

**ADMINISTRATIVE REGULATIONS
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FINANCIAL OPERATION

Regulation 3110

Financial Management

Budget Preparation and Adoption

Preparation

The Vice President for Finance and Administration, in accordance with the administration's budget and finance processes, will recommend to the President

1. An annual budget calendar;
2. A budget allocating resources to operate College programs and services for the fiscal year;
3. A schedule of resources needed to fund the total College operation; and
4. A recommendation on setting the tax levy for the fiscal year.

Preparation of the budget will be an element of an institutional planning process in which each budget manager will be responsible for preparation of a budget request for his/her unit. The planning process will include:

1. Annual personnel and program evaluations that produce for the subsequent budget period (a) individual and program goals and (b) staffing recommendations;
2. Performance goals, projects, activities, or new initiatives to be accomplished during the fiscal year;
3. A statement of institutional priorities and assumptions upon which resource allocation will be based;
4. A schedule of budget hearings to provide budget managers the opportunity to present rationale for their requests to the Executive Leadership Team.

Administration

Budget managers, in cooperation with the Vice President for Finance and Administration, will be responsible for the administration of the budgets and for staying within approved amounts.

When projections indicate that budget problems may arise due to lack of enrollment or revenue, the President will appoint a task force of officers, administrators, faculty, and staff and charge it with the responsibility of making recommendations for systemwide budget reductions which take into account all elements of the College plan.

Furthermore, budget managers will be responsible for issuing requisitions for all expenditures for their respective units. Request ions will be approved by the following administrators before purchase orders are entered by business office personnel: budget manager; dean, vice president, or supervisor; Vice President for Finance and Administration; President.

The Vice President for Finance and Administration will schedule a quarterly review of each unit budget with the budget manager. Additions, revisions, transfers, or other changes to approved budgets will be approved by the President/designee and submitted to the Board for approval on a quarterly basis.

(approved 1/23/06)

FINANCIAL OPERATION

Regulation 3140

Financial Management

Banking Services

For purposes of letting bids, the Board of Trustees will divide College funds into no less than two nor more than ten equal parts. Each eligible bidder may bid for any number of the parts. However, the bid for each part must be separate. Notice that bids for depositary of College funds will be received will be published in a newspaper within the taxing District which publishes at least five times per week or, if no such publication exists, then notice will be published in a newspaper of general circulation within the taxing District. Notice that bids will be received will be published at least twenty (20) days prior to the date designated for acceptance of bids.

Each eligible bidder is required to deliver to the Secretary of the Board a sealed bid stating the rate of interest or the method by which the interest will be determined for the term of up to five years as specified in the notice to bidders. Each bid must be accompanied by a certified check drawn upon a county bank or a bank in an adjoining county made out to the College in an amount of no less than two thousand five hundred dollars. The bidder's certified check is required as a guaranty of good faith that if selected as depositary, it will deposit the required security. Bids will not be disclosed prior to opening at a public meeting.

On the date designated for acceptance of bids, the Board/designee will publicly open each bid and will verbally read and document each such bid. After discussion and after any clarification of bids, the board will select the successful bidder(s) for each fund part let for bid. Upon award of the depositary bid(s), the security checks will be returned to all bidders. The Board reserves the right to reject any and all bids. Depositary contracts may be terminated at any time by the mutual agreement of the Board and the depositary.

Interest on funds deposited will be computed on the daily balance and will be payable on the first day of each month to the College.

College funds will be deposited in the name of the College. No funds may be withdrawn except by a legally drawn check bearing the signatures of the president and the Vice President for Business Affairs or by wire transfers executed by a person designated by the Board to execute such transfers.

Financial Management

Bidding Procedures

The guidelines outlined below shall be followed by the President in approving College purchases.

1. The Vice President for Finance, Administration and HR will determine when it is in the best interest of the College to solicit bids for purchases of items when the amount of the purchase is less than an amount established by the Board.

Purchases in excess of \$10,000 will normally be bid and approved by the Board of Trustees. However, when a sole source item is being purchased, or if the President determines that it is in the best interest of the College and the amount of the purchase is less than \$25,000, or it is an emergency purchase, the President may authorize the purchase without taking formal bids and report the purchase to the Board at a subsequent Board meeting.

