6 **Basis of Accounting** – The fiscal records of the College shall be maintained in accordance with requirements established by the Governmental Accounting Standards Board (GASB) and guidelines published by the American Institute of Certified Public Accountants (AICPA) and the National Association of College and University Business Officers (NACUBO). The College is also subject to the provisions of the Commonwealth of Pennsylvania’s Community College Act of 1963, amended 1993. Subsequent to the 1993 amendments, the PA Dept. of Education issued its “Policies on Issues Arising from Audits of Pennsylvania’s Community Colleges.” The provisions of this document are applicable beginning with the 1998-99 fiscal year.

6.1 **Fiscal Control** – There shall be performed an annual audit of the GAAP financial statements of the College by a certified public accounting firm to determine for the Board whether those statements, given the underlying system of internal controls, fairly present the financial condition of the College. The President shall be responsible for determining the appropriate processes and systems to achieve the intent of this policy.

6.1.1 **Chart of Accounts** – The College Controller will develop and maintain a comprehensive chart of accounts for the College, consistent with the requirements of generally accepted accounting procedures for institutions of higher education in the public sector. To the extent possible, the chart of accounts will be made consistent with the system recommended by the National Association of College and University Business Officers.

6.1.2 **Recording of Revenue** – Revenue will be recorded when earned. Tuition revenue is assumed to be earned for this purpose at the time of registration. Ultimately, however, tuition revenue is not earned until it has been received in cash or guaranteed through financial aid or by a third party and/or the student has attended a meeting of the class(s) for which he/she is registered. Failure to meet these tests will result in cancellation of the registration and the associated revenue.

6.1.2.1 **Tuition Equalization Reserve** – Income from student tuition which exceeds the legislatively prescribed share (currently one-third) of the College’s total operating costs must be placed in a tuition stabilization account, which shall serve as a dedicated
balance sheet account for excess student tuition. Expenditures and transfers of funds from this account must be approved by the PA Department of Education, unless they are for the purpose of preventing an increase in, or reducing the size of an increase in, student tuition.

6.1.3 Recording of Expenses – Expenses will be recorded when made in cash except that accrued expenses at the end of the fiscal year will be recorded in the process of closing the books.

6.2 Receipts – College revenues shall be received by the Office of the Vice President for Finance or the Campus Business Offices and subsequently deposited in the appropriate bank account by the end of each day. The Vice President for Finance shall approve in writing the types of payments and funds that may be received by the Campus Business Offices and any additional points of collection for College revenues at the campuses other than the business offices. College revenues received by other employees shall be transmitted to the Campus Business Office or the Vice President for Finance before the end of each day. Furthermore, cash receipts will be accepted directly from the payer only, and will be accepted only at the following locations: the four Campus Business Offices, the Office of College Services Bursar’s Office, the Registration Office, the West Hills Center, and the Washington County Center.

6.2.1 Campus-based Depository Bank Accounts – Each campus may have a depository bank account for the purpose of receiving payments. The Bursar is responsible for reconciling these accounts. No disbursements may be issued from these accounts; the balances are to be swept in to the regular College operating account automatically.

6.2.2 Returned Checks – Checks returned from the bank will have a $25.00 returned check charge, per check, assessed to their account. This charge cannot be waived except in the case where there was a bank error. A letter from the bank indicating the bank’s error is required.

6.2.3 Tuition Payment Plan – Students, who cannot pay their tuition and fees in full prior to the start of classes, may be eligible for a Tuition Payment Plan. The plan requires that the student be enrolled for a minimum of three (3) credits and sign a Payment Plan Statement, and have a minimum balance due of $150.00.

6.2.4 Third Party Payer / Contracts - A third party (for example, employer) can guarantee payment through a prior contract arrangement with the college. A copy of this contract should be presented to the Student Accounts Office at the time of registration/payment. Should the third party not make payment, for any reason, the student becomes fully responsible for all expenses incurred.

