MEMORANDUM 2014-1

To: All University Employees

From: Wendell M. Davis
Vice Chancellor for Administration and Finance

Date: July 25, 2013

Subject: Administrative and Financial Practices and Procedures

As we approach the 2013-14 academic year, excitement is building. By now, each of you have had an opportunity to hear our new mantra; Eagle Excellence or E – Squared! In that spirit, the Division of Finance and Administration is taking this occasion to provide the most recent changes in financial procedures and to reiterate other critical business processes.

Having limited resources, we must operate with greater efficiency; therefore, adherence to each of the procedures will be of utmost importance in order to assure a high level of accountability to all of our stakeholders. Please use this document as a reminder that all University personnel are to comply with state, federal, and UNC system rules, regulations, policies and procedures. Vice Chancellors, Deans, Department Chairs, Managers, and Supervisors will each be held accountable for their respective operations.

A few procedural reminders are listed below:

**Stipend Requests—Revised Guidance**

Guidance on the processing of stipend requests has been revised. NCCU has 3 types of stipends, which are briefly defined below:

- **Academic Stipend/Award:** To pay educational expenses of students. The recipient is not required to perform services to receive the stipend. In general, these awards are processed through the financial aid system and are paid to the student’s account and applied to their bill.

- **Service (Work-related) Stipend:** To pay *any* individual who performs services, which may include teaching, internships/clerkships, research or other academic work. These stipends are processed through payroll and are paid during the month-end payment cycle. They are not included in calculating a student’s eligibility for financial aid.

- **Non-Service Stipend:** To pay an individual who does not provide any goods or services. Examples include being the subject in a study, completing a survey, providing samples, and other one-time token monetary awards. These stipends are paid through our Accounts Payable
More information, including a new “Check Request for Academic Awards and Stipends” form can be found in the Comptroller’s documents library on the NCCU intranet. *(Please see Memo Attachment-A.)*

**Petty Cash or Change Funds—Revised Guidance**

- Requires completed “Request for Petty Cash or Change Fund” to be submitted to the Comptroller’s Office. *(Please see Memo Attachment-B.)*
- Initial petty cash fund check is made payable to the designated Petty Cash Custodian.
- Replenishment and Close-out of petty cash transactions are done electronically through Eagle’s Purch.
- Petty cash accounts must be closed out by 6/20 each year and cannot cross fiscal years.
- When using petty cash—purchases must be made using CASH.

**Employment/Personnel Actions—Reminders**

NCCU’s Human Resources Department posts a payroll processing schedule to which strict adherence is required. All employment contracts and related documents must be submitted according to the published HR payroll schedule. *(Please see Memo Attachment-C.)*

Some points to remember:

- Employees may not start work prior to Human Resources (HR) notification. Employee information and approval queues must be properly set up to ensure that employees will be paid correctly and in a timely manner.
- Employment/re-hire documents must identify funding sources that cover the employee’s contracted salary in full.
- Employee actions for positions which are grant-funded (in full or in part) should be submitted to the Contracts & Grants (C&G) office 10 work days prior to the published HR deadlines. Properly completed documents submitted within these guidelines will be processed so that the employee will be paid during the next payroll cycle.
- If an employee’s web timesheet misses the Human Resources published payroll deadline and the department submits a paper timesheet to the Payroll Office for payment, *the department will be charged a $200 fee to process that timesheet during the following payroll period.* This fee will be charged against the department’s trust fund. If a department does not have a trust fund, the fee will be charged against the trust fund at the next University level.

**After-the-fact Check Requests—Reminders**

NCCU policy requires that all purchases of goods and services, including those obtained through use of a contract, must be approved prior to incurring the associated costs.

- The purchase order system is the official means by which purchases are made. Ensuring the sufficiency of the PO balance is the responsibility of the department making the purchase.
• If a vendor does not accept purchase orders, prior approval must be obtained in writing from the Purchasing Director. After such approval is sought and obtained and invoice is received, a check request is then appropriate.

• *Any purchases made without prior approval are the responsibility of the person making the purchase.*
STIPENDS—Definitions and Payment Processing

ACADEMIC STIPENDS/AWARDS

Scholarships and fellowships are academic awards or stipends to pay educational expenses of students. The term “Scholarship” is usually in reference to full-time undergraduates enrolled in a degree program, while “fellowship” generally refers to advanced study or research conducted by students in furtherance of their educational goals. This funding does not require the recipient to perform services such as serving as clerks/interns, or assisting with teaching, research or other academic work. In general, these awards go through the financial aid system and are paid to the student’s account and applied to their bill. As appropriate, any extra is refunded directly to the student by check or via direct deposit once per semester. If the stipend is a scholarship or fellowship for a U. S. citizen, no taxes will be withheld; the individual will receive a 1098. For foreign nationals, the tax rate is 14% of the amount exceeding qualified educational expenses.

