123150 Allowance for Doubtful Accounts – Students-Non Current** - Record that portion of non-current student accounts receivable estimated not to be collectible.
- 123160 Allowance for Doubtful Accounts – Other** - Record that portion of non-current accounts receivable other than student accounts receivable estimated not to be collectible.
- 124090 Deferred Outflows for Pensions** - Record deferred outflows as defined by GASB 68 Accounting and Financial Reporting for Pensions. Amounts reported in this account are amortized over time as pension expense. The account should only reflect the allocated portion of deferred outflows for that agency for cost-sharing plans (TSERS) and any deferred outflows associated with single-employer plans administered by the agency. [See GASB 68 Accounting and Financial Reporting for Pensions for more information.]
- 125000 Long-Term Notes and Loans Receivable** – Record a non-current receivable for all long-term notes and loans receivable. Specifically, this account should be used in conjunction with the various student loan funds in sufficient detail to record loan amounts canceled and repaid.
- 125100 Allowance for Uncollectible Notes Receivable** – Record that portion of long term notes and loans receivable estimated not to be collectible.
- 128000 Work-in-Progress** - Record the cost of work performed to date on fixed assets, usually a building under construction, in the plant funds. The fixed asset may also involve improvements to land or equipment.

16XXX-18XXX Intangible Assets, Capital Assets and Infrastructure

A capital asset is property, such as land, land improvements, easements, buildings, equipment, works of art and historical treasures, and infrastructure, with a cost greater than or equal to \$5000 and a useful life of two or more years. Capital assets are acquired for use in normal operations, are not for resale, must be capitalized and must be entered on the College's fixed asset inventory system. A physical inventory must be taken of inventoried assets at least once a year.

Capital outlay expenditures are recorded initially as expenses. The reclassification of capital items from expenditures to assets is usually done by periodic journal entry rather than item by item.

Intangible Assets

Intangible Assets are identifiable, non-monetary assets without physical substance and should be considered to have an indefinite useful life if there are no legal, contractual, regulatory, technological, or other factors that limit the useful life of the asset. Intangible assets with indefinite useful lives should not be amortized.

Intangible assets with useful lives limited by legal or contractual provisions should be amortized over their estimated useful lives.

161000 Computer Software – In Development - Record the cost of work performed to date on internally generated software whose application development costs are expected to exceed the \$1,000,000 capitalization threshold for intangible assets. Computer Software in development should not be amortized.

162000 Patents – In Development - Record the cost of work performed to date on patents that are expected to exceed the \$1,000,000 capitalization threshold for intangible assets. Patents in development should not be amortized.

171000 Computer Software – Record the cost of purchased or licensed software greater than \$100,000, and internally generated software whose application development costs exceed \$1,000,000. A modification or upgrade to existing internally generated computer software should be capitalized if the outlays associated with the modification equal or exceed \$1,000,000 and the modification results in an increase in the software's functionality, or efficiency, or extends the software's estimated useful life. Assets costing below the thresholds, and all other internal modifications to existing software, should be expensed.

172000 Patents – Record the cost of obtaining the exclusive right granted by a government to manufacture, use, or sell an invention for a certain number of years.

173000 Other Intangible Assets- Record the costs of other intangible assets not provided for in any other intangible object code, such as copyrights, trademarks, and water, timber and mineral land use rights. Land use rights

associated with property already owned should not be reported as intangible assets separate from the property.

Capital Assets

- 181000 Office Furniture** - Record the cost of non-instructional furniture intended for use in college office spaces, such as desks, file cabinets and bookshelves.
- 181100 Office Equipment** – Record the costs of non-instructional office equipment such as adding machines, calculators, copiers, fax machines and printers.
- 182000 Data Processing Equipment** - Record the costs of all computer hardware and peripheral devices. Include all taxes, delivery expenses, installation expenses, operating software, and all apparatus of any type, necessary for the operation of the equipment.
- 183000 Educational Equipment** - Record the costs of equipment purchased for and used in instruction. Include all taxes, delivery, and installation expenses.
- 183500 Audio-Visual Materials** - Record the costs of audio-visual materials that were originally paid for from capital outlay funds that retain their original shape and appearance with use.
- 184000 Motor Vehicles** - Record the costs of all motor vehicles intended for general use throughout the college. Motor vehicles intended exclusively for instruction should be recorded as educational equipment.
- 185000 Other Equipment** - Record the costs of any other equipment that has not been provided for in any other capital asset object code.
- 186000 Art, Literature and Artifacts, Exhaustible** – Record the costs of works of art, literature, textbooks, library and learning resource collections, and other artifacts, whether held as individual items or in a collection, whose useful lives are diminished by display, educational, or research applications.
- 186100 Art, Literature and Artifacts, Inexhaustible** – Record the costs of works of art, literature, textbooks, library and learning resource collections, and other artifacts, whether held as individual items or in a collection whose useful lives are never diminished.
- 187000 Land** - Record the costs of the value of land owned by the college at the time of acquisition at purchase price plus costs that ready land for its intended use and produce permanent benefits, such as legal and recording fees. Donated land or land which is obtained by means other

than purchase, is recorded at fair-market value based on appraisal at time of acquisition. Land is an inexhaustible capital asset that should not be depreciated.

- 187500 Improvements to Land** - Record the costs of permanent improvements made to land owned by the college such as retaining walls, excavation, fill, grading, utility installation, and the removal, relocation, or reconstruction of property of others, such as railroads and telephone and power lines. Land improvements are inexhaustible capital assets that should not be depreciated.
- 187600 Permanent Easements – Non-Depreciable** – Record the costs of legal rights or deed of grants given out in exchange for payment that do not expire and are never diminished.
- 188000 Buildings** - Record the costs of buildings purchased or constructed at the purchase or contract price. Buildings acquired by other than purchase are recorded at appraised value at the time of acquisition.

Infrastructure

Infrastructure Assets are long-lived capital assets that are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Buildings should not be considered infrastructure assets, except those that are an ancillary part of a network of infrastructure assets, such as water pumping buildings associated with water systems.

- 189000 Road Systems** – Record the value of roads designed for motor vehicle travel that are not part of the State Department of Transportation (DOT) or other road system. Road costs should include the costs of pavement, culverts, lighting systems, drainage systems, guardrails, markings, traffic control devices, signage, bridges, tunnels, and other buildings that are an ancillary part of the road system.
- 189001 Bridges** – Record the value of any structure owned by the college that carries a road or path across a ravine or other obstacle that are not part of the State DOT or other road system.
- 189002 Utility Systems** – Record the value of any water distribution systems, sanitary sewer collection systems, natural gas systems, electrical distribution systems, and telecommunication/fiber optics systems that are independent of a single building that are owned by the college.
- 189003 Dams** – Record the value of any barrier owned by the college that impounds water or underground streams.

- 189004 Exterior Lighting Systems** – Record the value of any pole lighting systems owned by the college that are not part of a State DOT or other road system.
- 189005 Tunnels** – Record the value of any underground passageways that are completely enclosed except for openings for entrance and exit, commonly at each end, owned by the college that are not part of a State DOT or other road system.
- 189006 Landscaping** – Record the value of shrubbery, trees, flowers and other gardening efforts that modify the visible features of an area of land. Exclude land improvements that produce permanent benefits.
- 189007 Towers, Tanks, and Wells** – Record the value of any water towers, tanks, or wells that are owned by the college.
- 189008 Fences** – Record the value of any barriers, railings, or other upright structure, typically of wood or wire, enclosing an area of ground to mark a boundary, or control access.
- 189009 Parking Areas** - Record the value of any designated areas, including lots and decks, reserved for parking motor vehicles at the college.
- 189010 Other Structures and Improvements** – Record the value of any other infrastructure items not provided for by other object codes, including sidewalks, curbs and gutters, irrigation systems, general signage, pedestrian bridges, paved paths, fountains, and swimming pools.

Accumulated Depreciation

Accumulated depreciation represents the amount of a long-term asset's cost that has been allocated to depreciation expense since the time that the asset was acquired, as a result of usage or age. Accumulated Depreciation is a long-term contra asset account that records depreciation accumulated on property by periodic adjustments and is removed from the records via journal entry when property is disposed.

- 190000 Furniture** – Record the offset to depreciation expense for furniture owned by the college.
- 190001 Equipment** – Record the offset to depreciation expense for equipment owned by the college.
- 190002 Motor Vehicles** - Record the offset to depreciation expense for motor vehicles owned by the college.
- 190003 Art, Literature and Artifacts** - Record the offset to depreciation expense for exhaustible arts, literature and artifacts owned by the college.

- 190004 Buildings** - Record the offset to depreciation expense for buildings owned by the college.
- 190005 Road Systems** - Record the offset to depreciation expense for road systems owned by the college.
- 190006 Bridges** - Record the offset to depreciation expense for bridges owned by the college.
- 190007 Utility Systems** - Record the offset to depreciation expense for utility systems owned by the college.
- 190008 Dams** - Record the offset to depreciation expense for dams owned by the college.
- 190009 Exterior Lighting Systems** - Record the offset to depreciation expense for exterior lighting owned by the college.
- 190010 Tunnels** - Record the offset to depreciation expense for equipment owned by the college.
- 190011 Landscaping** - Record the offset to depreciation expense for equipment owned by the college.
- 190012 Towers, Tanks, and Wells** - Record the offset to depreciation expense for equipment owned by the college.
- 190013 Fences** - Record the offset to depreciation expense for equipment owned by the college.
- 190014 Parking Areas** - Record the offset to depreciation expense for equipment owned by the college.
- 190015 Other Structures and Improvements** - Record the offset to depreciation expense for equipment owned by the college.
- 190016 Accumulated Amortization – Computer Software** – Record the cumulative amount of all amortization expense that has so far been charged against a computer software intangible asset. Amortization is used to indicate the gradual consumption of an intangible asset over time.
- 190017 Accumulated Amortization – Patents** - Record the cumulative amount of all amortization expense that has so far been charged against a patent that is an intangible asset. Amortization is used to indicate the gradual consumption of an intangible asset over time.

190018 Accumulated Amortization – Other Intangible Assets - Record the cumulative amount of all amortization expense that has so far been charged against any other intangible asset not provided for by the other object codes. Amortization is used to indicate the gradual consumption of an intangible asset over time.

23XXXX Current Liabilities

231100 Due to Vendors - Record amounts owed to vendors in exchange for goods and/or services already received.

231110 Vouchers Clearing Account – Record the offset to payroll and accounts payable expenses prior to creating checks, electronic payments, and advices.

231200 Due to County - Record amounts owed to the county.

231300 Due to Federal Agencies - Record amounts owed to federal agencies.

231310 FICA and Medicare Withholdings – Record amounts owed by the college and withheld from employees’ salaries that are remitted to the IRS for the Social Security and Medicare programs under the Federal Insurance Contributions Act.

231320 EIC and Federal Withholdings – Record amounts withheld from employees’ salaries that are remitted to the IRS for the earned income credit and federal income taxes owed.

231400 Due To State - Record amounts due to a state agency, another community college, a university, or some other component unit of the state not specifically defined by other object codes.

231410 Due To NCCCS - Record amounts owed by the college to the System Office.

231420 Sales and Use Tax Payable – Record amounts owed for the consumable tax placed on retail sales, leases or rentals of most goods, and any taxable services in the state required. Use tax is used in relation to the sales tax and is applied when merchandise is purchased from outside of state lines for use or consumption.

231430 Non-Resident Withholding – Record amounts owed to the state or to the Internal Revenue Service on payments to foreign persons, including nonresident alien individuals, foreign entities, and governments.

231440 State Withholdings – Record amounts withheld from employees’ salaries that are remitted to state departments of revenue for state income taxes owed.

- 231510 Accrued Salaries and Wages** - Record the gross amount of the salaries or wages earned by college employees that have not been paid.
- 231520 Accrued Payroll Contributions** - Record the amounts owed for payroll associated contributions to be paid by the college on accrued salaries recorded in account 231510.
- 231530 Payroll Deductions and Contributions** - Record any amounts withheld from salaries and wages already paid to employees but not yet remitted to the appropriate agency. Employer contributions that match these deductions should also be included.
- 231540 Insurance Held for Employees** – Record the employee portion of medical premiums received from employees to be applied to coverage during non-working periods.
- 231600 Due to Other Fund Groups** - Record amounts owed to other funds within the college. Liabilities reported in this account should have offsetting receivable amounts recorded in object code 11560x in other funds. Use of the sub-object in position 13 is encouraged to account for each fund's payable and receivable separately.
- 231601 Due to Other Funds – AR-** Record accounts receivable refund amounts due to students when refunds are processed in the accounts receivable module.
- 231700 Other Current Payables** - Record the amounts owed for any current liability not provided for in other object codes.
- 231800 Contracts Payable** – Record the amounts currently due on contracts, construction projects, or installment contracts on major equipment purchases. This account is used exclusively in the unexpended plant fund and is adjusted to reflect the correct liability for financial statement purposes.
- 231810 Contracts Payable - Retainage** – Record the amount retained on construction contracts for the portion of the agreed upon contract price deliberately withheld until the work is substantially complete to assure that contractor or subcontractor will satisfy its obligations and complete a construction project.
- 232100 Note Payable** - Record amounts owed for the principal due on a formal written promise to pay.
- 232200 Obligations Under Capital Lease** - Record the current portion due for long-term asset lease agreements that are nearly equivalent to asset purchases.