6.2.5 Overdue Accounts – Students, who owe the College money and have failed to respond after (3) collection efforts on campus, are turned over to the Bursar’s Office for
collection. The account is then turned over to an external collection agency and assessed a collection fee. Accounts of less than $25 shall not be turned over to external collection and shall be written off after one (1) year.

6.3 Disbursements – College disbursements shall be made through checking accounts approved by the Board of Trustees. Incidental disbursements may be made through duly authorized petty cash accounts.

6.3.1 Preparation of Checks - Payment of CCAC obligations is accomplished through the issuance of a CCAC check. There shall be no authorization given to any vendor to take payment directly from a CCAC checking account without the express written consent of the Controller and a written contractual agreement with the vendor. Checks shall be prepared by the Accounts Payable Department only after all required approvals are entered and all necessary support documentation is received.

6.3.2 Check Signing - Generally speaking, all checks issued by the College shall be signed by the Vice President for Finance, either by machine facsimile or by hand. The President of the College may also elect to become a signer via machine facsimile. However, any authorized signer may manually sign any check under $100,000 on an as-needed basis.

6.3.2.1 Under $100,000 - Any check under $100,000 shall require the signature of one of the following authorized signers:

- President of the College
- Provost/Executive Vice President for Academic & Student Affairs
- Vice President for Finance
- Controller

6.3.2.2 $100,000 and Up - Any check in an amount equal to or exceeding $100,000 shall require the manual signature of any two of the above authorized signers.

6.3.3 Imprest Checking Accounts - Each campus may have one imprest checking account to issue checks in amounts of $50.00 or less to individuals for reimbursement of expenses; $500.00 or less for travel and material fee advances. Disbursements from these accounts for payroll advances and capital expenditures are prohibited. The maximum amounts to be held in these accounts are $8,000 for Allegheny Campus and $3,000 for all other campuses. All checks shall require the signature of any two of the following individuals: Campus President, Dean of Administration, Dean of Student Development/Senior Dean, and Assistant Business Manager (or Student Accounts Coordinator). The Campus Dean of Administration on a monthly basis shall reconcile these accounts.

6.3.4 Petty Cash Funds - Petty cash accounts may be created and their amounts altered only upon approval of the Controller, with concurrence of the Internal Auditor, who will monitor the funds to see that the general ledger balances are maintained and the cash
secured. Expenditures for any one purchase may exceed $35 only for gasoline and
diesel oil. No petty cash account may exceed $1,000, and disbursements for payroll
and capital expenditures are prohibited. Each such account created shall be under
the jurisdiction of and be the responsibility of the location’s Campus Dean of
Administration (for the Office of College Services, the Director of Budgets.)

6.4 

Tuition – The regular tuition rate for Allegheny County residents is set from time to
time by the Board of Trustees. All other tuition rates will be a specified function of the
regular tuition rate. The regular tuition rate and all other rates will be published in the
course schedules.

6.4.1 

In-county Employer Sponsors – If a student’s tuition is paid by an Allegheny County
employer, the tuition rate will be the in-county rate regardless of the student’s
domicile.

6.4.2 

In-County Associational Sponsors – If a student’s tuition is paid by an association
based in Allegheny County, the tuition rate will be the in-county rate regardless of the
student’s domicile.

6.4.3 

Special Arrangement Contracts – When classes are provide for the exclusive benefit
of a third party and are not open to the general public, the charges for such classes
shall be as provided in the contract without regard to the domicile of the participants
in the class.

6.4.4 

Tuition for Veterans of the U.S. Armed Forces and Their Dependents – Effective July
1, 2015, veterans and other students who qualify as “covered individuals” under the
will be eligible to receive the in-state, out-of-county tuition rate and fees established
by the Board without regard to the student’s state of legal residence. Veteran
students will be required to provide a DD214 to prove veteran status. Dependents of
veteran students will be required to provide the veteran sponsor’s DD214 along with
proof of dependent status, which may include copy of a current marriage certificate,
birth certificate, federal income tax return or other documentation as reasonably
required by the College.