The President may elect to utilize state, local and other purchasing agreements currently available to the College in lieu of taking bids.

Bids will normally be awarded to the vendor that submits the lowest bid and meets all requirements of the specifications. However, the College has the right to reject any and all bids. The Board gives preference to local bidders. In addition, a five percent (5%) preference shall be granted to all firms, corporations, or individuals doing business as Missouri firms, corporations or individuals, provided the additional cost to the College does not exceed \$500.

2. Contracted Services – The College will normally request proposals for contracted services such as architects, construction managers, consultants, banking service, insurance providers, auditors, bond counsel, investment bankers, maintenance contractors, and other related contracted services. However, the President may elect to either solicit bids or negotiate for these services. The President or designee shall approve all contracts up to an amount per year established by the Board. All contracts in excess of the amount per year established by the Board shall be approved by the Board of Trustees.
3. Auxiliary Services Purchases – Bookstore and food service purchases for resale items will be procured by managers responsible for those functions in accordance with the process approved by the President.
4. Library Books and Materials – Library books and materials will be ordered direct from the appropriate vendors as recommended by the learning resource personnel in accordance with the process approved by the President.

Regulation 3150

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5. Equipment Leases – When it has been determined that it is in the best interest of the College, equipment may be leased rather than purchased. The President shall approve all equipment leases up to an amount per year established by the Board. All equipment leases in excess of the amount per year established by the Board shall be approved by the Board of Trustees.
6. Food Purchases – The Board of Trustees requires SFCC employees to limit food purchases and to ensure that expenditures are a necessary and prudent use of public funds. Purchase of alcoholic beverages is not allowed.
7. Cell Phones – The Vice President for Finance, Administration and HR will purchase cell phone service to ensure that the College is utilizing the most effective and economical calling plan. Cell phones will be provided to essential personnel identified by the President. Utilization shall be limited to College-related matters.
(approved 7/25/05)

FINANCIAL OPERATION

Regulation 3160

Financial Management

Investment of College Funds

In achieving the College's investment objectives, College officials will be guided by the following criteria:

1. Legality – College funds will be invested only as permitted by the Constitution and Statutes of the State of Missouri as well as federal law and applicable federal regulations. Investments outside the legal requirements will not be permitted.
2. Safety – Safety of the College funds is the foremost objective of the College's investment program. Investments will be made in a manner that seeks to ensure the preservation of capital.
3. Liquidity – The College's investments will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Of necessity, College investments will consist largely of securities with active secondary or resale markets.
4. Yield – College investments will be designed with the objective of obtaining a market rate of return throughout budgetary and economic cycles. However, rate of return is less important than realizing the safety and liquidity objectives.

Permissible Investments

The following categories of investments are authorized for investment of College funds:

1. Time Deposits – Funds may be invested as provided in Board Policy and Regulation 3140 – Banking Services, and as authorized by the State Treasurer's Office.
2. Linked Deposits – Funds deposited can be invested at a minimum rate of 2% and must be 100% collateralized with approved securities.
3. United States Securities
 - a. U.S. Government Agency Coupons and Zero Coupon Securities – Bullet coupon bonds with no embedded options and with final maturities of five (5) years or less.
 - b. U. S. Government Agency Discount Notes – Purchased at a discount with maximum maturities of one (1) year.