- 233000 Unexpended Grant Authorization** – Record a current liability for the amount of a grant that has not yet been spent. This account should be credited at the time an award is received and debited as money is earned and/or transferred to another fund. Use of the sub-object levels in positions 11-13 is encouraged to account for each grant separately.
- 234000 Accumulated Leave Payable** – Record the current portion of unused leave at the end of the fiscal year. The debit entry is an appropriate salary expense account.
- 235000 Funds Held for Others** – Record the current portion of the amounts held for students or others in agency funds.
- 237000 Unearned Revenue** – Record a current liability for the amount of any receipts that have not yet been earned by the college.
- 238000 Pollution Remediation Payable – Current** – Record a current liability for that portion owed by the college related to the current fiscal period for pollution remediation activities, such site assessments, site investigation, neutralization, containment, or removal and disposal of pollutants, work performed by an environmental regulatory authority dealing with the site, and any required monitoring of the remediation effort.

24XXXX Non-Current Liabilities

- 242000 Accounts Payable – Non-Current** – Record the amounts owed for any long-term obligations to vendors related to future fiscal periods.
- 242010 Other Payables – Non-Current** - Record the amounts owed for any long-term obligations not provided for in other object codes.
- 242050 Accumulated Leave Payable – Non-Current** - Record the long-term portion of unused leave at the end of the fiscal year. The debit entry is an appropriate salary expense account.
- 242080 Net Pension liability – Noncurrent** – Record the noncurrent portion of the Net Pension Liability. This account is classified as a long-term liability for financial statement note disclosure. The Net Pension Liability: The portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. The account should only reflect the allocated portion of the net pension liability for that agency for cost-sharing plans (TSERS) and any net pension liability associated with single-employer plans administered by the

agency. [See GASB 68 Accounting and Financial Reporting for Pensions for more information.] Note: Since TSERS is so well funded, we do record a current portion.

- 242090 Deferred Inflows for Pensions –** Record deferred inflows as defined by GASB 68 Accounting and Financial Reporting for Pensions. Amounts reported in this account are amortized over time as pension expense. The account should only reflect the allocated portion of deferred inflows for that agency for cost-sharing plans (TSERS) and any deferred inflows associated with single-employer plans administered by the agency. [See GASB 68 Accounting and Financial Reporting for Pensions for more information.]
- 242100 Notes Payable – Non-Current -** Record amounts owed for the principal due on a formal written promise to pay related to future fiscal periods.
- 242200 Obligations Under Capital Lease – Non-Current -** Record the portion due related to future fiscal periods for long-term asset lease agreements
- 242500 Funds Held for Others – Non-Current -** Record the portion of the amounts held for students or others in agency funds related to future fiscal periods.
- 242900 Other Long-Term Liabilities –** Record any other amounts owed related to future fiscal periods not provided for in other non-current object codes.
- 242910 Pollution Remediation Payable – Noncurrent -** Record the amounts expected to be owed by the college related to future fiscal periods for pollution remediation activities, such site assessments, site investigation, neutralization, containment, or removal and disposal of pollutants, work performed by an environmental regulatory authority dealing with the site, and any required monitoring of the remediation effort.

3XXXXX Fund Equity

- 370100 Unrestricted Fund Balance** – Record the difference between the assets and liabilities for all of the unrestricted funds at the college, exclusive of any reserved amounts or adjustments since the last year end close process.
- 370110 Restricted Fund Balance** - Record the restricted portion of a colleges fund balance via reclassification journal entries, usually at year end for financial statement purposes. In some cases the entire fund balance of a fund group is restricted, as is usually the case with the NACUBO code of 2. In other cases part of the fund balance may be restricted while the remainder is unrestricted.
- 370900 Donated Capital** - Record the equity in assets that have been donated to the college.
- 379000 Restatement-Net Position** – Record the beginning balances of the net pension liability due to the implementation of GASB 68.
- 389000 Investment in Property - Institutional Funds** – Record the equity in plant funds for institutional fixed assets.
- 389100 Investment in Property - State Funds** - Record the equity in plant funds for state fixed assets.
- 389200 Investment in Property - County Funds** - Record the equity in plant funds for county fixed assets.
- 389300 Investment in Property (Federal Funds)** - Record the equity in plant funds for federal fixed assets.

4XXXXX Revenues

409990 Deposits to the State Treasurer – Record the offset to all state fund receipts to account for all state fund amounts required to be deposited daily to a state treasurer bank account under G.S. 147-86.10.

42XXXX Curriculum Tuition

420000 In-State – Record all receipts at the current in-state tuition rate for students who meet the in-state resident eligibility requirements set forth in G.S. 115D-39 and G.S. 116-143.

420100 Out-of-State - Record all receipts at the current out-of-state tuition for students who do not meet the in-state resident eligibility requirements set forth in G.S. 115D-39 and G.S. 116-143.

4202XX Waivers – Reduce curriculum tuition for curriculum students exempt from paying a charge that would otherwise be required for enrollment. G.S. 115D-39 and G.S. 116-143 provide certain circumstances under which students who do not qualify as resident students may be charged in-state tuition. The difference between the out-of-state and in-state tuition rates is not considered a tuition waiver.

43XXXX Non-Curriculum Fees

431000 Continuing Education – Record all receipts associated with the registration fee schedule for continuing education courses based on course length, set by the State Board and consistent with actions taken by the General Assembly. Unless waived by law, colleges are required to charge students a registration fee, and students are required to pay a registration fee, or have a third-party pay on their behalf, to enroll in a continuing education course.

43101X Waivers - Reduce continuing education fees for non-curriculum students exempt from paying a charge that would otherwise be required for enrollment.

440000 State Certification – Record revenues for the state funds deposited monthly by the System Office to the state disbursing account to be used for the purposes set forth in the annual state funds budget.

46XXXX Earned from Local Sources

461000 County Appropriations – Record revenues for funds provided by a county government for operating purposes. This is a non-exchange transaction and considered non-operating revenue for financial statement purposes.

462000 Local Grants and Contracts – Record revenues for funds received by county grant providers, or from county entities related to agreements with

specific terms, where there is a promise to provide goods or services of an instructional, research or public service nature.

47XXXX Earned from Federal Sources

470000 Federal Contracts and Grants – Reclassify the federal portion of certifications received from the System Office for financial statement reporting purposes. This properly presents the amount of federal funds received for federal programs that flow through the 112 (2-12) report.

48XXXX Earned from State Sources

480000 State Contracts and Grants - Record revenues for funds received by state grant providers, or from state entities related to agreements with specific terms, where there is a promise to provide goods or services of an instructional, research or public service nature.

49XXXX Other Revenues

491XXX Investment and Interest Income

4911XX Interest Earned - Record revenues for interest received from demand deposits available to the college in either institutional or county funds. This account is not used with state funds.

4912XX Endowment Income - Record revenues for income generated by endowment principle amounts for use according to the intent of the donor.

4913XX Gain on Sale of Securities – Record revenues for any net gains on the sale of tradable assets, such as stocks and bonds.

4914XX Dividend Income – Record revenues for payments made by a corporation to its shareholder members, usually paid in the form of cash, store credits, and shares in the company. Record endowment dividend income to 4912XX.

4915XX STIF Interest Income - Record revenues for the monthly interest earned on investments in the State Treasurer's Short Term Investment Fund.

492XXX Income from Students

492100 Student Activity Fee – Record revenues for the fee charged to students to support the cost of providing student activities, including the student government association, student clubs, enrichment and social activities, student identification cards, and athletics, as established by the local board of trustees, not to exceed \$35 per academic term. Student activity fees may not be charged to individuals who participate only in meetings/seminars organized by the college.

- 492110 Campus Access and Parking (CAP) Fee** – Record revenues for the fee charged to students to use college parking facilities and campus grounds, as established by the local board of trustees, in order to support costs of acquiring, constructing, and maintaining the college’s parking facilities, parking enforcement, and campus security. A seminar/meeting is defined as a small grouping of people primarily for discussion under the direction of a leader or resource person(s) and are generally one-time offerings.
- 492120 Instructional Technology Fee – Curriculum** - Record revenues for the fees charged to curriculum students to support student access to instructional technology. The instructional technology fee shall not exceed \$16 per academic term for curriculum students, and may not be charged to individuals who participate only in meetings/seminars organized by the college. A seminar/meeting is defined as a small grouping of people primarily for discussion under the direction of a leader or resource person(s) and are generally one-time offerings. See the description for purpose code 292 and 1E SBCCC 700.3 for more information.
- 492220 Instructional Technology Fee – Non-Curriculum** - Record revenues for the fees charged to students to support student access to instructional technology. The instructional technology fee shall not exceed \$5 per course for continuing education students, and may not be charged to individuals who participate only in meetings/seminars organized by the college. A seminar/meeting is defined as a small grouping of people primarily for discussion under the direction of a leader or resource person(s) and are generally one-time offerings. See the description for purpose code 392 and 1E SBCCC 700.3 for more information.
- 493XXX Other Income**
- 493100 Other Operating Income** – Record revenue received as a direct result of the college’s primary purpose for operations that does not meet the criteria for classification elsewhere.
- 493200 Other Non-Operating Income** – Record revenue received that is unrelated to the college’s primary purpose for operations that does not meet the criteria for classification elsewhere. Record any EBS Clearwire payments received as other non-operating income.
- 4939XX Commissions Earned** – Record revenues for percentages of the money received from a total paid to the agent responsible for the business. Use sub-objects to break down types of sales, if desired. Sales tax and sales returns may be broken out with sub-objects or recorded directly against income.
- 494100 Gifts** - Record revenues for amounts donated or contributed to the college from non-governmental sources

- 494110 Contracts and Grants** – Record revenues for amounts from non-governmental or private grant sources, or from private entities related to agreements with specific terms, where there is a promise to provide goods or services of an instructional, research or public service nature.
- 494111 State Capital Aid** –Record revenues for the earned portion of state bond money and capital project funds provided by the System Office for the acquisition, renovation or construction of capital assets owned by the college.
- 494120 Non-Governmental Contracts and Grants-Exchange Transactions** - Record revenues for amounts from non-governmental or private grant sources, or from private entities related to agreements with specific terms, where there is a promise to provide goods or services of an instructional, research or public service nature, and provides commercial value or direct benefit to the resource provider.
- 494200 Insurance Recoveries** – Record revenues for payments from insurance companies for claims filed by the college.
- 494300 Rent** – Record revenues for amounts received from renting college classrooms and facilities to other entities.
- 494400-49 Live Client Project Patron Fees – Curriculum** - Record revenues and expenditures for live client project fees collected for curriculum programs within this range of object codes. Colleges may choose to separate patron fees collected from live project fees collected. See the description for purpose code 293-294 and 1H SBCCC 300.1 for more information.
- 494450-99 Patron Fees – Non-Curriculum** - Record revenues and expenditures for live client project fees collected for non-curriculum programs within this range of object codes. Colleges may choose to separate patron fees collected from live project fees collected. See the description for purpose code 393-394 and 1H SBCCC 300.1 for more information.
- 494500-49 Live Projects – Curriculum** - Record revenues and expenditures for live client project fees collected for curriculum programs within this range of object codes. Colleges may choose to separate live project fees collected from patron fees collected. See the description for purpose code 293-294 and 1H SBCCC 300.1 for more information.
- 494550-99 Live Projects – Non-Curriculum** Record revenues and expenditures for live client project fees collected for non-curriculum programs within this range of object codes. Colleges may choose to separate live project fees collected from patron fees collected. See the description for purpose code 393-394 and 1H SBCCC 300.1 for more information.

- 494600 Bad Debt Recoveries** – Record revenues for debts from student loans or accounts receivable recovered in whole or in part after it has been written off or classified as a bad debt.
- 494700 Gain (Loss) Sale of Fixed Assets** – Record a revenue (expense) for the difference between the book value of an asset and the amount of cash received, when removing the asset and its associated accumulated depreciation amounts from the general ledger. These amounts roll up into net non-operating revenues on the statement of revenues, expenditures and changes in net position.
- 494800 Fines and Penalties** - Record revenues for campus imposed fines collected, such as library fines.
- 494801 Parking and Traffic Fines** – Record revenues for campus parking and traffic fines collected pursuant to G.S. 115D-21, in conjunction with expense object 539570. Such fines must be remitted to the Office of State Budget and Management, 20320 Mail Service Center, Raleigh, NC 27699-0320 within 10 days after the end of the calendar month in which the fines were collected. Include the description of the payment as “FINES and PENALTIES COLLECTED FOR _____ (insert month and year)” with remittances.

NOTE: At the end of each fiscal year, revenues collected must equal, unless a college has received prior approval to offset receipts with collection costs. Colleges are permitted to deduct the actual costs of collecting fines and penalties, up to a maximum of 10 % of the gross receipts. Actual costs of collecting fines and penalties applies to the recovery costs for collecting parking/traffic fines. Parking/traffic enforcement activities and parking lot repairs/upkeep, are not recoverable through this deduction. System Office approval must be received in advance to recover the allowable collection expenses. Detailed information will be required to the support the approval request, such as special fund reports, due diligence collection paper work, and backup documentation for all collection costs paid out. See Numbered Memo CC05-238 for more information.