6.4.5 

Refunds - Credit Courses

6.4.5.1 

Prior to Start of Classes – Students withdrawing from part of or an entire program
prior to the first day of class in the term which they have been registered shall be
entitled to a drop of all tuition and applicable fees, or for the difference in tuition and
applicable fees if the student has registered for another program which is lower in
cost.

6.4.5.2 

During Drop/Add – Students completing voluntary withdrawal on or subsequent to
the first day of class but prior to the eleventh class day cutoff in the term for which
they have registered shall be entitled to a drop of 75 percent of tuition and 100 percent of applicable fees.

6.4.5.3 **After Drop/Add** – Students withdrawing after the tenth class day cutoff shall be liable for the full amount of tuition and applicable fees. The only exceptions are in the case of a student who is medically unable to attend classes or where there are circumstances beyond the control of the student. In the first instance a doctor’s certification is required, and in the second circumstance, must be approved by the Dean of Administration.

6.4.5.4 **Miscellaneous Sessions** – Students enrolled in summer session, special sessions, and all irregularly scheduled sessions and courses are entitled to a drop on 75 percent of tuition and 100 percent of applicable fees if they withdraw before the end of the first 20 percent of the scheduled instruction.

6.4.5.5 **Non-refundable Fees** – Accident and malpractice insurance fees and distance learning fees are non-refundable after the first day of class. Matriculation fee is non-refundable at the time of registration.

6.4.6 **Refunds - Non-Credit Courses** – Students withdrawing on or before the second class meeting shall be entitled to a drop of tuition and fees paid.

6.5 **Authorized Signatures for Approval**

6.5.1 **Approvals** – The Director of Accounting maintains the approval system, as it is associated with each account. Changes must be accomplished through him/her. Each request for disbursement of funds (i.e., initiation of a voucher or purchase order) requires the approval of at least two persons, one of who must be a primary approver. Approvals must be submitted electronically, via the College accounting software system.

6.5.1.1 **Primary Approvers** – Primary Approvers will consist of the following persons:

- Campus Deans of Administration
- Assistant Campus Directors of Business Affairs, or, if none exists, ONE substitute
- Designee of the Campus Dean of Administration, to be approved by The Director of Accounting
- Director of Procurement
- Budget Analyst
- Director of Accounting Accounts Payable Supervisor

6.5.1.2 **Secondary Approvers** – The secondary approver may only be a person who has been given authority by a primary approver to approve a set range of department number expenditures.
6.5.1.3 Third Approvers – The Campus Deans of Administration and the Director of Procurement (for the Office of College Services) shall be responsible for adding a third named approver to the purchase requisition or voucher for certain ranges of account numbers involving restricted funds, foundation funds, advertising expenditures, equipment purchases, renovations, and computer and computer-related purchases.

6.5.2 On-line Purchasing – The Director of Accounting must assign Employees utilizing the on-line supplies purchasing service contracted by the College a user ID. A separate user ID must be established for each general ledger account number charged. Value of purchases using this system cannot exceed limits as established in section 6.8 below.

6.6 Business Travel

6.6.1 Expense Reports and Travel Accounting

6.6.1.1 General - Transportation costs, lodging and meals, etc., are not reimbursable by the College for spouses, family members or guests. If an employee elects to include spouses, family members or guests in travel plans, the employee will pay the travel service directly for these transportation charges. In addition, all other costs pertaining to spouses, family members or guests such as lodging, the College will charge meals, registration, etc., back to the employee. Employees must submit a Trip Request Form to the College prior to out of town travel on College business. The employee must obtain authorization from the responsible Vice President or Campus President. The President’s signature shall be required for Cabinet members’ travel.

6.6.1.2 Documentation - Employees must provide receipts for all itemized expenses. In the event receipts are not available for items under $25, a written justification is required. All expenses over $25 must be documented according to IRS guidelines; receipts must show the amount, date, place and essential character of the expenditure. No reimbursement will be made for any items that exceed $25 and are not properly documented.

