

**POLICIES AND PROCEDURES  
OUACHITA TECHNICAL COLLEGE**

SUBJECT AREA: **Finance and Administration**

POLICY/PROCEDURE: **Accounting System**

DATE: **March 1, 1993**

NUMBER: **3.11**

REVISION(S): **12/19/94, 7/27/10**

**General Description**

The College operates a fund accounting system. Fund Accounting is a manner of organizing and managing the accounting by which resources are classified for financial accounting and reporting. This is in accordance with activities or objectives as specified by donors, regulations, restrictions, or limitations approved by sources outside the institution, or with directions issued by the Board of Trustees.

A fund is a self-balancing group of accounts consisting of assets, liabilities, revenues, expenditures, and a fund balance. Each fund is separated in the financial records of the College and is limited to a specific use. This separation ensures the integrity of the individual funds and provides the necessary fiscal control over each fund group.

A fund group is divided into two types of funds, Restricted and Unrestricted. Restricted funds are those funds that are provided by donors or external agencies for specific purposes, programs, or departments for which these funds may be expended. Unrestricted funds are those funds available to the College for use in general operations and which have not been designated by the Board of Trustees for other purposes.

The College currently operates the following fund groups:

- I. Current Funds
- II. Plant Funds
- III. Agency Funds

**I. Current Funds**

The **Current Funds** group accounts for those economic resources which are expendable for the purpose of performing the primary mission of the College and which are not restricted by external sources or designated by the Board of Trustees for other than operating purposes. This fund group contains three (3) basic sub groups.

**A. Unrestricted Current Funds (Operations Fund)**

The operations fund accounts for the general operation of the College in fulfilling its mission. The operation fund has the following: assets, revenue, expenditures, liabilities, and fund balance.

**B. Restricted Current Funds**

Restricted Current Funds are those available for financing operations, but which are limited in use by external agencies and other donors to specific purposes, programs, or functions. These funds include, but are not limited to, Sponsored Program Funds and Financial Aid.

**C. Auxiliary Enterprise Funds**

An Auxiliary Enterprise Fund provides a service either directly or indirectly to students, faculty, or staff. An objective of the Auxiliary Enterprise Fund is to become self-supporting. After an Auxiliary Enterprise Fund becomes self-supporting and excess revenue is generated, this excess can be used to supplement the general operations of the College.

**II. Plant Funds**

The Plant Funds group accounts for new construction, repair and rehabilitation of existing facilities, retirement of indebtedness, and acquisition of long-term assets.

**III. Agency Funds**

Agency Funds account for the resources held by the institution as custodian or fiscal agent for students, faculty organization, or governmental agencies. An Agency Fund consists of only assets and liabilities.

**Summary**

**1. Responsibilities**

The Vice President of Finance and Administration is charged with the responsibility of completing all financial transactions in accordance with federal and state laws and guidelines and to maintain adequate records for management and audit purposes. All matters that involve the exchange of funds will ultimately be reflected in accounting records, and therefore, shall be in compliance with recognized accounting procedures, including those transactions involving external grants.

**2. Fee Collection**

All student fees shall be collected, deposited, and accounted for by the Business Office.

**3. Student Financial Aid**

Disbursement of all types of student financial aid shall be made by the Business Office after proper certification and recommendation by the Financial Aid Officer.

**4. Financial Reports**

All reports reflecting the expenditure of the College funds from any source, unrestricted or restricted, shall be prepared or transmitted through the Business Office.

**5. Payroll**

All payrolls are prepared on a bi-weekly basis according to time sheets or contracts on file. Only those items allowed by the State will be withheld. Checks are disbursed from the Business Office every other Friday.

**6. Grants and Contracts**

Grants and contracts shall be monitored by the Business Office to assist in the proper expenditure of those funds and subsequent submission of correct financial reports.

**7. Cash Management**

The Business Office has responsibility to ensure that State Treasury and Cash funds are expended in budget categories as allocated by the State Department of Finance and Administration. Available cash funds shall be invested to obtain the highest yield possible.

**8. Audits**

The Business Office works with and provides information and records as requested by various state auditors. All audits shall be approved by the Board of Trustees.

**9. Fixed Asset Records**

The Business Office maintains complete inventory records on all equipment over \$2,500 owned by the College. Records include date of purchase, vendor, description, cost, and actual location. Any transfer of equipment to another division/department must first be reported to the Business Office for inventory control.

The Information Technology Department maintains inventory records on all technology equipment over \$500.

AUTHENTICATION (Signature):		COPP
_____	7/27/10	
President	(Date)	<b>3.11</b>