- 494900-24 Specific Fees – Curriculum** - Record revenues within this range of object codes for fees charged to curriculum students to support other required academic costs for items that are considered to be in addition to normal supplies and materials the college typically provides for students. See the description for purpose code 291 and 1E SBCCC 700.5 and 1E SBCCC 700.7.
- 494925-49 Specific Fees – Non-Curriculum** - Record revenues within this range of object codes for fees charged to non-curriculum students to support other required academic costs for items that are considered to be in addition to normal supplies and materials the college typically provides for students.

See the description for purpose code 391 and 1E SBCCC 700.5 and 1E SBCCC 700.7.

495XXX Transfers from Other Funds – Record incoming inter-fund transfers in the following object codes according to the source fund of the transfer and whether the transfer is mandatory or non-mandatory.

- 495100 Mandatory Transfers from Unrestricted General Funds**
- 495110 Non-Mandatory Transfers from Unrestricted General Funds**
- 495200 Mandatory Transfers from Proprietary**
- 495210 Non-Mandatory Transfers from Proprietary**
- 495300 Mandatory Transfers from Restricted Funds**
- 495310 Non-Mandatory Transfers from Restricted Funds**
- 495400 Mandatory Transfers from Loan Funds**
- 495410 Non-Mandatory Transfers from Loan Funds**
- 495500 Mandatory Transfers from Endowment Funds**
- 495510 Non-Mandatory Transfers from Endowment Funds**
- 495600 Mandatory Transfers from Unexpended Plant Funds**
- 495610 Non-Mandatory Transfers from Unexpended Plant Funds**

496XXX Income from Student Loans

- 496000 Income from Student Loans – Principal** – Record revenues for the repayments of principal amounts loaned by the college to students.
- 496500 Income from Student Loans – Interest** - Record revenues for the interest payments on funds loaned by the college to students.

497XXX Other

- 497100 Additions to Permanent Endowments** – Record any increases to gifts or grants that are restricted and held in perpetuity with only the income available for use.
- 497200 Additions to Terms Endowments** – Record any increases to gifts or grants where all or part of the principal may be expended only after the expiration of a stated period of time or occurrence of a specified event, depending on donor wishes.

5XXXXX Expenditures

Personnel Compensation

511XXX - 516XXX Salaries

- 511100 President** - Record the salary, including any local portion of the colleges' chief-executive officer. **(Only use with purpose 110).**
- 511200 Full-time Senior Administrators** - Record the full-time salaries of employees who serve in a senior or executive capacity. Individuals charged to this object report directly to the president or to a senior or executive vice-president that reports directly to the president of the college and generally include the general administrative officer, chief business officer, chief academic officer, and chief student affairs officer. **(Only use with purpose 110).**
- 511210 Part-time Senior Administrators** - Record the part-time salaries of employees who serve in a senior or executive capacity. Individuals charged to this object report directly to the president or to a senior or executive vice-president that reports directly to the president of the college and generally include the general administrative officer, chief business officer, chief academic officer, and chief student affairs officer. These individuals are normally employed less than 30 hours a week. **(Only use with purpose 110).**
- 511240 30 Hour Senior Administrators** - Record the salaries of senior administrators as defined in objects 511200 and 511210 that are employed on a continuous basis for a minimum of nine months per year, work a minimum of 30 hours a week, and contribute to the State's retirement system. **(Only use with purpose 110).**
- 511210 Part-time Senior Administrators** - Record the part-time salaries of employees who serve in a senior or executive capacity. Individuals charged to this object report directly to the president or to a senior or executive vice-president that reports directly to the president of the college and generally include the general administrative officer, chief business officer, chief academic officer, and chief student affairs officer. These individuals are normally employed less than 30 hours a week. **(Only use with purpose 110).**
- 511240 30 Hour Senior Administrators** - Record the salaries of senior administrators as defined in objects 511200 and 511210 that are employed on a continuous basis for a minimum of nine months per year, work a minimum of 30 hours a week, and contribute to the State's retirement system. **(Only use with purpose 110).**
- 511300 Full-time Professional Staff** - Record the full-time salaries of employees who are responsible for significant activities at the college. These individuals will often, but not always, have some supervisory duties and will report to either a senior administrator or a higher-level staff person. This object may include job titles such as: Directors, Deans, Assistant/Associate Deans, Associate Vice-Presidents, Controller, Financial Aid Administrators, Coordinators, Recruiters and Retention

Specialist, Registrar, Counselor, Personnel Officer, and Librarian. **(Not used with purpose 220 and 310).** ***NOTE: For Basic Skills directors costs refer to purpose code descriptions for 321, 322, 323, 324, and 325.***

- 511310 Part-time Professional Staff** - Record the part-time salaries of employees who are responsible for significant activities at the college. These individuals will often, but not always, have some supervisory duties and will report to either a senior administrator or a higher-level staff person. This object may include job titles such as: Directors, Deans, Assistant/Associate Deans, Associate Vice-Presidents, Controller, Financial Aid Administrators, Coordinators, Recruiters and Retention Specialist, Registrar, Counselor, Personnel Officer, and Librarian. **(Not used with purpose 220 and 310).** ***NOTE: For Basic Skills directors refer to purpose code descriptions for 321, 322, 323, 324, and 325.***
- 511340 30 Hour Professional Staff** - Record the salaries of professional staff as defined in objects 11300 and 11310 that are employed on a continuous basis for a minimum of nine months per year, work a minimum of 30 hours a week, and contribute to the State's retirement system. **(Not used with purpose 220 and 310).**
- 512000 Full-time Support** – Record the full-time salaries of employees who provide an infra-structure for the daily office operations of the college. Individuals in this category are generally clerical/clerk in nature with an emphasis on correspondence, information storage and retrieval, data entry and word processing (not to include computer operators or programmers), and other office work, such as Accounting Clerk, Financial Aid Clerks, Typist, Data Entry Operator, Bookstore Clerk, Library Clerk (not recognized as a Librarian), Secretaries, etc. **(Not used with purpose 220, 310, 321, 322, 323, 324,520).**
- 512010 Part-time Support** - Record the part-time salaries of employees who provide an infra-structure for the daily office operations of the college. Individuals in this category are generally clerical/clerk in nature with an emphasis on correspondence, information storage and retrieval, data entry and word processing (not to include computer operators or programmers), and other office work, such as Accounting Clerk, Financial Aid Clerks, Typist, Data Entry Operator, Bookstore Clerk, Library Clerk (not recognized as a Librarian), Secretaries, etc. **(Not used with purpose 220, 310, 321, 322, 323, 324, 520).**
- 512040 30 Hour Support** – Record the salaries of support personnel as defined in objects 12000 and 12010 that are employed on a continuous basis for a minimum of nine months per year, work a minimum of 30 hours a week and contribute to the State's retirement system. **(Not used with purpose 220, 310, 321, 322, 323, 324, and 520).**

- 513000 Full-time Faculty** - Record the full-time salaries of employees who perform professional activities in guiding and directing the learning experiences of students in an instructional situation. **(Only use with purpose 220, 310, 321, 322, 323, 361, 362, 363, 364, 365, 366, 367, and 368).**
- 513010 Part-time Faculty** - Record the part-time salaries of employees who perform professional activities in guiding and directing the learning experiences of students in an instructional situation. **(Only use with purpose 220, 310, 321, 322, 323, 361, 362, 363, 364, 365, 366, 367, and 368).**
- 513020 Full-time Teaching Assistant** – Record the full-time salaries of employees who assist full-time/part-time faculty in performing professional activities in guiding and directing the learning experiences of students in an instructional situation. **These individuals will be recorded as Technical/Paraprofessional, NOT Faculty, on the Staff Information Report.** NOTE: A Teaching Assistant that is a student will be coded to object 516020. **(Only use with purpose 220, 310, 321, 322, 323, 361, 362, 363, 364, 365, 366, 367, 368, and 410).**
- 513030 Part-time Teaching Assistant** – Record the part-time salaries of employees who assist full-time/part-time faculty in performing professional activities in guiding and directing the learning experiences of students in an instructional situation. **These individuals will be recorded as Technical/Paraprofessional, NOT Faculty, on the Staff Information Report.** NOTE: A Teaching Assistant that is a student will be coded to object 516020. **(Only use with purpose 220, 310, 321, 322, 323, 361, 362, 363, 364, 365, 366, 367, 368, and 410).**
- 513040 30 Hour Faculty** – Record the salaries of faculty personnel as defined in objects 13000 and 13010 that are employed on a continuous basis for a minimum of nine months per year, work a minimum of 30 hours a week, and contribute to the State’s retirement system. **These individuals will be recorded as Technical/Paraprofessional, NOT Faculty, on the Staff Information Report.** NOTE: A Teaching Assistant that is a student will be coded to object 516020. **(Only use with purpose 220, 310, 321, 322, 323, 361, 362, 363, 364, 365, 366, 367, 368, and 410).**
- 514000 Full-time Service/Maintenance/Skilled Crafts** - Record the full-time salaries of employees whose duties are non-supervisory and contribute to the upkeep and care of buildings, facilities or grounds, and college property. This object may include, but is not confined to such job titles as: Cafeteria Gardener, Security Guard, Maintenance Worker, Mechanic, Electrician, Printer, etc. **(Only use county fund 21 and purposes 610 and 620.)**

- 514010 Part-time Service/Maintenance/Skilled Crafts** - Record the part-time salaries of employees whose duties are non-supervisory and contribute to the upkeep and care of buildings, facilities or grounds, and college property. This object may include, but is not confined to such job titles as: Cafeteria Gardener, Security Guard, Maintenance Worker, Mechanic, Electrician, Printer, etc. **(Only use county fund 21 and purposes 610 and 620.)**
- 514040 30 Hour Service/Maintenance/Skilled Crafts** - Record the salaries of employees whose duties are non-supervisory and contribute to the upkeep and care of buildings, facilities or grounds, and college property. This object may include, but is not confined to such job titles as: Cafeteria Gardener, Security Guard, Maintenance Worker, Mechanic, Electrician, Printer, etc. **(Only use county fund 21 and purposes 610 and 620.)**
- 514050 Supervisory Service/Maintenance/Skilled Crafts** - Record the salaries of supervisory personnel of Service/Maintenance/Skilled Crafts personnel as defined in objects 514000 and 514010.
- 515000 Full-time Technical/Paraprofessional** – Record the full-time salaries of employees whose duties require specialized knowledge or skills. These employees normally report to an administrative or professional staff person. Job titles may include, but are not confined to: System Administrator, Administrative Assistant, Accounting Technician, Financial Aid Technician, GED/Basic Skills Testers/Examiners, Library Assistant, Equipment Coordinator, etc. **(Not used with purpose 220 and 310).**
- 515010 Part-time Technical/Paraprofessional** - Record the part-time salaries of employees whose duties require specialized knowledge or skills. These employees normally report to an administrative or professional staff person. Job titles may include, but are not confined to: System Administrator, Administrative Assistant, Accounting Technician, Financial Aid Technician, GED/Basic Skills Testers/Examiners, Library Assistant, Equipment Coordinator, etc. **(Not used with purpose 220 and 310).**
- 515040 30 Hour Technical/Paraprofessional** – Record the salaries of technical/paraprofessional personnel as defined in objects 515000 and 515010 that are employed on a continuous basis for a minimum of nine months per year, work a minimum of 30 hours a week, and contribute to the State’s retirement system. **(Not used with purpose 220 and 310).**
- 516020 Student Salaries – Instruction** - Record the salaries of student employees who assist faculty with *direct* classroom instruction and/or activities (lab assistant, tutor, teaching assistant). **(Only use with purpose 220, 310, 321, 322, and 323).**

516030 Student Salaries – Non-Instruction - Record the salaries of student employees who perform *duties outside the classroom in a non-instructional setting*. (Only use with purpose 110, 120, 130, 140, 311, 410, 421, 422, 430, 450, and 510).

518XXX Benefits

518100 Social Security - Record the cost for the employer's matching social security contributions.

518200 Retirement - Record the cost for the employer's matching retirement contributions.

518250 Pension Expense - Record the change in net pension liability that is recognized immediately and the amortization of deferred inflows/ outflows of resources related to pensions over time. The only transactions posted to this account should be the year-end accrual entries (13th month) for the allocated portion of total pension expense for that agency for cost-sharing plans (TSERS) and any pension expense associated with single-employer plans administered by the agency. [See GASB 68 Accounting and Financial Reporting for Pensions for more information.]

518300 Medical Insurance - Record the cost of the employer's contributions for employee's hospitalization insurance.

518400 Disability Salary Income - Record the cost of employee's short-term disability benefits.

518500 Unemployment Compensation - Record the cost of unemployment compensation claims.

518600 Worker's Compensation - Record the cost of payments to injured employees as determined and awarded by the Industrial Commission and/or litigation.

518700 Longevity Payments - Record the cost of all longevity payments. Employee benefits, retirement, and social security will be charged to the appropriate line item.

518800 Employee Assistance Program – Record the costs of an employer provided employee assistance program that offers assessments, short term counseling and referrals. Costs must be prorated according to the employee's salary funding source.