6.6.1.3 Expense Reports and Reimbursement of Expenses - Every expense report carries a certification by the employee that the employee has not been, nor will be, reimbursed by any other source for the travel expenses claimed from the College. Employees must account to the College on an approved form in order to be reimbursed for expenses. All travel expenses must be approved by the appropriate supervisor, either the Campus President or the appropriate divisional Vice President. The supervisory Campus President/divisional Vice President performs the following duties:

- Check for Traveler’s signature and, if missing, return it to Traveler.
- Check to see that payment is attached as required. Contact Traveler on any issues with payment and resolve.
- Review accuracy of calculations, mileage rate, and account number assignment and verify reimbursement according to business travel guidelines.
• Assure that all required receipts are attached.
• Detach payment and submit to Accounts Receivable.
• Attach copy of CRV and reimbursement check to report.
• Attach any pre-approvals for purchases outside of established purchasing procedures.

The College reserves the right to deny reimbursement of expenses submitted after the close of a fiscal year unless the expenses were incurred during the last month of the fiscal year.

6.6.2 Meal Allowances - Employees are entitled to a maximum of $60 per day for meals providing the employee is traveling out of county and an overnight stay is involved. For any stay beyond an even 24 hour period, partial per diem maximums of $10 for breakfast; $15 for lunch; and $35 for dinner shall apply to travel terminating past 9:00 a.m., 1:00 p.m. and 7:00 p.m. respectively. When out-of-county travel not requiring an overnight stay prevents an employee from returning home by 7:00 p.m., a maximum of $60 is allowed. Receipts are required for all meal reimbursement requests. College employees may pay for the meals of a guest or other college employee only under exceptional circumstances involving College business. A written justification including a statement of business purpose of the occasion must accompany the request for advance approval. The College will reimburse an employee for the cost of a meal, which is provided as an integral part of a scheduled function being attended, by the employee. Mealtime meetings at restaurants, involving only College employees, are not to be considered College business-related functions, and are not therefore reimbursable.

6.6.3 Lodging - Lodging for approved overnight stays for College employees at an out-of-county location is fully reimbursable. It is the employee’s responsibility for the portion of the lodging attributable to spouses, family members or guests. In order to be reimbursed, an employee must obtain an itemized bill from the hotel or motel and attach it to the submitted expense report. Any non-refundable deposits on lodging not used can only be applied to future CCAC business-related lodging expenses.

6.6.4 Air Transportation - For air travel, air coach, tourist or its equivalent shall be used. Special airfares are to be used when available. Advance planning through the College or campus designated travel agent will help to identify special fares available. Employees must purchase trip cancellation insurance when it is offered by the airline for the flight being booked, and will be reimbursed for this purchase. If the employee for whatever reason does not subsequently travel on the flight for which the ticket was purchased, and the ticket is non-refundable, the ticket can only be used for a subsequent CCAC business-related trip.

6.6.5 Rental Vehicles – Rental cars may be used when the use of a rental car can be economically justified.
6.6.6 **Ground Transportation** – Employees are encouraged to use the most economical ground transportation available when traveling to a destination reached by air.

6.6.7 **Personal Auto or Rental Car** - Use of a personal car for College business will be reimbursed at the CCAC mileage reimbursement rate. This rate is adjusted whenever the IRS mileage rate changes. Should an employee elect to use a personal car or a rental car for transportation to a destination where commercial air transportation is available, reimbursement will be made at the current rate in effect, with the total (including meals and lodging in route) not to exceed the equivalent cost of commercial air coach or tourist fare. Mileage reimbursement for the use of a personal auto to attend meal events offered at no cost to the employee, as well as to attend events for which the College has provided or made available alternate means of transportation, is permitted.