***According to the IRS code, a fellowship payment to a foreign national with a J-1 visa is subject to withholding. If we have a Form 8233 or W-8BEN on file, as applicable for the foreign national, we will use the Windstar system to determine the taxability of the payment. ***

SERVICE (WORK-RELATED) STIPENDS

Stipends paid to any individuals who perform services, which may include assistant teaching, internships/clerkships, research or other academic work, are service or “work-related” stipends. They are to be processed through Payroll and are paid during the month-end payment cycle and are subject to W-4 withholding. Work-related stipends are not included in calculating a student’s eligibility for financial aid.

***Note: The default withholding rate for foreign nationals is 30%. ***

NON-SERVICE STIPENDS

Non-service stipends are paid to individuals who do not provide any services. If the payee is a United States citizen, no taxes will be withheld. Examples include being the subject in a study, completing a survey, providing samples, and other one-time token monetary awards. These stipends are paid through our Accounts Payable Office; the payee will receive a 1099. If paid to a student, non-stipend payments are included in calculating a student’s eligibility for financial aid. If paid to an employee, the payment is processed through payroll.

***Foreign nationals are subject to the tax withholding rate of 30% on all compensation except scholarships and fellowships, the same as for work-related income received by a foreign national.***

STIPENDS Revised July 2013
CHECK REQUEST FOR ACADEMIC AWARDS AND STIPENDS

Payee Name ____________________________ Banner ID # ____________________________ Position # ____________________________

Address ____________________________

City ____________________________ State _______ Zip Code _______

Foreign Country Residence Status:

☐ JS Citizen ☐ Resident Alien ☐ Non-resident Alien ☐ Visa Type: _______
(Green card must be attached) (Foreign Visitor Information Form attached)

Purpose of Check: ☐ Academic Stipend/Award (SSA)
☐ Non-service Stipend (AP)
☐ Service/Work-Related Stipend (HR)
(Must include documentation)

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>QUANTITY</th>
<th>GIVE COMPLETE DESCRIPTION (including period covered)</th>
<th>UNIT PRICE</th>
<th>TOTAL PRICE</th>
</tr>
</thead>
</table>

FOAP Number: ____________________________ TOTAL ____________

Requested By: ____________________________ Date ____________

Departmental Approval: ____________________________ Date ____________

Grants Office Approval (if required): ____________________________ Date ____________

Scholarships & Student Aid (if required): ____________________________ Date ____________

HR Approval (if work-related) ____________________________ Date ____________

FOR ACCOUNTING USE ONLY

VENDOR NUMBER: ____________________________

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<tr>
<th>Voucher#</th>
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<th>Amount</th>
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<td></td>
<td></td>
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<tr>
<td>Invoice # 3</td>
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<td></td>
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</table>

Description: ____________________________ Due Date: ____________ Bank: ____________

Verified By: ____________________________ ☐ HR ☐ Accounts Payable
Request for Academic Stipends/Awards

Policy: Check requests for scholarships or fellowships must be submitted prior to the start of the semester. All students must be admitted and enrolled in classes before submission of check requests to pay scholarships or fellowships.

Procedures:

1. All fields on the check request form must be completed. Please provide a COMPLETE description indicating which semester is being paid. Form can be obtained from: http://www.nccu.edu/administration/adminandfinance/comptroller/policiesAndProcedures.cfm

2. Ensure that the fund, org, account, and program (FOAP) are correct on the check request form.

3. Determine residence status and attach copy of Green Card (if applicable). For non-resident aliens, attach a completed “Foreign Visitor Information Form.”

4. Obtain all required departmental signatures and submit the original forms as follows:
   a. If grant-funded (5XXXXX) submit the original form to Contracts and Grants. Contracts & Grants will approve the form and then forward it to Scholarship and Student Aid for approval and application of the award to the student’s account.
   b. For all other funding sources, the form must be submitted to the Federal Trust & Accounting Office. The Federal Trust & Accounting Office will forward the check request form to Scholarships and Student Aid for approval and application of the award to the student’s account.