519XXX Contracted Services

- 519000 Legal Services** – Record the costs of retaining and using attorneys to assist the college with matters of law.
- 519010 Financial/Audit Services** – Record the costs for external accounting services.
- 519020 Systems Implementation/Integration Services** – Record the costs for external professional resources to assist the college in implementing and streamlining automated systems.
- 519030 Engineering Services** – Record the costs for external professional engineering services that apply scientific, economic, social, and practical knowledge in order to design, build, and maintain structures, machines, devices, systems, materials and processes on campus.
- 519040 Administrative Services** – Record the costs for external professional management work involving fiscal, administrative, personnel, and related support functions for college operations.
- 519050 Food Services Agreements** – Record the costs to vendors for making, transporting, and serving or dispensing prepared foods in a cafeteria, snack bar or vending area on campus.
- 519060 Laundry Service Agreements** – Record the costs to vendors for any laundry services needed by the college.
- 519070 Laboratory Services Agreements** – Record the costs to vendors for maintenance and upkeep of facilities used in instruction that provide controlled conditions in which scientific research, experiments, and measurement may be performed.
- 519080 Janitorial Services Agreements** – Record the costs to vendors for cleaning services, such as floors, bathrooms, and windows, vacuuming, shampooing rugs, washing walls and dusting furniture on campus.
- 519090 Waste Removal/Recycling Services Agreements** - Record the costs to vendors for the proper disposal of trash and recyclable materials.
- 519100 Security Service Agreements** – Record the costs to vendors for safety measures to protect employees and students.
- 519110 Pest Control Services Agreements** - Record the costs to vendors for regulation or management of insects and other rodents in campus facilities or on campus grounds.
- 519120 Lawns and Grounds Services Agreements** - Record the costs to vendors for lawn and landscaping maintenance.

- 519130 Miscellaneous Service Contracts** – Record the costs to external professionals or vendors not provided for by any other object code.
- 519140 WAN Support Services** – Record contract personnel costs for analyzing, designing, implementing and/or supporting a wide area network.
- 519141 Video Transmission Support Services** – Record contract personnel costs for analyzing, designing, implementing and/or supporting a video transmission system.
- 519142 LAN Support Services** – Record the cost of services purchased from independent contractors, consultants, and other external organizations for analyzing, designing, implementing, and/or supporting a local area network. Charges to this object code are for labor only, such as contracted personnel to supplement agency LAN support staff. A vendor contract in which the vendor retains ownership is a managed LAN service contract and should be recorded under object 532334 - Managed LAN Service Charge.
- 519143 Personal Computer and Printer Support Services** – Record contract personnel costs for personal computer (PC) and printer installation, configuration and support, including supplemental staffing or seat management contract costs for PCs and printers. Record parts and labor for PC/printer repair in object 535109 – Repairs - Personal Computers and Printers. Record PC/printer maintenance agreement costs in object 535492 - Maintenance Agreement for Personal Computers and Printers.
- 519144 Managed Server Support Services** – Record contract personnel costs to support server/database installations, configuration, and upgrades including supplemental staffing costs. This object code includes only technical support, not applications development. Record server repair costs (parts/labor) in object 535110 Repairs - Servers. Record server maintenance agreements in object 535495 Maintenance Agreements - Servers.
- 519145 Mainframe Support Services** – Record contract personnel costs to support a mainframe including supplemental staffing. This object code includes only technical support, not applications development. Record mainframe maintenance agreement costs in object 535496 Maintenance Agreements – Mainframe Computers.
- 519146 Application Development** – Record contract personnel/NC Office of Information Technology Services (ITS) costs for analyzing, designing, implementing and/or providing applications development/support for an application, system or system modification, including Web Development Mobile Apps and Legacy Client Server.

- 519147 IT Project Management and Analysis Services** – Record contract personnel costs for Project Management services associated with deployment and management of IT projects/programs, including business analysts, enterprise architects, and enterprise security.
- 519148 Other Information Technology Services** – Record other contract personnel costs for analyzing, designing, and/or implementing support for a system of system modification not classified elsewhere, including amounts paid to ITS or other outside vendors for supplemental programming data entry.
- 519200-29 Contracted Services (Personal)** – Record the cost of *non-instructional* services performed by companies or individuals who are not employees of the college that cannot be classified elsewhere in this range of object codes, according to the specific need of the college.
- 519400 Contracted Instruction** – Record the cost of all other *instructional* services performed by companies or individuals who are not employees of the college that provide specialized instruction and cannot be classified elsewhere. This object should not be used with Customized Training Program Projects purpose 361. Instructional salary objects should be considered before using this object.
- 519600 Personal Service Contract for Customized Training Industry Clients -** Record the cost of training performed by industry personnel who are employees of that industry. **(Only use with purpose 361 vocational code 80).**
- 519700 Personal Service Contract for Customized Training Industry Third Party -** Record the cost of training performed by individuals or companies who are not employees of the college and who are not employees of the industry for which the training is being conducted. **(Only use with purpose 361, vocational code 80).**

52XXXX Supplies and Materials

- 521000 Custodial Supplies** - Record the cost of janitorial supplies, small utensils, mops, brooms, etc., including any associated freight costs.
- 521200 Bedding and Textile Products** – Record the cost of bedding, sewing materials and woven fabrics supplies, including any associated freight costs.
- 521300 Laundry Supplies** – Record the cost of supplies used in laundering clothes or other fabrics, including any associated freight costs.

- 521400 Clothing and Uniforms** – Record the cost of clothing, uniforms, and personal protective equipment required by OSHA that is furnished to employees, including any associated freight costs.
- 522000 Maintenance Supplies** - Record the cost of supplies and materials which are directly consumed for purposes of maintenance, include any associated freight costs.
- 523000 Instructional Supplies** - Record the costs of classroom and laboratory supplies and materials which are directly consumed for purposes of instruction, including any associated freight costs. Record instructional data processing supplies to object code 523010.
- 523010 Instructional Data Processing Supplies** - Record the costs of classroom and laboratory data processing supplies and materials which are directly consumed for purposes of instruction, including any associated freight costs. Record all other instructional supplies to object code 523000.
- 524000 Repair Supplies** - Record the cost of supplies and materials used in the repair of facilities, equipment, and motor vehicles, including any associated freight costs.
- 525000 Gasoline and Motor Vehicle Supplies** - Record the costs of gasoline, diesel oil, grease, motor oil, clutch and power brake fluids, and inexpensive accessories when purchased for the use of motor vehicles which are not directly used as instructional equipment, including any associated freight costs. NOTE: Motor fuel sold to a community college for use for community college purposes is exempt from the excise tax on motor fuel pursuant to G.S.105-449.88(7).
- 525100 Diesel Fuel** – Record the cost of diesel fuel consumed but not directly related to instruction. NOTE: Motor fuel sold to a community college for use for community college purposes is exempt from the excise tax on motor fuel pursuant to G.S.105-449.88(7).
- 525200 Oil, Lubricants, Fluids** – Record the cost of diesel oil, grease, motor oil, clutch and power brake fluids used in the regular maintenance of motor vehicles and equipment, not directly related to instructional equipment.
- 525300 Tires and Tubes** – Record the cost of tires and tubes used, not directly related to instructional equipment.
- 525400 Motor Vehicle Replacement Parts** – Record the costs of inexpensive accessories purchased for the use of motor vehicles, not directly related to instructional equipment.
- 525500 Other Fuels** – Record the costs of any other fuels not provided for in any other object code. NOTE: Motor fuel sold to a community college for use for community college purposes is exempt from the excise tax on motor fuel pursuant to G.S.105-449.88(7).

- 526000 Office Supplies** - Record the costs of stationery, envelopes, paper, pens, notebooks, calendars, forms, file folders and guides, ink, desk trays, staplers and other small items normally used in offices, including any associated freight costs. Record data processing office supplies costs in object code 526010.
- 526010 Data Processing Office Supplies** - Record the costs of data processing supplies used in offices, including any associated freight costs. Record all other office supplies costs in object code 526000.
- 527000 Other Supplies** - Record the cost of all other supplies and materials not provided for in any other object codes, including any associated freight costs. Printed certificates, diplomas, or degrees produced through print shops at the college may be paid from state funds. If these certificates, diplomas, or degrees are ordered from a commercial print shop, the cost can be a part of the graduation fee charged to the student.
- 528000 Audio-Visual Supplies** - Record the cost of records, films, charts, maps, instructional and tutorial software, and exhibits which retain their original shape and appearance with use, including any associated freight costs. **(Use with purposes 410, 930).**
- 529000 Purchases for Resale** - Record the cost of items to be resold, such as operation of bookstores, snack bars, cafeterias, and dining halls, including any freight costs.

531XXX Travel

- 531110 In-State Ground Transportation** – Record the cost of mileage for vehicles, tolls, parking, common carrier fares, limousine, and cab fares. All charges to this object code must be for transportation within North Carolina. Receipts must be provided for common carrier fares, tolls and parking, and mileage paid from state funds for local transportation must be supported, either by Form 300 – Daily Log for Local Travel or some other daily log.
- 531120 In-State Air Transportation** – Record the cost of commercial airline tickets for travel within North Carolina. Also record the costs of air mileage expenses incurred when the employee travels on his/her private airplane within North Carolina.
- 531130 In-State Other Transportation** - Record the cost of tips for handling baggage at common carrier terminals, when arriving or departing from the place of lodging, and business related phone calls while the employee is working away from the duty station within North Carolina. Documentation must be provided for phone calls over \$3.00 per day and identified as to point of origin and destination.

- 531140 In-State Lodging** – Record the cost of commercial lodging within North Carolina. Receipts from the commercial establishment are required for lodging reimbursement.
- 531150 In-State Meals** – Record the cost of meals and gratuities not to exceed the statutory limit within North Carolina.
- 531160 In-State Miscellaneous Subsistence** – Record the cost of any other allowable in-state lodging and meals not provided for in any other in-state travel object code.
- 531190 In-State Other Travel Expense** Record the cost of any other allowable in-state travel not provided for in any other in-state travel object code.
- 531210 Out-of-State Ground Transportation** - Record the cost of mileage for vehicles, tolls, parking, common carrier fares, limousine, and cab fares. All charges to this object code must be for transportation outside North Carolina, but within the continental United States. Receipts must be provided for common carrier fares, tolls and parking, and mileage paid from state funds for local transportation must be supported, either by Form 300 – Daily Log for Local Travel or some other daily log.
- 531220 Out-of-State Air Transportation** - Record the cost of commercial airline tickets for travel outside North Carolina, but within the continental United States. Also record the costs of air mileage expenses incurred when the employee travels on his/her private airplane outside North Carolina, but within the continental United States.
- 531230 Out-of-State Other Transportation** - Record the cost of tips for handling baggage at common carrier terminals, when arriving or departing from the place of lodging, and business related phone calls while the employee is working away from the duty station outside North Carolina, but within the continental United States. Receipts must be provided for phone calls over \$5.00 per day and identified as to point of origin and destination.
- 531240 Out-of-State Lodging** - Record the cost of commercial lodging outside North Carolina, but within the continental United States. Receipts from the commercial establishment are required for lodging reimbursement.
- 531250 Out-of-State Meals** - Record the cost of meals and gratuities not to exceed the statutory limit outside North Carolina, but within the continental United States.
- 531300 Workshop/Conference Expense** - Record the cost associated with organizing and conducting workshops or conferences.
- 531310 Out-of-Country Ground Transportation** - Record the cost of mileage for vehicles, tolls, parking, common carrier fares, limousine, and cab fares. All charges to this object code must be for transportation outside the continental United States. Receipts must be provided for common carrier

fares, tolls and parking, and mileage paid from state funds for local transportation must be supported, either by Form 300 – Daily Log for Local Travel or some other daily log.

- 531320 Out-of-Country Air Transportation** - Record the cost of commercial airline tickets for travel outside the continental United States. Also record air mileage expenses incurred when the employee travels on his/her private airplane outside the continental United States.
- 531330 Out-of-Country Other Transportation** - Record the cost of tips for handling baggage at common carrier terminals, when arriving or departing from the place of lodging, and business related phone calls while the employee is working away from the duty station outside the continental United States. Receipts must be provided for tips over \$5.00 per day and identified as to point of origin and destination.
- 531340 Out-of-Country Lodging** - Record the cost of commercial lodging outside the continental United States. Receipts from the commercial establishment are required for lodging reimbursement.
- 531350 Out-of-Country Meals** - Record the cost of meals and gratuities not to exceed the out-of-state statutory limit outside the continental United States.
- 531360 Out-of-Country Miscellaneous Subsistence** - Record the cost of any other allowable out-of-country lodging and meals not provided for in any other out-of-country travel object code.
- 531410 Board/Non-Employee Transportation** – Record the cost of all travel related expenditures for college board members or other non-employee individuals (including students) traveling on official business for the college. Include mileage for vehicles, tolls, parking, common carrier, limousine and cab fares. All charges to this object code must be for approved trips. Receipts must be provided for common carrier fares, tolls and parking.
- 531420 Board/Non-Employee Subsistence** – Record the cost of lodging, meals, and gratuities for college board members or other non-employee individuals (including students) traveling on official business for the college. All charges to this object code must be for subsistence on approved trips. Receipts from the commercial establishment must be provided for lodging reimbursement.
- 531500 Registration Fees** – Record the cost of registration fees paid for in-state, out-of-state, out-of-country and Board/Non-Employee conferences, workshops and seminars. Registration receipts must be provided to be reimbursed.