6.6.7.1 **Rental Car** – A corporate rental program has been established with Enterprise Rent-A-Car and is available for travelers. This program has been established to provide employees with a cost-effective vehicle rental for CCAC business travel outside the local area. The program promotes the use of full size or smaller rental vehicles for CCAC travelers in excess of 150 miles.

6.6.7.2 **Parking and Tolls** - Parking and toll charges in connection with permissible business use of a personal car are allowable travel expenses.

6.6.8 **Local Travel and Expense** - When business requires an employee to go directly from home to a location other than the regular office, the employee is reimbursed for the difference in cost between the method of transportation normally used by the employee between home and office and the round trip expense actually incurred from home to that location. This requires that the cost of transportation between home and office be established for each employee using the normal method employed--own car, car pool, bus or trolley. The College will reimburse an employee for the cost of a meal, which is provided as an integral part of a scheduled function being attended, by the employee.

6.6.8.1 **Guest Meals** - Only under exceptional circumstances involving College business, which must be supported by a statement of purpose, may an employee pay for the meals of a guest; and only when there is a written justification that the expense was necessary to expedite College business will reimbursement be made for meals of other College employees.

6.6.8.2 **Precedence of Grant Terms** - Reimbursement of expenses to be charged to grants or contracts must be in full compliance with the specific terms of the grants or contracts as well as the College's fiscal policies and procedures. In those instances where there is a conflict between College and Grant policies, the most restrictive prevails.
6.6.8.3 Mobile Phones – The Vice President for Finance must approve all requests for employees to be added to the existing monthly cell phone allowance list. College authorized cell phone allowance is limited to college full-time administrative employees identified as meeting the following criteria: (1) essential to performing the work of the college; (2) employee requires around the clock availability for emergency and facility, or other critical college business concerns. The college will provide a $60 monthly allowance for mobile phone expenses associated with a full-time college employee using their personal mobile phone to conduct college business.

6.6.9 Entertainment Expense - Reasonable expenses for ordinary and necessary entertainment in the conduct of College business will be reimbursed at actual cost to Executive officers of the College, subject to approval of the President.

6.7 Movable Equipment Inventory

6.7.1 Objective of Policy - The College recognizes that it is desirable to maintain a complete and accurate accounting of all movable equipment. The College further recognizes that it cannot commit the resources necessary to maintain a complete, up-to-date, and accurate record of the whereabouts of all such equipment. In an effort to balance the prohibitive cost of a totally accurate inventory with the potential benefits, the College has developed procedures that are designed to assure substantially correct results. The purpose of the inventory procedures is to assist in identifying losses should they occur and in obtaining insurance reimbursement. The purpose is also to comply with the provisions of certain grants, which provided equipment to the College. Not included in the scope of this policy are security procedures, which are designed primarily to minimize the loss or destruction of College equipment. Losses of equipment are controlled primarily by providing security and protection.

6.7.2 Information Maintained - All movable equipment that meets the definition outlined in the Inventory Procedures Manual and that resides in a College owned or leased facility must be affixed with a proper CCAC identifying tag that includes a bar code. All current purchases of equipment must be properly tagged before placement in service and all required information entered into the inventory computer system. All tagged equipment removed from service for scrapping, sale, or trade-in must be reported to the party who maintains the inventory who will adjust the inventory records accordingly. It is recommended that all locations containing inventory should have a physical count at least once every three years. The physical count must be reconciled to the book inventory. A computerized inventory system must be maintained for all tagged items and include information prescribed in the Inventory Procedures Manual and the building designation where the item is located.

6.7.3 What Equipment is Inventoryed - Only items of movable equipment that fall within the guidelines below are to be inventoried.

6.7.3.1 Capital Items: Movable furniture or equipment is considered capital when it has all
the following characteristics:

- An item acquisition value (cost per item) of $1,500 or greater.
- An expected useful life in excess of one year.

6.7.3.2 **Grants** - Each grant will set the acquisition value limits for capital. All assets designated as equipment and/or furniture by the grant-funding agency is capital regardless of cost per unit.