5. The check request form is then forwarded or returned from the Scholarships and Student Aid Office to the Federal Trust & Accounting Office, where the journal entry to charge the university accounts will be prepared.

6. All scholarship and fellowship request forms submitted without following proper procedures, or that lack sufficient funding, will be returned unprocessed to the respective department.

Request for Service/Work-Related Stipends

Policy: Work-related stipends are paid the last working day of the month in accordance with the HR published payroll deadlines.

Procedures:

1. All recipients of work-related stipends must complete forms I-9, W-4 and NC-4 to ensure the accuracy of tax withholdings. Per federal guidelines, students who are not enrolled full-time will have Social Security and Medicare taxes withheld from work-related stipend payments.

2. Provide a complete description. Include the time period covered by the request.

3. Determine residence status and attach copy of Green Card (if applicable). For non-resident aliens, assure that the “Foreign Visitor” information package is complete.

4. Ensure that the fund, org, account, and program (FOAP) are correct on the request form.

5. Obtain all required departmental approvals and submit the original forms as follows:
   a. If grant-funded (5XXXXX) submit the original form to Contracts & Grants 10 working days before the HR published payroll deadlines. Contracts & Grants will review and approve the form and forward it to Human Resources for processing the payment through Payroll.
   b. For all other funding sources, submit the original form directly to Human Resources for processing through Payroll.

6. All stipend forms submitted without following proper procedures, or lacking sufficient funding, will be returned unprocessed to the respective department.
Request for Non-Service Stipends

Policy: Non-service stipends are paid on or about the 15th day of the month.

Procedures:

1. Complete the form, providing a complete description. Include the time period covered by the request. The default treatment of a stipend that is not an academic award is to process the request as a work-related stipend. Stipends designated as non-service must have adequate documentation attached to support that designation. Absent sufficient support, all stipends will be processed through payroll as work-related.

2. Determine residence status and attach copy of Green Card (if applicable). For non-resident aliens, attach a completed “Foreign Visitor Information Form.”

3. Ensure that the fund, org, account, and program (FOAP) are correct on the request form.

4. Obtain all required departmental approvals and submit the original forms as follows:
   a. If grant-funded (XXXXXX) submit the original form to Contracts & Grants. Contracts & Grants will review and approve the form and forward it to Accounts Payable for processing.
   b. For all other funding sources, submit the original form directly to Accounts Payable for processing.

5. All stipend forms submitted without following proper procedures, or lacking sufficient funding, will be returned unprocessed to the respective department.
Procedures:

Establishing a Petty Cash Fund

1. Prepare “Request for Petty Cash or Change Fund” form.

2. Obtain appropriate signatures (i.e. requestor and department’s Vice Chancellor).

3. Submit form to Comptroller’s Office for final approval and processing.

4. Obtain initial Petty Cash Fund check made payable to the designated Petty Cash Custodian (allow 5-7 days) from Bursar’s Office.

Replenishing the Petty Cash Fund should be done at least quarterly or more frequently, if needed. The petty cash custodian should submit a requisition to replenish the fund. To replenish the fund:

5. Prepare an electronic check request (ECR) and attach (scan) the original receipts for the petty cash purchases. Each line must include the appropriate expenditure codes. Requests for the replenishment must include supporting receipts. Please remember that petty cash purchases must be made using cash. Purchases made by other means are not reimbursable and are the responsibility of the petty cash custodian.

6. Submit the ECR through the Eagles’ Purch system. (For Grants, before submitting the request, the petty cash custodian should make sure that sufficient budget is available—check FGIBAVL—and verify that the grant budget period has not expired.) The request will then be reviewed and approved electronically at the fund level, by Purchasing and by the Comptroller. The electronic system will also perform budget checks as the request moves through the process.

7. Checks are usually processed weekly. Please refer to “Accounts Payable Check Printing” for additional information. You may contact the Accounting Office at Extensions 5076, 6241, or 7119 to make inquiries on the availability of the check. All checks are issued at the Bursar’s Office during the hours of 8:30 a.m. - 4:00 p.m., Monday through Friday.

Close out Petty Cash Fund by 6/20 each year

8. When closing the petty cash fund, any cash balance for which there is no receipt must be repaid to the Comptroller’s office by deposit of cash in the Bursar’s office, crediting account 338711/301403/509300/170. The Bursar’s receipt must be attached to the electronic check request form that closes the petty cash fund. Please note that only cash is acceptable. No other form of payment (checks, money order, etc.) is acceptable.
Petty Cash

Purpose:
Petty cash funds are issued to allow the department to make small cash purchases for program expenditures that are within University spending guidelines.