532XXX Communication

- 532100 Postage** - Record the costs of postage, stamps, and postal boxes for the college.
- 532200 Telephone Service** - Record the costs of voice transmission, excluding both cellular phone charges and data transmission wide area network charges.
- 532300 Telecommunications Data Transmission** - Record the recurring costs associated with electronic data communications/transmissions, such as fax machines.
- 532310 Telecommunications Data Charges** – Record data transmissions costs and shared data charges; such as data transport charges for access circuits, point-to-point data service charges from ITS, and NCREN Gateway internet fees.
- 532320 Video Transmission Charges** – Record the costs of video transmission charges, such as NCIH.
- 532330 Internet Service Provider Charges** – Record dial-up or direct service link costs when the service is provided by a non-state entity (e.g. AOL, RoadRunner, GTE, and Earthlink).
- 532331 Data Wiring Service Charge** – Record the costs for consultation, design, installation, or support for data transmission wiring that is not part of a capital improvement project.
- 532332 Telephone Wiring Service Charge** – Record charges for consultation, design, installation, or support for telephone wiring that is not part of a capital improvement project.
- 532333 Computer/Data Processing Services** – Record data processing charges for mainframe or Linux services. This account is to be used for services purchased from ITS or other outside vendors.
- 532334 Managed LAN Service Charge** – Record the costs of managed local area network services purchased from ITS or other outside vendors. Managed LAN services include hardware, systems level software, monitoring, hot spare replacement in case of failure, and end of life replacement. In a managed LAN service contract, the vendor retains ownership of the hardware/software and provides the staffing necessary to maintain both the wired and wireless LAN infrastructure. Do not use this object code to record contracted personnel costs. Staffing to supplement college LAN support staff should be recorded in object code 519142.
- 532335 Managed WAN Service Charges** – Record the costs of managed wide area network services purchased from ITS and other outside vendors. Managed WAN services provide end-to-end support that includes hardware, systems level software, monitoring, hot spare replacement in case of failure and end of life replacement. In a managed WAN service

contract, the vendor retains ownership of the hardware/software and provides the staffing necessary to maintain the WAN infrastructure. Do not use this object code to record contracted personnel costs. Staffing to supplement agency WAN support staff should be recorded in object code 519140 WAN Support Services.

- 532336 Managed Desktop Service Charges** – Record the costs of end-to-end desktop life cycle management services, including deployment, break-fix, install, change and disposal of hardware, patch/software management, inventory management, end point security, backup management, service level management and service desk.
- 532337 Managed Server Service** – Record the costs associated with Managed Hosting for Open Systems, like Unix, Windows, x86 Linux, and VM, associated disk and tape storage, and associated databases. Managed server service provides end-to-end support that may include full system administration, monitoring, back-up, OS, technical support, and hardware and software refresh, purchased from ITS or other outside vendors.
- 532400 Teleconference Charges** – Record the costs of a business meeting, educational session, or seminar conducted among participants in different locations via telecommunications equipment.
- 532500 Cellular Phone Services** – Record the costs of college business cellular phone service.
- 532510 Email and Calendaring Service** – Record the costs of providing and hosting the email and calendaring software used by faculty, staff and students for conducting college communications, meetings and activities.
- 532520 Non-taxable Cellular Phone Reimbursements** – Record the reimbursements to employees for the use of their personal cell phones for state business.
- 532600 Authentication and Authorization Services** – Record the costs associated with identity and access management services that include authentication and authorization services. These services provide the ability to manage user accounts, validate users and grant rights to access services, information and resources based on a user's profile. This includes NCID, Active Directory, 2nd Factor, Novell directory services, etc.
- 532700 Software Subscriptions** – Record the costs associated with on-demand software supplied by a vendor in which the software and associated data are centrally hosted in the cloud or off site. The software is maintained by the vendor, but can be accessed by licensed users, such as SaaS, Office 365, Innotas, Salesforce, etc.
- 532800 Electronic Services** – Record the costs for electronic services, usually provided on a subscription fee basis, where the services are transaction-

based and not licensed on a user basis, such as e-learning, quality assurance/application testing, SQA services, background verification services, docusign, etc.

533XXX Utilities

533100 Heat - Record the cost of fuels purchased for heating of college facilities. Do not include fuel used in the instructional programs or for the operation of any vehicle.

533200 Water - Record the cost of water used by the college.

533300 Electricity - Record the cost of electricity used by the college. If electricity is used for heating and separate meters are not available, record the cost in this object code rather than in 533100.

533400 Garbage/Sewage Disposal - Record the cost of garbage and/or sewage disposal charged separately from other utilities.

534000 Printing and Binding - Record the cost of printing and reproduction with related binding operations performed by commercial printers or state agencies, such as books, catalogues, bulletins, leaflets, pamphlets, mimeographing, photo stating, blue printing, and photography. Printing of college letterhead on stationery is associated with supplies and materials expense.

535XXX Repairs and Maintenance

535100 Repairs to Equipment - Record the one-time or short-term costs of an agreement with a vendor to remediate a problem with a product or piece of equipment, other than the costs of service contracts or computer equipment repairs. For computer equipment repairs, see the appropriate objects listed below.

535105 Repairs – Other Computer Equipment – Record the one-time or short-term costs of an agreement with a vendor to remediate a problem with a product or piece of computer equipment not recorded in a more specific object, such as 535106, 535107, 535108, 535109, and 535110.

535106 Repairs – WAN Equipment – Record the one-time or short-term costs of an agreement with a vendor to remediate a problem with wide area network data processing equipment, including bundled software.

535107 Repairs – Video Transmission Equipment - Record the one-time or short-term costs of an agreement with a vendor to remediate a problem with video transmission equipment, including bundled software.

535108 Repairs – LAN Equipment – Record the one-time or short-term costs of an agreement with a vendor to remediate a problem with local area

network equipment and devices not accounted for in more specific objects such as 535109 and 535110.

- 535109 Repairs – Personal Computers and Printers** – Record the one-time or short-term costs of an agreement with a vendor to remediate a problem with general purpose desktop, laptop and hand held devices which are intended to be operated directly by an end-user with no intervening computer operator, and with devices that accept text and graphic output from a computer and transfers the information to paper.
- 535110 Repairs – Servers** - Record the one-time or short-term costs of an agreement with a vendor to remediate a problem with computer programs that provide services to other computer programs and their users on the same or other computers, or with the computer that a server program runs on.
- 535120 Repairs – Voice Communication Equipment** - Record the one-time or short-term costs of an agreement with a vendor to remediate a problem with voice-based communications equipment, including bundled software.
- 535200 Repairs to Facilities** - Record the one-time or short-term costs of an agreement with a vendor to remediate a problem with facilities, when such costs are not involved with alterations and/or additions to buildings.
- 535300 Motor Vehicle Repairs** - Record the one-time or short-term costs of an agreement with a vendor to remediate a problem with a motor vehicle.
- 535390 Motor Vehicle Reimbursements** - Record the receipt of reimbursements for the use of college owned vehicles. Generally, this object code is used in county current funds to record reimbursements from state current funds, where transportation expenses were originally incurred.
- 535410 Maintenance Agreement - Buildings** - Record the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for buildings.
- 535420 Maintenance Agreement – Other Structures** - Record the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for other structures separate from main buildings on campus, such as storage sheds and garages.
- 535430 Maintenance Agreement - Equipment** - Record the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for equipment.
- 535450 Maintenance Agreement – Other Software** – Record the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for other software not recorded in a more specific object such as 535460, 535493, 535494, and 535497.

- 535460 Maintenance Agreement- WAN Software** – Record the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for maintenance agreements related to wide area network software.
- 535470 Maintenance Agreement – Other DP Equipment** – Record the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, on other data processing equipment not recorded in a more specific object such as 535480, 535490, 535491, 535492, 535495, and 535496.
- 535480 Maintenance Agreement – WAN Equipment** – Record the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for wide area network data processing equipment, including bundled software.
- 535490 Maintenance Agreement – Video Transmission Equipment** - Record the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for video transmission equipment, including bundled software.
- 535491 Maintenance Agreement – LAN Equipment** – Record the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, on local area network equipment not recorded in a more specific object such as 535492, 535495, and 535496.
- 535492 Maintenance Agreement – Personal Computers and Printers** - Record the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for general purpose desktop, laptop and hand held devices which are intended to be operated directly by an end-user with no intervening computer operator, and with devices that accept text and graphic output from a computer and transfers the information to paper.
- 535493 Maintenance Agreement – Personal Computer Software** - Record the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, on application or system software loaded on a laptop or desktop computer.
- 535494 Maintenance Agreement – Server Software** – Record the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, on all software loaded on network servers.
- 535495 Maintenance Agreement - Servers** - Record the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for computer programs that provide services to other computer programs and their users on the same or other computers, or with the computer that a server program runs on.

- 535496 Maintenance Agreement – Mainframe Computer** - Record the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for various data processing systems housed in a central data repository, including bulk data processing, process control, industry and consumer statistics, enterprise resource planning, and financial transaction processing.
- 535497 Maintenance Agreement – Mainframe Software** - Record the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for various data processing applications housed in a central data repository.
- 536000 Freight** - Record the expenditures for the moving of goods, such as packing, palletizing, documentation and loading unloading charges. Transportation charges on goods purchased are part of the costs in the purchase price of those items.
- 537000 Advertising** - Record the cost of direct advertising and publicity in newspapers, radio, video, internet, magazines, periodicals, outdoor advertising, and related items, including advertising for employment opportunities.
- 538000 Data Processing** - Record the cost charged by another department, division, or outside entity for processing financial, statistical, engineering, and other information with the use of data processing equipment.

539XXX Other Current Services

- 539200 Public Relations** - Record the cost of receptions held as part of the student orientation program, an open house or the dedication of a college, and other entertainment expenses, as authorized by the local board of trustees. Accurate and detailed records including receipts, invoices and other supporting documentation must be kept in order to substantiate these expenses. State funds may not be used for these expenditures.
- 539300 Tort Claims** - Record the cost of payments that have been determined and awarded by litigation as a result of wrongful acts or negligence of the college or its employees.
- 539400 Magazine and Newspaper Subscriptions** - Record the cost of non-book library materials such as newspapers, documents, professional journals, technical and academic periodicals, and general interest periodicals.
- 539500 Other Current Expense** - Record the cost of other expenses not classified elsewhere. State funds may be used for commencement expenses, such as printing of programs, honorariums, cap and gown rental for platform guests, flowers, entertainment, and travel expenses of speakers, as a direct part of commencement.

539510 Depreciation Expense – Record the portion of the cost of tangible capital assets that is deemed to have been consumed or expired, usually through age or usage, and has thus become an expense.

539520 Electronic Processing Fee – Record the cost of fees assessed for transactions for processing charges related to merchant cards used by students. The processing fees indicated on the bank’s invoice must be prorated between tuition, student fees, books, and local college fees, according to the funding source where the credit card charges were applied. If a college chooses not to prorate the monthly credit card merchant fees between fund sources, all charges associated with this service must be paid with non-state funds. The processing charges may not be deducted from daily cash deposits.

539570 Parking and Traffic Fines – Record transactions to remit parking and traffic fines, tickets and penalties collected in accordance with G.S. 115D-21 and deposited to revenue object 494801 to the Office of State Budget and Management, 20320 Mail Service Center, Raleigh, NC 27699-0320 within 10 days after the end of the calendar month in which the fines were collected. Include the description of the payment as “FINES and PENALTIES COLLECTED FOR _____ (insert month and year)” with remittances.

NOTE: At the end of each fiscal year, revenues collected must equal, unless a college has received prior approval to offset receipts with collection costs. Colleges are permitted to deduct the actual costs of collecting fines and penalties, up to a maximum of 10 % of the gross receipts. Actual costs of collecting fines and penalties applies to the recovery costs for collecting parking/traffic fines. Parking/traffic enforcement activities and parking lot repairs/upkeep, are not recoverable through this deduction. System Office approval must be received in advance to recover the allowable collection expenses. Detailed information will be required to the support the approval request, such as special fund reports, due diligence collection paper work, and backup documentation for all collection costs paid out. See Numbered Memo CC05-238 for more information.

539580 Extraordinary Items – Record a loss for transactions or other events that are not within the control of management and are both unusual in nature and infrequent in occurrence.

539590 Special Items – Record a loss for significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence.

539600 Other Current Expense - Record the cost of other expenses not classified elsewhere.

- 539610 Employee Moving Expense** – Record the cost of allowable moving expenses outlined in [Section 5 - Travel, Transportation, and Allowance](#) Item X Moving and Relocation Allowances.
- 539700 Childcare** - Record the cost of childcare expenses associated with childcare allocations in purpose 530. Funds should be paid directly to the provider and form 1099 filed. In rare instances, a reimbursement may be made to the student for expenses substantiated by a receipt from a licensed and legal child care provider.
- 539710 CTE Direct Assistance to Students** - Record the cost of tuition, required fees, required books, required supplies, and childcare expenses that have been approved by the System Office’s CTE Director for Direct Assistance to Students. Costs must be directly associated with the VOED program. Receipts or written documentation must be provided before reimbursements can be processed. Childcare expenses should be paid directly to the provider and form 1099 filed. In rare instances, a reimbursement may be made to the student for expenses substantiated by a receipt from a licensed and legal child care provider. Expenditures must be coded to purpose 510 and vocational code 15.
- 539720 Project Skill-Up Assistance to Students** – Record the cost of developing and implementing outreach and recruitment activities to individuals, communities, businesses, and/or agencies that have been adversely impacted by the changes in the tobacco industry; providing skills assessment and short-term occupational skills training to affected workers; and when applicable, provide financial assistance to students to assist in meeting their educational goals. The program goal is to help individuals in North Carolina affected by the changes in the tobacco industry to “update” their current skills and provide them with additional marketable skills reflective of fast-growing occupations and/or new industries within their local communities.
- 539730 NC Back to Work Assistance to Students** – Record the cost of instruction, support, coaching, and targeted financial assistance, including assistance with tuition, registration fees, books, and certification costs, for students participating in the program to prepare North Carolinians facing long-term unemployment for new careers. These funds may not be used to purchase equipment.
- 539800 Employee Education Expense (Taxable)** - Record the cost of any employer provided education that is taxable to college employees. Colleges may use State funds to pay tuition and registration fees for one course per semester for full-time community college faculty or staff members employed for a term of nine or more months.
- 539810 Other Employee Training Expense (Non-Taxable)** – Record the cost of any employer provided education that is not taxable to college employees for maintaining credentials and enhancing job skills.