6.7.3.3 **Group Purchases** - The Procurement Department will review significantly large purchases with item values under $1,500 to determine if circumstances warrant capitalization. For example, the complete replacement of all furniture in a building may be capital.

6.7.3.4 **Amount Capitalized** - The amount capitalized (included in inventory file) is the complete purchase price of the item plus freight and set up costs (if any) incurred from an outside vendor.

6.7.4 **Department Responsibilities**

6.7.4.1 **Controller** - Assure that the dollar effect of purchases and retirements affecting the inventory are posted to the general ledger control accounts. Maintain agreement between the general ledger accounts and the inventory. Arrange for periodic physical inventory testing. Maintain the computerized inventory system in a current status. Reconcile physical counts with inventory counts maintained on computer system. Items not found are to be written off after a reasonable investigation.

6.7.4.2 **Deans of Administration** - Assure that all purchases of movable equipment are coded to the proper general ledger account. Report all sold, scrapped or transferred items to the Controller’s department. Coordinate the clearance and accompaniment where necessary for counting crews.

6.7.4.3 **Campus Receivers** - Properly tag all purchased items including grant purchases and enter required information into the Datatel Fixed Asset Module in a timely fashion.

6.7.4.4 **Facilities and Security** - Assure that proper security and protection exists for all College equipment.

6.7.4.5 **Audit** - The Internal Auditor will observe the taking of physical inventories each year. The Auditor should help select the locations to be counted. Random sampling techniques should be used at each location with the intent of determining an exception percentage for items appearing in the inventory listing that are not found in the facilities. Untagged items found should be compared against the number of tagged items in the facility examined in order to determine the percent of error for untagged
items. A formal report should be issued and corrections made.

6.7.5 **Donations** - An item is donated when it is given to the College without any expectation of reimbursement. Prior to the acceptance of an item(s), the Campus President should review the donation for its feasibility for College use and the costs associated with acquisition and for modifications, if any, to the facilities required by the item. The value of the item(s) is considered to be its fair market value at the date of acquisition. If the items(s) are of significant value, a professional appraisal may be in order.

6.7.6 **Physical Inventories** - Campus and Office of College Services department personnel in conjunction with the Senior Staff Accountant in the Controller’s Office and/or Internal Auditor will conduct physical inventories. The recommended schedules and detailed procedures can be found in the "Fixed Asset Procedures" manual. The purpose of the physical inventories is to determine whether fixed assets carried on the books do in fact exist, where they are located, and whether all existing assets are recorded. After the physical inventories the inventory files must be updated and the general ledger accounts brought into balance with the inventory files.

6.7.7 **Removal from Inventory** - An item is retired when the College no longer has possession. Retirements may occur through the trade-in, theft/loss or surplus sale of an asset. All removals from inventory must be recorded using the procedures outlined in the "Fixed Asset Procedures" manual.

6.7.8 **Surplus Sales** - Surplus equipment is any inventory item considered obsolete or unusable by instructional, administrative or physical plant departments. Prior to any item being listed for surplus sale, a review of such items shall be made by the Senior Staff Accountant in the Controller’s Office, Internal Audit Department and Campus administration to determine if there is any value or use for these items. The Campus shall dispose of all items that have been determined to have no further value to the College (broken, unrepairable, etc.). This will insure that only items of value will be sent to the central warehouse for either sale or donation. The detailed procedures for conducting a surplus sale are contained in the "Fixed Asset Procedures" manual.

6.8 **Purchase of Goods and Services**

6.8.1 **Purpose** - The purpose of this policy is to insure that the College receives fair value in the purchase of all goods and services that it acquires and that fair and open competition is allowed for the provision of those goods and services where practical.

6.8.2 **Scope** - This policy applies to the procurement of all goods and/or services (with the exception of professional services) whether for operating supplies and services, capital equipment or acquisition or construction of real property.

