



# COLLEGE POLICY

**POLICY NUMBER:** 2302

**DATE APPROVED:** September 1, 2020

**POLICY TYPE:** Administration

**POLICY TITLE:** Fiscal Accountability Policy

**RESPONSIBLE ASSOC. /VICE PRESIDENT:** Executive Vice President for Finance & Administration/Chief Operating Officer

## **POLICY PURPOSE:**

The college shall be fiscally accountable. Fiscal accountability will be demonstrated through the annual budget, prudent business practices and annual audit.

## **POLICY:**

### **Annual Budget**

An annual budget shall be prepared that:

1. Balances revenue sources and uses of funds.
2. Follows the written format of the Wisconsin Technical College System's Financial Accounting Manual.
3. Is developed in accordance with a timetable of deadlines and procedures.
4. Contains adequate budgetary basis fund balance reservations.
5. Encompasses all planned activities of the college.
6. Accurately reflects projections of income and expenses.
7. Includes adequate amounts for non-compensation needs, such as plant and facilities maintenance, instructional equipment, new program and course development and employee development.
8. Includes a capital budget that meets the capital needs of the district.

Reflects sound cash flow management and shall attempt to minimize the need for short-term borrowing.

## **Prudent Business Practices**

Prudent business practices will be adhered to by the district. Such practices shall include, but shall not be limited to:

1. All district financial activity shall be accounted for through one accounting system to enhance internal controls.
2. District financial records shall be maintained on the budgetary basis of governmental accounting, as required and detailed in the Wisconsin Technical College System's Financial Accounting Manual. The district will adhere to governmental generally accepted accounting principles, as codified in the Codification of Governmental Accounting and Financial Reporting Standards (published by the Government Accounting Standards Board), unless specifically required to deviate from those standards per regulatory pronouncements by the Wisconsin Technical College System Board.
3. Refunds to students shall adhere to the provision of Wisconsin Administrative Code TCS 10.08 and, for financial aid students, the refunds as prescribed under Title IV.
4. Internal control procedures shall include cost-effective measures to protect the assets of the district.
5. A periodic review of the financial processes shall be conducted to determine compliance with applicable statutes, administrative codes, regulations, and policies, as well as to identify best practices for process improvement.
6. The cash and investments of the district's funds shall be pooled and managed together. Cash accounts of the district in excess of FDIC limitations shall be collateralized whenever possible. Cash in excess of immediate district operating needs shall be invested. Investment decisions of the district shall be determined by maximizing earnings while maintaining security of principal. The local Government Investment Pool of the State of Wisconsin will be one such means of investment.
7. The district does not cash checks for students, employees or the general public, and makes no cash advances on credit cards. The district also does not accept third party endorsement of checks in payment of amounts owed.
8. All monies due the district shall be billed as promptly as possible. Any account not paid in a timely manner will be turned over for collection. Appropriate means including "record holds" will be utilized to enhance collection. Each student must settle all previous debts to the district before being allowed to register. Appropriate collection efforts will be utilized to minimize the losses of the district.
9. Advances to other funds may be done as necessary to allow the operations or creation of funds. All advances shall have a repayment schedule completed at the time of the advance.
10. Fixed asset records will be maintained by the district, and periodic inventories will be conducted. The individual purchasing the fixed asset shall be accountable for the item at the time of the inventory.
11. Capital equipment for all funds except enterprise, internal service or agency funds will be purchased through the capital projects fund of the district. Capital equipment must meet the following criteria to be considered capital equipment:

1. Cost \$500 per set or item. A set is defined as items that are inseparable from each other to enable the intended purpose (items specifically not a set include replacement tools and nonspecific tables and chairs).
2. Expected life of two years or more.
12. Enterprise fund managers shall update their business plans annually. The business plan shall include an assessment of adequate fund balance requirements. The funds shall strive to operate at a profit sufficient to return funds to the general fund of the college.
13. Internal service funds shall strive to operate at a break-even level. Price changes shall be communicated to users of internal services before the start of a new fiscal year.
14. A monthly financial statement shall be prepared and submitted to the district board. A listing of each check for payment in excess of \$2,500 to each vendor shall also be presented to the board as required under Statute 38.12(2).
15. The district shall prepare prospective expense forecasting based on budget data prepared by divisions.
16. Adherence to budget constraints shall be considered the responsibility of each employee of the district.
17. Suspected incidents of misappropriation shall be turned over immediately to the Office of Controller and Office of Vice President for Administrative Services for investigation. The district policy is to fully cooperate with appropriate legal authorities and to prosecute all violations of the law.
18. District assets and resources may not be used for personal benefit.

### **Annual Audit**

An annual audit of all district funds shall be completed by an independent certified public accounting firm. The audit report shall be submitted within six (6) months following the end of the fiscal year. The goal of the audit will be the expression of an unqualified opinion. The auditors shall present the audit report and management letter to the District Board or a board subcommittee.

### **DEFINITIONS:**

N/A

### **LINKS TO STATE/FEDERAL REGULATIONS:**

N/A