Policies:
1. The petty cash custodian must be a permanent full-time University employee.

2. All petty cash disbursements are subject to state and federal regulations. Disbursements made that are not consistent with such regulations will be the personal responsibility of the petty cash fund custodian.

3. Petty cash purchases must be made during the current fiscal year in accordance with the purposes stated in the required “Petty Cash Request Form” for the current fiscal year.

4. The custodian may close out the petty cash fund at any time during the year.

5. All petty cash funds must be closed out by June 30th of each fiscal year. Petty cash purchases made during the period of July 1st through June 30th of a fiscal year must be reimbursed in the same fiscal year. Petty cash balances may not be carried over into the new fiscal year.

6. There will be no disbursement/nor reimbursement for purchases of a personal nature or for salary. Nor will there be disbursement/reimbursement for equipment or meal purchases, which must be purchased via established methods (i.e.: PO and travel reimbursement processes).

7. Petty cash purchases must be made using cash. Petty cash purchases cannot be made by credit and/or debit cards, gift cards and/or certificates, personal checks, money orders or cashier checks. All petty cash purchases must be made by using cash only.

8. Petty cash funds must be kept on campus under lock and key.

9. Each petty cash/change fund must be reconciled and the reconciliation must be signed off by the custodian and the supervisor of custodian and submitted to the Comptroller’s office each calendar quarter.

10. Petty cash request forms are available in Comptroller’s Office or from the intranet. The form must be typed.

11. The Petty Cash maximum is $300. Requests exceeding that amount can only be authorized by the Comptroller, prior to submitting the request for processing.

Revised: June 2013
9. Follow steps 5 and 6 above. Be certain to make the request payable to NCCU. Please note that the petty cash closeout will be processed as an electronic transfer. Please identify the request as a “Petty Cash Closeout to 338711/301403/509300/170” and to attach the Bursar’s receipt for any remaining cash balance, along with other documentation.
REQUEST FOR PETTY CASH OR CHANGE FUND
(All forms must be typed)

DATE OF REQUEST __________________________

REQUESTING:petty cash _____ change _____

CUSTODIAN OF FUND __________________________

DEPARTMENT __________________________

OFFICE TELEPHONE # __________________________

AMOUNT REQUESTED __________________________

JUSTIFICATION FOR FUND:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

SIGNATURES:

REQUESTOR __________________________ DATE ______________

VICE-CHANCELLOR __________________________ DATE ______________

COMPTROLLER __________________________ DATE ______________

REMINDER:
There will be no disbursements and/or reimbursement for purchases for items of a personal nature and no disbursements and/or reimbursement for salary or equipment. Additionally, the Petty Cash Fund cannot serve as reimbursement for breakfast, lunch, and/or dinner meetings. The cost for these types of meetings must be processed in a timely manner via the University’s requisitioning system.

Purchases must be made using cash. PETTY CASH PURCHASES CAN NOT BE MADE USING CREDIT AND/OR DEBIT CARDS, GIFT CARDS, GIFT CERTIFICATES, PERSONAL CHECKS, MONEY ORDERS, OR CASHIER CHECKS.

Revised: June 2013
# NCCU End-Month Payroll Calendar

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<tr>
<th>NCCU Payroll No.</th>
<th>Month</th>
<th>Payroll Start Date</th>
<th>Payroll End Date</th>
<th>Campus Handoff to HR by 5:00 P.M.</th>
<th>Employee Online Leave Reports &amp; Web Time Entry DUE to Managers By 11:00 P.M.</th>
<th>Supervisor Online Leave Reports &amp; Web Time Entry APPROVAL Due to HR By 11:00 P.M.</th>
<th>Paper Timesheets Due to HR Department by 5:00 P.M.</th>
<th>Pay Day</th>
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<td>January</td>
<td>01-01-13</td>
<td>01-31-13</td>
<td>12-21-12</td>
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**To ensure scheduled payroll payments for employees according to the above "Pay Dates", all personnel actions must be received by Human Resources by 5:00 p.m. on the Campus Handoff to HR by the COB Date above. This HR timeline is established in accordance with mandated requirements for payroll processing. All personnel forms-actions that are submitted must have the appropriate approvals i.e., Deans, Department Chairs, Vice Chancellors, Provost, Budget and-or Contracts and Grants as necessary for payroll processing and prior to Human Resources receipt.**

NCCU End-Month Payroll Calendar – Published January 16, 2013