6.8.3 **Established Procurement Thresholds** - In order to provide for appropriate competition, the college shall utilize a three-tiered system as follows:
6.8.3.1 For Construction and Repairs (in accordance with Article 35.51 of PA the PA Code) –

(a) Contracts less than $5,000 may be awarded without soliciting competitive quotes or bids.
(b) Contracts exceeding $5,000 but less than $20,000 require competitive quotes from at least three responsible bidders and shall be awarded to the lowest responsible bidder.
(c) Contracts in excess of $20,000 require the solicitation of sealed competitive bids and shall be awarded to the lowest responsible bidder.

6.8.3.2 For All Other Purchases (excludes services of a professional or sole source nature) –

(a) Contracts less than $10,000 may be awarded without soliciting competitive bids.
(b) Contracts exceeding $10,000 but less than $30,000 require competitive quotes from at least three responsible bidders and shall be awarded to the lowest responsible bidder.
(c) Contracts in excess of $30,000 require the solicitation of sealed competitive bids and shall be awarded to the lowest responsible bidder.

6.8.4 Invitation to Bid Requirements:

6.8.4.1 Bid Specifications – Detailed specifications for the required product or service shall be included in the Invitation to Bid (ITB). The specifications may also include such requirements for bid bond, payment bond and/or performance bond as are deemed appropriate or otherwise required by this policy.

6.8.4.2 Advertising – The ITB shall be advertised in a daily newspaper of general circulation at least one (1) time commencing not less than ten (10) days prior to the date fixed for the opening of bids.

6.8.5 Request for Proposal Requirements - A request for Proposal (RFP) shall include a listing of the requirements that must be satisfied by the vendor and may include other capabilities the provision of which would be desirable. Requirements for the advertising of a RFP are the same as for an ITB.

6.8.6 Award Criteria - In all cases with respect to the selection of a vendor for identical or equivalent products or services, award shall be made on the basis of the lowest responsible and responsive bid or quote received. In the case of an RFP, award shall be based on a competitive negotiation with one or more vendors deemed to have satisfied the mandatory requirements of the solicitation.

6.8.7 Emergency or Unusual Circumstances - In the event that an unforeseen emergency creates an immediate threat to public safety or threatens further substantial damage
to the college, the President or his/her designee may waive the requirement for competition. The Vice President for Finance is delegated signature authority for waiving the requirement for competition in the case of an emergency.

6.8.8 **Sole Source Procurements** - The President or his/her designee may waive the requirements for competition when it can be documented that there is only one vendor who can meet the requirement of the college. The Vice President for Finance is delegated signature authority for waiving the requirements for competition.

6.8.9 **Issuance of Purchase Orders**

6.8.9.1 **Issuing Department** – Purchase Orders shall be issued by the Procurement Department. Purchases by any other means either orally or in writing are not authorized.

6.8.9.2 **Partial Purchase Orders** – The Procurement Department may issue Partial Purchase Orders against a Master Purchase Order or Purchase Agreement.

6.8.9.3 **Change Orders** – Change orders not exceeding 10 percent of the original award or $3,000.00 amount may be executed with approval of the President or his/her designee to accomplish an unplanned increase in the scope of work.

6.8.10 **Special Requirements for Acquisition, Construction or Renovation of Real Property**

6.8.10.1 **Bid Bond** – All bids shall be accompanied by a bond with corporate surety in such amount as the Board of Trustees shall determine, but not less than ten percent (10%) of the amount bid. In the event any bidder shall, upon award of the contract to him, fail to comply with the requirements as to a bond guaranteeing the performance of the contract, such bid bond shall be forfeited.

6.8.10.2 **Performance Bond** – The bidder to whom the contract is awarded shall furnish a bond to guarantee the performance of the contract. Such bond shall be with sufficient surety and in the amount of at least one hundred percent (100%) of the amount of the contract. Failure on the part of the contractor to furnish such bond shall void the previous award.

