

1.9 Sound Fiscal and Management Practices

Policy Tracking	Date
Approved	July 9, 2018
Revised	December 5, 2018
Reviewed	

The Board shall ensure that sound fiscal and management practices are employed in the operation of the College's business office. To that end, the Board requires the following:

- I. The College expends all funds prudently and consistently within the adopted budget.
- II. The College shall manage the budget to ensure the percentage of State current operating funds remaining unexpended in the budget does not exceed five percent or five times the system-wide percentage, whichever is higher.
- III. The College's fund accounts do not have a negative balance at the end of the fiscal year unless such an instance exists for a planned reason, such as an anticipated reimbursement. If any of the College's fund accounts have a negative balance at year-end, the negative fund balance shall be reviewed by the President and Chief Financial Officer. In the event the negative balance is not due to a planned reason, the President shall develop a plan to rectify the negative balance and shall report the matter to the Board at its first scheduled meeting in the new fiscal year.
- IV. The College shall track expenditures consistent with the North Carolina Community College System's Chart of Accounts, as outlined in the North Carolina Community College System Accounting Procedures Manual ([Chart of Accounts Procedure](#)).
- V. The President or designee shall provide financial reports to the Board no less than once per quarter. (**The Board can adopt another schedule.**)
- VI. The College shall participate in the EAGLE Program (Enhancing Accountability in Government through Leadership and Education) and shall maintain a system of internal controls as required by [N.C.G.S. 143D – The State Governmental Accountability and Internal Control Act](#).
- VII. The College shall not overdraw accounts by ensuring bank accounts are reconciled and any discrepancies resolved within thirty (30) business days from the end of the prior month. In the event the College fails to comply with this requirement more than once during a fiscal year, such information shall be reported to the Board at its first scheduled meeting following the month of noncompliance.
- VIII. The College shall submit complete and accurate financial statements to the North Carolina Office of the State Controller by deadline as prescribed by the State Controller.
- IX. The College shall conduct audits consistent with [N.C.G.S. §115D-20\(9\)](#) and [N.C.G.S. § 115D-58.16](#).
- X. Once established, the President shall address to the Board any findings identified in audits, compliance reviews, SACSCOC reviews, or other monitoring reviews. The President shall address the matter with the Board at the first scheduled meeting following notice of the findings.
- XI. The College shall actively seek to fill leadership and other supervisory positions in a timely manner with individuals of high competence.
- XII. The College shall monitor employee turnover by providing an employee vacancy report for information to the Board at least biannually.

Legal Citation: [1A SBCCC 200.4](#)