539900 Bad Debt Expense - Record the cost of returned checks and uncollectable accounts.

54XXXX Fixed Charges

541000 Rental of Property – Buildings/Offices - Record the fixed periodical payments for possession and use of buildings and offices executed under a lease agreement for a specified length of time.

541100 Rental of Land - Record the fixed periodical payments for possession and use of land executed under a lease agreement for a specified length of time.

541200 Rental of Other Facilities - Record the fixed periodical payments for possession and use of other facilities, such as conference rooms, classroom space, and residences, executed under a lease agreement for a specified length of time.

542100 Rental/Lease - Voice Communications Equipment – Record the costs of voice-based communications equipment including software and maintenance as set forth in a rental or lease agreement.

542200 Rental/Lease - Other Computer Equipment – Record the costs of rental or lease agreements on other data processing equipment not recorded in a more specific object, such as 542300, 542400, 542401, 542402, 542403, and 542404.

542300 Rental/Lease - WAN Equipment - Record the costs of rental or lease agreements of wide area network data processing equipment, including bundled software.

542400 Rental/Lease - Video Transmission Equipment – Record the costs of rental or lease agreements of video transmission equipment, including bundled software.

542401 Rental/Lease – LAN Equipment – Record the costs of rental or lease agreements of local area network equipment not recorded in a more specific object, such as 542402 and 542403.

542402 Rental/Lease – Personal Computers and Printers – Record the costs of rental or lease agreements of general purpose desktop, laptop and hand held devices which are intended to be operated directly by an end-user with no intervening computer operator, and with devices that accept text and graphic output from a computer and transfers the information to paper.

542403 Rental/Lease - Servers – Record the costs of rental or lease agreements of computer programs that provide services to other computer programs and their users on the same or other computers, or with the computer that a server program runs on.

- 542404 Rental/Lease – Mainframe Equipment** – Record the costs of rental or lease agreements of various data processing systems housed in a central data repository, including bulk data processing, process control, industry and consumer statistics, enterprise resource planning, and financial transaction processing.
- 542405 Rental/Lease – Personal Computer Software** – Record the costs of rental or lease agreements of application or system software loaded on a laptop or desktop computer.
- 542406 Rental/Lease – Server Software** – Record the costs of rental or lease agreements of all software loaded on network servers.
- 542407 Rental/Lease – Mainframe Software** – Record the costs of rental or lease agreements of various data processing applications housed in a central data repository.
- 543000 Lease/Rental of Other Equipment** - Record the fixed periodical payments for possession and use of postage meter machines, copiers, and other machinery, executed under a lease agreement for a specified length of time.
- 543010 Lease/Rental of Motor Vehicles** - Record the costs of rental or lease agreements of motor vehicles not used for instructional purposes, in county and institutional funds only.
- 544000 Other Computer Software - Application** - Record the costs for program software that facilitates the management of business processes and addresses specific uses, such as word processing or financial analysis.
- 544010 Software License Renewal** - Record the cost of permissions to use software on non-exclusive basis and subject to listed conditions, where the ownership of the software does not transfer to the buyer and its renewal is a rental fee.
- 544020 Personal Computer Software Application** – Record the costs of program software that facilitates the management of business processes and addresses specific uses, such as word processing or financial analysis, and is loaded on a desktop or laptop.
- 544021 Server Software** – Record the costs of commercial application off-the-shelf software installed on a server, including Database Software.
- 544022 Mainframe Software - Application** – Record the costs of commercial application off-the-shelf software installed on a mainframe.
- 544100 HB 275 Technology** – Record the costs of instructional software funded from House Bill 275, with purpose code 450 and vocational code 80. (General Assembly Session, 1998 and House Bill 168, Section 9.11a, Session Law, 1999).

544110 HB 275 Computer Information System (CIS) Technology – Record the costs of software directly related to the college information system (CIS), such as software that runs on servers or software used to support connectivity between systems. (General Session, 1998 and House Bill 168, Section 9.11a, Session Law, 1999).

545XXX Insurance and Bonding

545000 Property Insurance – Record the cost of premiums paid to insure fixed assets and real estate against damage or loss, as prescribed by G.S.115D-32(a)2(b).1.

545100 Motor Vehicle Insurance – Record the cost of premiums paid to insure motor vehicles against damage or loss.

545200 Liability Insurance – Record the cost of insurance coverage to protect against claims alleging that negligence or inappropriate action resulted in bodily injury or property damage, as prescribed by G.S.115D-31.1.

545300 Other Insurance – Record all other insurance premiums paid not related to property, motor vehicles or liability.

545400 Bonding Payments – Record the cost of an insurance contract by which a bonding agency guarantees payment of a specific sum to the college in the event of a financial loss caused by a college employee.

546XXX Memberships and Dues

546100 College Memberships and Dues - Record the cost of college memberships in professional organizations. Membership dues paid from state funds to organizations should be kept to a minimum. Membership dues shall not be paid for an individual college employee or for the benefit of an individual college employee. Membership dues paid from state funds should be for the benefit of the college and not for an individual.

546200 Accreditation Expense - Record the cost of accreditation relative to the Southern Association of Colleges and Schools. These expenses shall be limited to payment of travel, subsistence, lodging, and honorarium expenses incurred by members of visiting committees, other bona fide representatives, and members of the staff of accrediting organizations. Payment is permitted only for those expenses which a college is customarily invoiced by an accrediting organization following a visit.

The college may pay from state funds the required annual dues of the Southern Association of Colleges and Schools, and such college association membership dues as the board of trustees deems to benefit the college. This Rule applies to annual dues of correspondents and candidates for membership, as well as accredited members, in the Southern Association of Colleges and Schools. The college may also pay from state funds the fees for accrediting individual programs offered by the

college, where such an accreditation is an official prerequisite for the licensing of graduates of such programs, by legally designated professional or occupational licensing boards or agencies in the State of North Carolina. State funds may not be used to pay the accreditation costs of any other organizations or agencies.

547000 Administrative/Indirect Costs - Record expenditures paid with funds received under provisions for indirect or administrative costs.

548000 Customized Training Industry Administrative Allowance - Record the allotment to be used for administrative expenses associated with the operation of a customized training industry project. This object code is for budgeting only. Expenditures shall be coded to the appropriate expense object codes and budget transferred from 548000 into the appropriate expense object codes.

549000 Other Fixed Charges - Record the cost of other fixed charges not classified elsewhere.

551XXX- 554XXX Capitalized Equipment

551000 Office Equipment - Record the expenditures for non-instructional office equipment, such as adding machines, calculators, copiers, fax machines and printers, that have an extended useful life and costs \$5000 or more.

551100 Office Furniture -Record the expenditures for office furniture, such as chairs, desks, file cabinets, shelves that have an extended useful life and costs \$5000 or more.

551500 Lease/Purchase of Office Equipment - Record the payments made under lease/purchase agreements for office equipment that has an extended useful life and costs \$5000 or more, since the rights and risks of ownership are transferred to the lessee.

551900 Other Equipment – Record the expenditures for tractors, drag lines, caterpillars, lawn mowers, other maintenance and housekeeping equipment, and all other equipment not classified elsewhere, that have an extended useful life and costs \$5000 or more. Also record the 5 percent service charge assessed on items sold through the State Surplus Property Agency.

552000 Other Data Processing Equipment - Record the expenditures for other non-instructional data processing equipment that have an extended useful life and costs \$5000 or more, including include all computers and peripheral equipment, terminals, operating software and other devices not used for classroom instruction. This object code may also include certain furnishings, such as specialized cabinets and racks, used in conjunction with data processing equipment that have no value in other areas. Where

applicable, use a more specific object such as 552020, 552040, 552070, 552071, 552072, and 552073.

- 552020 WAN Equipment** – Record the expenditures for wide area network data processing equipment, including bundled software, that has an extended useful life and costs \$5000 or more.
- 552030 Voice Communications Equipment** – Record the expenditures for voice-based communications equipment, including bundled software, that has an extended useful life and costs \$5000 or more.
- 552040 Video Transmission Equipment** – Record the expenditures for video transmission equipment, including bundled software, that has an extended useful life and costs \$5000 or more.
- 552050 Other Computer Software (Operational)** – Record the expenditures for operational software not recorded in a more specific object such as 552060, 552074, and 552075, that has an extended useful life and costs \$5000 or more. Application software expenditures should be recorded to current object 544000 – Other Computer Software-Application.
- 552060 WAN Software (Operational)** – Record the expenditures for operational wide area network software purchased separately from wide area network equipment, and that has an extended useful life and costs \$5000 or more.
- 552070 LAN Equipment** – Record the expenditures for local area network equipment not recorded in a more specific object such as 552071, 552072, and 552073, that has an extended useful life and costs \$5000 or more.
- 552071 Non-Instructional Personal Computers and Printers** – Record the expenditures for non-instructional desktop, laptop and hand held devices which are intended to be operated directly by an end-user with no intervening computer operator, and with devices that accept text and graphic output from a computer and transfers the information to paper, that have an extended useful life and costs \$5000 or more.
- 552072 Servers** – Record the expenditures for computer programs that provide services to other computer programs and their users on the same or other computers, or with the computer that a server program runs on, that have an extended useful life and costs \$5000 or more..
- 552073 Mainframes** – Record the expenditures for various data processing systems housed in a central data repository that have an extended useful life and costs \$5000 or more, including bulk data processing, process control, industry and consumer statistics, enterprise resource planning, and financial transaction processing.
- 552074 Personal Computer Software (Operational)** - Record the expenditures for commercial off-the-shelf non-instructional operational software loaded

on a laptop or desktop personal computer, that has an extended useful life and costs \$5000 or more.

- 552075 Server Software (Operational)** – Record the expenditures for commercial off-the-shelf operational software installed on a server, that has an extended useful life and costs \$5000 or more. Application server software should be recorded to current object 544021 – Server Software-Application.
- 552076 Mainframe Software (Operational)** – Record the expenditures for commercial off-the-shelf operational software installed on a mainframe that has an extended useful life and costs \$5000 or more. Application mainframe software should be recorded to current object 544022 – Mainframe Software-Application.
- 552077 IT Security Equipment** – Record the expenditures for IT Security Equipment, such as firewalls, VPN boxes, IPS boxes etc., that have an extended useful life and costs \$5000 or more.
- 552078 IT Security Software** – Record the expenditures for IT Security Software, such as licenses for filtering, malware, antivirus, Botnet, etc., that have an extended useful life and costs \$5000 or more.
- 552500 Lease/Purchase of Data Processing Equipment** – Record the costs of payments made under lease/purchase agreements for data processing equipment and software that have an extended useful life and costs \$5000 or more, since the rights and risks of ownership are transferred to the lessee.
- 553000 Educational Equipment** - Record the expenditures for equipment used in instructional programs, that has an extended useful life and costs \$5000 or more.
- 553010 Other Educational Data Processing Equipment** - Record expenditures for other instructional data processing equipment that has an extended useful life and costs \$5000 or more, including all computers and peripheral equipment, terminals, and other devices used for classroom instruction. This object code may also include certain furnishings, such as specialized cabinets and racks, used in conjunction with data processing equipment that have no value in other areas.
- 553011 Educational Personal Computers and Printers** Record the expenditures for instructional desktop, laptop and hand held devices which are intended to be operated directly by an end-user with no intervening computer operator, and with devices that accept text and graphic output from a computer and transfers the information to paper, that have an extended useful life and costs \$5000 or more.
- 553012 Educational Personal Computer Software (Operational)** - Record the costs of commercial off the shelf instructional operational software that

has an extended useful life and cost \$5000 or more and is loaded on a laptop or desktop personal computer.