6.8.10.3 **Subcontractor Payment Bond** – The bidder to whom the contract is awarded shall be required to furnish a bond to guarantee the payment of third party sub-contractors involved in fulfillment of services rendered under the contract. Such bond shall be with sufficient surety and in the amount of at least one hundred percent (100%) of the amount of the contract. Failure on the part of the contractor to furnish such bond shall void the award.

6.8.10.4 **Capital Equipment** – All purchases of equipment shall be considered a capital
expenditure if an individual item of equipment component cost in excess of $1,500 and has an expected useful life in excess of one year.

6.8.11 **Requisitions** - A purchasing transaction shall be initiated by means of a purchase requisition prepared in such form as is specified by the Department of Procurement, Compliance and Legal Services. The requisition shall be approved by the head of the initiating unit of the college certifying the proper authorization for the purchase and the availability of funds in the budget.

6.9 **Resource Planning and Allocation** – The College will, as part of the ongoing planning process, conduct an annual resource planning and allocation process. This process will produce a fiscal plan for the upcoming year and forecasts for two subsequent years. This plan and these forecasts will be submitted for approval to the Board of Trustees annually.

6.9.1 **Revenue Forecasting**

6.9.1.1 **Continuing Operations** – Revenue for continuing operations will be assumed to be at current levels. Adjustments will be made for discontinued revenues. Revenue from tuition, county appropriations and state reimbursements will be projected at effective rates.

6.9.1.2 **New Initiatives** – Revenue from new initiatives will be estimated at the most conservative rate.

6.9.1.3 **Debt Service and Capital Rentals** – Revenue in support of debt service and capital rentals will be projected on the basis of funding approved by the county and/or state.

6.9.2 **Budgeting for Operations** – The cumulative annual budget for all current fund operating units will equal revenue projected for those units. The annual operating budget will be projected for two additional years, assuming constant service levels, contractual cost increases, and anticipated rates of inflation for costs driven by market conditions.

6.9.2.1 **Budget Development** – Budget development will begin at the department and roll up to higher responsibility (Dean, Campus for example) levels culminating in a college-wide request. Each department will be provided a three-year projection of the cost of ongoing operations. The department will have the opportunity to propose changes in resources to overcome deficiencies in the delivery of required services.

6.9.2.2 **Budget Balancing** – Budget balancing will begin at the College level and roll down to individual departments. At each responsibility level, the budget will be balanced to meet priorities at that level, adjusting expectations for subordinate units as necessary. To the extent practicable, allocations will provide equitable support of similar
operations within the College.

6.9.2.3 **Budgeting Calendar** – The annual operating budget process will start at the beginning of October. Budget development will finish by the end of the following January. Budget balancing will finish by the end of the following March. The operating budget will be submitted to the Board for approval at its April meeting.

6.9.3 **Budgeting for Debt Service and Capital Rentals** – The annual debt service and capital rental budget will be developed by the Controller’s Office based on contractual commitments. This budget and two additional years of projected costs will be submitted to the Board of Trustees with the operating budget in April of each year.

6.9.4 **Budgeting for Facilities Acquisition and Renewal** – The annual facilities acquisition and renewal budget will be based on the approved Facilities Master Plan for new facilities and a life cycle renewal plan for existing facilities. A prioritized list of current projects will be submitted annually to the Board in April. Projects that can be funded within known financial capabilities will be submitted for Board approval at that time.

6.9.5 **Budgeting for Equipment Acquisition and Renewal** – The annual equipment acquisition and renewal budget will be based on the approved list of new equipment needs and a life cycle renewal plan for existing equipment. Each year, all college units will be provided the opportunity to identify new equipment needs. A prioritized list of new and replacement equipment needs will be submitted annually to the Board in April. Equipment that can be funded within known financial capabilities will be submitted for Board approval at that time.

6.9.6 **Budget Control and Accountability** – Each department head/director will have access to reports to monitor the expenditure of funds for which s/he is responsible. The department head/director will be required to manage expenditures within authorized levels.