

# DAVIDSON COUNTY COMMUNITY COLLEGE

## Board of Trustees and Governance

### SOUND FISCAL MANAGEMENT

#### POLICY 1.9

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:

- A.** The College expends all funds prudently and consistently within the adopted budget.
- B.** 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.
- C.** The College's institutional 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 institutional fund accounts have a negative balance at year-end, the negative fund balance shall be reviewed by the President and Finance Director. 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.
- D.** 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 (see Policy 6.3.5 – Chart of Accounts).
- E.** The President or designee shall provide financial reports to the Board no less than biannually.
- F.** 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.
- G.** 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 non-compliance.

- H.** 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.
- I.** The College shall conduct audits consistent with N.C.G.S. §115D-20(9) and N.C.G.S. § 115D-58.16 (see Policy 6.2.6).
- J.** 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.
- K.** To ensure that the College actively seeks to fill leadership and other supervisory positions in a timely manner with individuals of high competence.
- L.** To monitor employee turnover by providing an employee vacancy report for information to the Board at least biannually.

Adopted: November, 2019

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