- 553150 HB 275 Educational Computer Equipment** - Record the expenditures for instructional computing equipment, cabling, and networking that have an extended useful life and cost \$5000 or more and are funded from House Bill 275. (General Assembly Session, 1998 and House Bill 168, Section 9.11a, Session Law, 1999). This object code may only be used with purpose 922 and vocational code 80.
- 553160 HB 275 Allied Health Educational Equipment** - Record the expenditures for instructional equipment that have an extended useful life and cost \$5000 or more and are purchased for the Allied Health Program funded from House Bill 275. (General Assembly Session, 1998 and House Bill 168, Section 9.11a, Session Law, 1999). This object code may only be used with purpose 922 and vocational code 80.
- 553170 HB 275 Machinery/Mechanical Educational Equipment** - Record the expenditures for instructional equipment that have an extended useful life and cost \$5000 or more and are purchased for Machinery/Mechanical Educational Programs funded from House Bill 275. (General Assembly Session, 1998 and House Bill 168, Section 9.11a, Session Law, 1999). This object code may only be used with purpose 922 and vocational code 80.
- 553180 HB 275 Other Educational Equipment** - Record the expenditures for other instructional equipment purchased with funds from House Bill 275 not classified elsewhere that have an extended useful life and cost \$5000 or more. (General Assembly Session, 1998 and House Bill 168, Section 9.11a, Session Law, 1999). This object may only be used with purpose 922 and vocational code 80.
- 553190 HB 275 College Information System (CIS) Equipment** - Record the expenditures for equipment purchases that are directly related to the implementation of the college information system (CIS) that have an extended useful life and cost \$5000 or more. Allowable items include computer servers, networking infrastructure such as HUBs, firewalls, routers, wiring and cabling. PC's for individuals cannot be purchased with these funds. (General Assembly Session, 1998 and House Bill 168, Section 9.11a, Session Law, 1999) This object code may only be used with purpose 922 and vocational code 80.
- 553400 Lease/Purchase of Educational Equipment** - Record the payments made under lease/purchase agreements for educational equipment that has an extended useful life and costs \$5000 or more, since the rights and risks of ownership are transferred to the lessee.
- 553500 Educational Equipment (Small Business)** - Record the expenditures for Small Business educational equipment that has an extended useful life

and costs \$5000 or more. This object code is restricted for those expenses charged against the separately budgeted amount approved by the State Board of Community Colleges.

553700 Educational Equipment (CTE) - Record the expenditures for CTE Grant (formerly VOED Vocational Education-Basic Grant) educational equipment that has an extended useful life and costs \$5000 or more. This object code and vocational code 16 are restricted for those expenses approved and charged against the separately budgeted Basic Grant allotment approved by the State Board of Community Colleges. Departmental approval is required and these funds must be included on the local application in activity 7.

553800 Educational Equipment (Special Allotment) - Record the expenditures for the Special Allotments educational equipment that have an extended useful life and costs \$5000 or more for Marine Technology at Cape Fear CC and the Manufacturing Solutions Center at Catawba Valley CC. This object code is restricted for those expenses approved and charged against the separately budgeted Special Allotments approved by the State Board of Community Colleges, and departmental approval is required.

553900 Educational Equipment (Priority Programs/CIP) - Record the expenditures for Priority Program educational equipment that has an extended useful life and costs \$5000 or more. This object code is restricted for those expenses approved and charged against the separately budgeted Priority Program/CIP approved by the State Board of Community Colleges, and departmental approval is required.

554000 Motor Vehicles – Record the costs of motor vehicles that are not used as instructional equipment.

554100 Boats - Record the cost of vessels propelled on water by oars, sails, or an engine that are typically small enough to be carried aboard a larger ship or can be lifted out of the water.

554200 Trailers – Record the cost of a transport vehicle, usually two-wheeled, that is towed by another motor vehicle.

554300 Other Motorized Vehicles – Record the costs of other self-propelled wheeled vehicles where propulsion is provided by an engine or motor, not provided for in other object codes.

555XXX Other Equipment

555100 Non-Capitalized Equipment - Record the expenses for all equipment items that are not consumable, have an extended useful life, and cost less than \$5,000, not designated elsewhere. This object code can be used with most purpose codes

555200 Non-Capitalized Equipment – High Risk - Record the costs of all equipment costing less than \$5,000 that are designated as high risk. High Risk Items include, but are not limited to, personal computers, laptop computers, tablets, guns, and portable projectors. This object code can be used with most purpose codes.

556XXX Books

556100 Books - Record the costs of library books and book-like materials. Book like materials include electronic resources such as e-book leases and subscriptions to e-book collections book, and eBook leases or subscriptions to eBook collections.

557XXX – 559XXX Acquisitions

557000 Land - Record the costs of land and interest in land.

558000 Building - Record the costs of buildings, additions, and fixtures and equipment which are permanently attached to or form a part of buildings and structures, such as elevators, plumbing, electrical systems, heating systems, and air-conditioning systems when acquired under contract.

559000 Other Capital Outlay – Record the costs of roads, including the pavement of drives and parking facilities, bridges, landscaping, sewerage, towers, tanks, wells, fences, and all other capital outlay not otherwise classified.

559500 Retirement of Indebtedness - Record, as an expense, the amount of a debt associated with a capital project as it is retired. This account is associated with Unexpended Plant Funds.

559600 Interest Expense - Record the interest expense of debts associated with capital projects. This account is associated with Unexpended Plant Funds.

559650 Interest Expense – Non-operating – Record any other interest expense of debts that are not related to the primary purpose of college operations.

56XXXX Student Loan, Scholarship, and Award Related Expenses

560000 Student Loan and Scholarship Related Expenses - Record the various expenses associated with student loans, in particular NDSL and FNL.

560100 Student Financial Aid Restatement – Reclassify tuition and registration fee waivers, for financial statement reporting purposes only.

57XXXX Disposal of Plant Facilities

570000 Disposal of Plant Facilities - Record the disposal of plant facilities and equipment.

571000 Capital Asset Write-downs – Reduce the carrying value of a capital that has been impaired and its service utility has declined significantly and unexpectedly, for financial statement reporting purposes as prescribed by GASB Statement 42.

58XXXX Transfers To Other Funds - Record outgoing inter-fund transfers in the following object codes according to the recipient fund of the transfer and whether the transfer is mandatory or non-mandatory.

- 581100 Mandatory Transfers To General Unrestricted Funds**
- 582100 Non-Mandatory Transfers To General Unrestricted Funds**
- 581200 Mandatory Transfers To Proprietary Funds**
- 582200 Non-Mandatory Transfers To Proprietary Funds**
- 581300 Mandatory Transfers To Restricted Funds**
- 582300 Non-Mandatory Transfers To Restricted Funds**
- 581400 Mandatory Transfers To Loan Funds**
- 582400 Non-Mandatory Transfers To Loan Funds**
- 581500 Mandatory Transfers To Endowment Funds**
- 582500 Non-Mandatory Transfers To Endowment Funds**
- 581600 Mandatory Transfers To Unexpended Plant Funds**
- 582600 Non-Mandatory Transfers To Unexpended Plant Funds**

VII. Unit Code (Positions 13-18)

The Unit is used with expense accounts to organize the expenses into logical and otherwise undefined groups according to the needs of the college. Unit codes are required by the System Office for customized training projects and State Board approved grants processed through the 112 (2-12) so that these funds can be reported separately.

VIII. Purpose Codes No longer Used

- 150 Staff Development** - Eliminated July 1, 2009. Previously recorded the cost of providing activities for teaching faculty and non-teaching staff in the areas of technical content and skill upgrading.
- 210 Certificate programs** - Previously recorded expenses related to certificate programs in a separate purpose code, but now reported under Purpose 220 Curriculum Instruction as of July 1, 2013.
- 230 Diploma programs** - Previously recorded expenses related to diploma programs in a separate purpose code, but now reported under Purpose 220 Curriculum Instruction as of July 1, 2013.
- 240 Transitional programs** - Previously recorded expenses related to transitional programs in a separate purpose code, but now reported under Purpose 220 Curriculum Instruction as of July 1, 2013.
- 280 ARRA 12in6 Expenditures – Curriculum** - Previously recorded the cost of curriculum instruction for the JobsNOW program funded initially by the

American Recovery and Reinvestment Act under the Workforce Investment Act (WIA). JobsNOW provided grants for local colleges to support capacity building, infrastructure enhancement and short-term training activities based on local labor market need. The goal of the “12 in 6” Project was to provide an infusion of instructional resources to support training activities in 12 occupational areas that could be completed in less than 6 months. The occupational areas identified were: Nursing Assistant, Phlebotomy, Medical Coding, Office/Clerical Support, Masonry/Tile Cutting, Plumbing, Carpentry, Welding, Food Service, Autobody Repair, Manufacturing, and Industrial Maintenance.

- 281 ARRA 12in6 Expenditures – Curriculum Support** - Previously recorded the cost of curriculum support for the JobsNOW program funded initially by the American Recovery and Reinvestment Act under the Workforce Investment Act (WIA). JobsNOW provided grants for local colleges to support capacity building, infrastructure enhancement and short-term training activities based on local labor market need. The goal of the “12 in 6” Project was to provide an infusion of instructional resources to support training activities in 12 occupational areas that could be completed in less than 6 months. The occupational areas identified were: Nursing Assistant, Phlebotomy, Medical Coding, Office/Clerical Support, Masonry/Tile Cutting, Plumbing, Carpentry, Welding, Food Service, Autobody Repair, Manufacturing, and Industrial Maintenance.
- 331 Community Service** - Previously recorded the costs of single courses, each complete in itself, that focused on an individual’s personal or leisure needs rather than occupational or professional. This program included both cultural and civic components. It was eliminated July 1, 2009, as a result of the General Assembly eliminating Community Service block grant funds.
- 350 Human Resource Development** - Eliminated July 1, 2004, as a result of the General Assembly eliminating the Human Resource Development (HRD) block grant funds.
- 351 HRD – Career Start** - Eliminated July 1, 2009, as a result of the end of the Career Start program.
- 362 New and Expanding Industry Training – HB275** - Eliminated July 1, 2009, as HB275 funds are no longer available for this purpose.
- 365 Bionetwork – Supplies** - Bionetwork provides specialized bio-manufacturing and Pharmaceutical manufacturing training. Purpose 365 funds were for supplies that were approved through a Request for Proposal (RFP). It was eliminated July 1, 2008, as funds are no longer available for this purpose.
- 366 Focused Industrial Training – HB275** - Eliminated July 1, 2008, as HB275 funds are no longer available for this purpose.

- 368 Customized Industry Training (CIT)** - Eliminated July 1, 2008, when NEIT, FIT, and CIT were consolidated into one program now called “Customized Training”.
- 380 ARRA 12in6 Continuing Education Instruction** - Previously recorded the cost of continuing education instruction for the JobsNOW program funded initially by the American Recovery and Reinvestment Act under the Workforce Investment Act (WIA). JobsNOW provided grants for local colleges to support capacity building, infrastructure enhancement and short-term training activities based on local labor market need. The goal of the “12 in 6” Project was to provide an infusion of instructional resources to support training activities in 12 occupational areas that could be completed in less than 6 months. The occupational areas identified were: Nursing Assistant, Phlebotomy, Medical Coding, Office/Clerical Support, Masonry/Tile Cutting, Plumbing, Carpentry, Welding, Food Service, Autobody Repair, Manufacturing, and Industrial Maintenance.
- 381 ARRA 12in6 Continuing Education Support** - Previously recorded the cost of continuing education support for the JobsNOW program funded initially by the American Recovery and Reinvestment Act under the Workforce Investment Act (WIA). JobsNOW provided grants for local colleges to support capacity building, infrastructure enhancement and short-term training activities based on local labor market need. The goal of the “12 in 6” Project was to provide an infusion of instructional resources to support training activities in 12 occupational areas that could be completed in less than 6 months. The occupational areas identified were: Nursing Assistant, Phlebotomy, Medical Coding, Office/Clerical Support, Masonry/Tile Cutting, Plumbing, Carpentry, Welding, Food Service, Autobody Repair, Manufacturing, and Industrial Maintenance.
- 423 CED Special Allotment** - Recorded the administrative and support cost associated with the Compensatory Education program of Basic Skills. It was eliminated effective July 1, 2009, because its purpose was obsolete.
- 440 Tech Prep** - Previously recorded expenditures for Title II of the Carl D. Perkins Career and Technical Education Act of 2006 that provided funding for Tech Prep programs. Tech Prep programs combined two years of secondary education with a minimum of two years of postsecondary education in a non-duplicative, sequential course of study. The program integrated academic and career and technical instruction; utilized work-based learning; built student competence in math, science, reading, writing, communications, economics, and workplace skills; and lead to an associate or baccalaureate degree, and/or placement in appropriate employment.
- 581 ARRA 12in6 Student Services** - Previously recorded the cost of student services support for the JobsNOW program funded initially by the American Recovery and Reinvestment Act under the Workforce Investment Act (WIA).

IX. Document History

Date published	Description
August 2014	<ol style="list-style-type: none"> 1. Added Purpose Code 365 – Business and Industry Support – Instructional 2. Renamed Purpose Code 364 – Business and Industry Support – Administrative 3. Added Purpose Code 357 – Project Skill Up (Calendar Year 2014) 4. Renamed purpose code 358 – Project Skill Up (Calendar Year 2015) 5. Deleted vocational codes 61 and 62 that were previously used with Accelerating Opportunity funds
September 2014	<ol style="list-style-type: none"> 1. Added vocational code 41 – Military Training/CBE 2. Added vocational code 42 – Oil & Natural Gas Feasibility Study 3. Added vocational code 65 – Job-Driven National Emergency
January 2015	<ol style="list-style-type: none"> 1. Added vocational code 78 – CTE Leadership NC Works Career Pathways
March 2015	<ol style="list-style-type: none"> 1. Added object code 124090 - Deferred Outflows for Pensions 2. Added object code 242080 – Net Pension Liability - Noncurrent 3. Added object code 242090 – Deferred Inflows for Pensions 4. Added object code 518250 – Pension Expense 5. Added object code 379000- Restatement-Net Position <p>These accounts are needed for 13th month accrual entries</p>
September 2015	<ol style="list-style-type: none"> 1. Added vocational code 61 – Office Administration Alignment Project 2. Added vocational code 62 – CBE Incubator Project 3. Removed vocational code 60 – NC Back to Work 4. Removed vocational code 69 – Ready for College 5. Removed vocational code 70 – CRC Performance Incentive Grant 6. Removed vocational code 72 – Basic Skills Grant (Post & Min) 7. Removed vocational code 79 – GATE 8. Removed vocational code 95 – College Access Challenge Grant
March 2016	<ol style="list-style-type: none"> 1. Added vocational code 79 – NC Career Coach 2. This document was updated for ADA compliance. The font family was converted from serif to sans serif. The online version will be in grayscale.
April 2016	<ol style="list-style-type: none"> 1. Added vocational code 46 – CCC&TI Truck Driver Training
August 2016	<ol style="list-style-type: none"> 1. Added vocational code 48 – Taste of Industry 2. Added vocational code 63 – Accounting & Finance Alignment Project 3. Added vocational code 64 – Local Government Finance Officer 4. Added vocational code 66 – Career & College Ready Alignment Partnership 5. Removed vocational code 38 – Voed Teaching Excellence 6. Removed vocational code 41 – Military Training/CBE 7. Removed vocational code 42 – Oils & Natural Gas Feasibility 8. Removed vocational code 44 – Bio Equipment Grant 9. Removed vocational code 56 – Voed Professional Development 10. Removed vocational code 74 – ABE CASAS

	<ul style="list-style-type: none"> 11. Removed vocational code 75 – ABE Ideal/Path/Family Literacy 12. Removed vocational code 77 – ABE Innovations/Transitions 13. Removed vocational code 88 – Project Skill-Up Equipment 14. Removed object code 437000 – GED Fees
March 2018	<ul style="list-style-type: none"> 1. Updated purpose code 220 – Transitional programs 2. Updated purpose code 320 – Basic Skills Plus 3. Updated purpose code 321 – Adult Basic Education/English Language Acquisition 4. Updated purpose code 322 – Adult Secondary Education 5. Updated purpose code 323 – Integrated English Literacy and Civics Education 6. Updated purpose code 324 – High School Equivalency Testing 7. Updated purpose code 325 – Basic Skills Administration 8. Updated vocational codes 10-19 – Carl D. Perkins CTE 9. Updated vocational code 15 – Services and Activities/Direct Assistance 10. Added vocational code 30 – CIP-ESAP 11. Added vocational code 49 – Short Term Workforce 12. Added vocational code 57 – NC CBE-State Board Reserve Funds 13. Updated object code 511300 – Full-time Professional Staff 14. Updated object code 511310 – Part-time Professional Staff 15. Updated object code 511340 – 30 Hour Professional Staff



**ACCOUNTING PROCEDURES MANUAL
AND
REFERENCE GUIDE**

**SECTION 3: GENERAL STATUTE CITATION
INDEX**

**DIVISION OF BUSINESS AND FINANCE
VERSION 2016.03
REVISION DATE 03/22/2016**

What's New?

March 2016

In addition to some basic updates for style, this document was updated for ADA compliance. The font family was converted from serif to sans serif. The online version will be available in grayscale.

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I. Student Tuition & Fees

A. Curriculum Tuition

- [G.S. 115D-5\(a\)](#). State Board is authorized to regulate tuition.
- [G.S. 115D-5\(b\)](#). Part-time tuition rates are authorized.
- [G.S. 115D-39](#). State Board shall fix and regulate all tuition and fees charged to students, tuition and registration fees that are considered State funds.
- 115D-39.1. Tuition surcharge.
- 116-143.1. Provisions for determining resident status for tuition purposes.
- 116-143.3. Tuition of armed services personnel and their dependents.

B. Continuing Education Fees

- [G.S. 115D-5\(a\)](#). State Board authorized to regulate tuition.
- [G.S. 115D-5\(b\)](#). Registration fees for extension courses authorized.
- [G.S. 115D-5\(g\)](#). Recreation extension courses may not be supported with State funds and must be self-supporting.
- [G.S. 115D-5\(h\)](#). Real estate continuing education courses may not be supported with State funds and must be self-supporting.

C. Over-realized Receipts

- [G.S. 115D-31\(e\)](#). Over-realized receipts shall transfer to Enrollment Growth Reserve and shall not revert.

D. GED Fees

- [G.S. 115D-5\(s\)](#). State Board authorized to establish, retain, and budget GED fees.

E. Deposit of State funds

- 115D-58.9. Daily deposits of State moneys or otherwise required to be deposited with the State Treasurer shall be deposited pursuant to the rules of the State Treasurer pursuant to G.S. 147-77.

F. Self-Supporting

- [G.S. 115D-5\(f\)](#). New program approval from State Board is not required for self-supporting programs.
- [G.S. 115D-5\(g\)](#). Recreation extension courses may not be supported with State funds and must be self-supporting.

G. Waivers

- [G.S. 115D-5\(b\)](#). List of authorized tuition and registration fee waivers.

H. Use of State funds for employee tuition and registration fees

- [G.S. 115D-5\(b1\)](#). Community colleges may use State funds to pay tuition and registration fees for one course per semester for full-time community

college faculty or staff members employed for a nine-, ten-, eleven-, or twelve-month term.

II. Salaries and Benefits

A. General

- [G.S. 115D-5\(a\)](#). All college employees exempt from State Personnel Act; all college faculty must meet SACS accreditation standards.

B. Salaries

- [G.S. 115D-5\(a\)](#). State Board may only establish salary cap on State-funded portion of president's salary.
- [G.S. 115D-28](#). Certain personnel information open to inspection, including current salary information.

C. Retirement

- [G.S. 115D-22](#). Colleges are included in the definition of "public school" and college employees are included in the definition of "teacher" for the purposes of administering Chapter 135 (TSERS).
- [G.S. 115D-25](#). May purchase non-forfeitable annuity or retirement income contract and take commensurate payroll deduction with employee's permission.

D. Workers' Compensation

- [G.S. 115D-23](#). Chapter 97, the Workers' Compensation Act, applies to all college employees. The State is responsible for workers' compensation obligations for all employees supported in part or in whole by State funds. The College's board of trustees is responsible for workers' compensation for employees who are paid entirely from local or institutional funds. Colleges may purchase workers' compensation insurance.

E. Benefits

- [G.S. 115D-25.1](#). Dependent care assistance programs; college may take commensurate payroll deduction with employee's permission.
- [G.S. 115D-25.2](#). Flexible compensation plans; college may take commensurate payroll deduction with employee's permission.
- [G.S. 115D-25.3](#). A voluntary shared leave program is allowed for community college employees.

F. General

- [G.S. 115D-9\(a\)](#). Expenditure of any State funds subject to the terms of the State Budget Act unless specifically otherwise provided. The expenditure of State funds for any capital improvements shall be subject to the prior approval of the State Board of Community Colleges and the Governor.

- [G.S. 115D-31\(a\)\(2\)](#). State funds for current operating expenses, including General administration, instructional services, and support services.
- [G.S. 115D-31\(b1\)](#). Budget flexibility.
- [G.S. 115D-31.3](#). Performance-based funding.
- [G.S. 115D-32\(a\)\(2\)](#). County responsible for providing funds for current operating expenses associated with plant operation, maintenance, and support services.
- [G.S. 115D-32\(b\)](#). College may supplement State funds with local and institutional funds.
- [G.S. 115D-32\(c\)](#). College may apply institutional funds in accordance with G.S. 115D-54(b)(3) for purposes as determined by the board of trustee.

G. Foundations

- [G.S. 115D-20\(9\)](#). To encourage Foundations, a college may assign employees to assist and make available office space, equipment, supplies, and related resources.

H. Boards of Trustees

- [G.S. 115D-17](#). Trustees may not receive compensation, but shall be reimbursed for official travel, meals, and lodging. Reimbursement from State funds shall not exceed amounts permitted in G.S. 138-5.

I. Donations

- [G.S. 115D-20\(5\)](#) Authorizes trustees to receive and accept donations.

J. Bookstore/Vending

- [G.S. 115D-2\(8\)](#). Definition of vending facilities.
- [G.S. 115D-5\(a1\)](#). Allowable and prohibited uses of bookstore profits.

K. Traffic Fines and Penalties

- [G.S. 115D-21](#). Colleges may issues fines of up to \$100 for violation of rules, regulations, or ordinances with respect to the use of the streets, roads, alleys, driveways, and parking areas. Colleges may charge parking fines of up to \$25.

L. Campus Security

- [G.S. 115D-21.1](#). Colleges may establish a campus law enforcement agency.

M. Insurance

- [G.S. 115D-24](#). Governmental immunity shall be deemed to have been waived by the act of obtaining liability insurance.
- [G.S. 115D-31.1](#). Colleges may use State funds to pay for liability insurance premiums.

Note: G.S. 126-85 is the whistleblower statute that is applicable to community college employees, and Article 14 of Chapter 126 covers all of the relevant state laws governing an employee reporting protected activity. You can access this article here:

http://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByArticle/Chapter_126/Article_14.html.

III. Property/Capital Improvements

A. Capital Improvement Projects

- [G.S. 115D-5\(a\)](#) . State Board authorized to approve sites and capital improvement projects.
- [G.S. 115D-9\(a\)](#). Expenditure of any State funds for any capital improvements subject to prior State Board approval.
- [G.S. 115D-9\(e\)](#). Colleges must use standard SCO design and construction contracts.
- [G.S. 115D-9](#). Special construction delegation.
- [G.S. 115D-15](#). Easements may be granted with prior approval from System Office.
- [G.S. 115D-20](#). Trustee authority to purchase land, easement, or right-of-ways, upon approval of the State Board.
- [G.S. 115D-20\(3\)](#). Trustee condemnation authority, as provided by Chapter 40A.
- [G.S. 115D-32\(a\)\(1\)](#). County responsible for providing funds for CI projects.

B. Sites, MCCs, OCCs

- [G.S. 115D-5\(o\)](#). State Board shall not approve any additional multi-campus centers without identified recurring sources of funding. All multi-campus centers shall receive funding under the same formula.
- [G.S. 115D-32\(a\)\(1\)](#). Counties must support utilities of satellite campuses.

C. Equipment

- [G.S. 115D-5\(l\)](#). State Board shall approve lease purchase and installment purchase contracts. (need to describe approval process).
- [G.S. 115D-14](#). State-funded equipment titled to State Board .
- [G.S. 115D-15](#). Equipment titled to State Board may be transferred to another community college at no cost and without DOA, Surplus Property approval.
- [G.S. 115D-20\(11\)](#). Board of trustees authorized to enter into lease purchase and installment purchase contracts for equipment.
- [G.S. 115D-31\(a\)\(1\)](#). State funds for furniture and equipment for administrative and instructional purposes, library books.
- [G.S. 115D-31\(c\)](#). Authorization for equipment and library book carryforward.
- [G.S. 115D-31\(d\)](#). Equipment Reserve Fund carryforward authorization.

- [G.S. 115D-32\(a\)\(1\)](#). County responsible for providing funds for vehicles (non-instructional), equipment not provided for administrative and instructional purposes.

D. Disposal of Property

- [G.S. 115D-14](#). If institution ceases to operate, title to locally-funded property vests with the county.
- [G.S. 115D-15\(a\)](#). State Board approval necessary prior to disposal of real property; State Board approval not necessary prior to disposal of personal property titled to board of trustees; Proceeds of any sale or lease of equipment titled to State Board may be transferred to another community college at no cost and without DOA, Surplus Property approval; Article 12 of Chapter 160A applies to the disposal or sale of any real or personal property; personal property may also be disposed of through DOA.
- [G.S. 115D-15\(b\)](#). Proceeds from the sale or lease of donated property may be used according to the terms of the donation.
- [G.S. 115D-15.1](#). Transfer of property for the purposes of financing.
- [G.S. 115D-31\(a\)\(1\)](#). State funds for capital improvements must be matched.

E. Operation and Maintenance of Plant

- [G.S. 115D-20\(10\)](#). Board of trustees authorized to enter into guaranteed energy savings contracts pursuant to Part 2, Article 3B, of Chapter 143.
- [G.S. 115D-20\(10a\)](#). Board of trustees authorized to enter into loan agreements under the Energy Improvement Loan Program pursuant to Part 3, Article 36, Chapter 143.
- [G.S. 115D-20\(14\)](#). Board of trustees duties include complying with the design and construction requirements regarding energy efficiency and water use under Article 8C, Chapter 143.

F. Use of Community College Resources by Private Entity

- [G.S. 115D-20\(12\)](#). Board of trustees authorized to permit use of college personnel or facilities in support of private business enterprise located on a college campus or in service area for purposes set out in 66-58(c)(3a) and 66-58(c)(3d).

G. Public/Private Partnerships

- [G.S. 115D-20\(13\)](#). Board of trustees authorized to enter into public/private partnership when certain conditions are met.

IV. Local Funds

- [G.S. 115D-1](#). Authorize the levying of local taxes and the issuing of local bonds to support community colleges.
- [G.S. 115D-2\(6\)](#). Definition of tax-levying authority.