- c. U. S. Government Agency Step-Up Securities – The coupon rate is fixed for an initial term. At a coupon date, the coupon rate rises to a new, higher fixed term. This provision is restricted to securities with final maturities of five (5) years or less.
 - d. U. S. Government Agency Collateral Securities – Restricted to securities callable at par only with final maturities of five (5) years or less.
 - e. U. S. Government Agency Floating Rate Securities – The coupon rate floats off one index and resets at least quarterly with final maturities of three (3) years or less.
 - f. U. S. Government Mortgage Backed Securities – Restricted to securities with stated final maturities of five (5) years or less.
4. Commercial Paper – Investments are limited to paper which has received the highest letter and numerical ranking (A1/P1) as provided by Standard & Poor’s and Moody’s. Issues are limited to corporations that are organized and operating in the United States and have a total commercial paper program in excess of \$500,000,000 and have long term debt ratings, if any, of “A” or better from Standard & Poor’s and Moody’s. Such purchases may not exceed 180 days to maturity.
5. Banker’s Acceptances - Issuing banks for such bills of exchange or time drafts must have the highest letter and numerical rating by Standard and Poor’s and Moody’s. Such banks must be organized and operating in the United States. Banker’s acceptance agreements may not have maturity dates exceeding 180 days.
6. Repurchase Agreements – Such agreements must be purchased through approved broker/dealers and may not be entered into for periods in excess of ninety (90) days. Approved broker/dealers must have a signed Public Securities Association Master Repurchase Agreement on file with the State Treasurer’s Office. Overnight and open repurchase agreements must be collateralized at 101% with approved securities. Term repurchase agreements must be collateralized at 102% with approved securities. The market value of all repurchase agreement collateral will be reviewed at least weekly to determine collateral adequacy.

Prohibited Transactions

- 1. Leveraged Borrowing for Investment Purposes – Leveraging is prohibited whether through a reverse repurchase agreement or otherwise.
- 2. Use of “Structured Note” – (e.g. inverse floaters, leveraged floaters, and equity-linked securities) are not permitted. Investment in any instrument, which is commonly considered a “derivative” instrument (e.g. options, futures, swaps, caps, floors, and collars) is prohibited.

3. Contracting to sell securities not yet acquired in order to purchase other securities for purposes of speculation on developments or trends in the market is prohibited.

Collateralization

All deposits placed in financial institutions must be at least 100% collateralized with approved securities. All securities, which serve as collateral against the deposits of a depository institution must be safekept at a nonaffiliated custodial facility. Depository institutions pledging collateral against deposits must, in conjunction with the custodial agent, furnish the necessary custodial receipts.

Asset Allocation

College investment will be diversified to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific classes of securities. At a minimum College investments will fall within the following minimum and maximum allocations.

<u>INVESTMENT TYPE</u>	<u>MINIMUM ALLOCATION</u>	<u>MAXIMUM ALLOCATION</u>
Time Deposits	0%	50%
U.S. Treasuries/Securities having principal and interest guaranteed with the U.S. Government	0%	95%
U.S. Government Agencies and Government-sponsored Enterprises	0%	70%
U.S. Government Agency Callable Securities	0%	15%
U.S. Government Floating Rate Securities	0%	15%
Commercial Paper and Banker's Acceptances	0%	40%
Banker's Certificates	0%	20%
Repurchase Agreements	3%	50%

Internal Controls

In keeping with the emphasis the Board has placed in ensuring the safety of public funds, the College will maintain and enhance its internal controls of funds. Every reasonable effort will be made to minimize the potential for loss of funds from fraud, employee error, misrepresentations by third parties, unanticipated changes in financial markets or imprudent actions by employees. Investments that are downgraded below the minimum acceptable rating levels will be reviewed for possible sale within a reasonable time period. At least quarterly, the College's investments will be revalued to reflect prevailing market prices.

Internal controls to achieve investment safety include, but are not limited to:

1. Separation of duties;
2. Separation of transaction authority from accounting and record keeping;
3. Custodial safekeeping;
4. Clear delegation of authority;
5. Written confirmation of telephone transactions;
6. Documentation of transaction strategies;
7. Monitoring of ethics and conflict of interest provisions provided in this policy/regulation.

Reporting

The President will direct preparation of a report at least quarterly to the Board concerning the current status and performance of the College's investments. The quarterly investment report will include but not be limited to:

1. Investment type, issuer, maturity, par value, and dollar amount invested in all securities and monies held by the College.
2. Funds or investments managed by contracted parties.
3. Market value as of the date of the report and the source of valuation.
4. Citation of compliance with the College's investment policy/regulation or an explanation for noncompliance.

5. Statement of the ability or inability to meet expenditure requirements for six (6) months, as well as an explanation of why funds will not be available if that is the case.
6. Statement of the percentage of the College total investments which comprise each category of the investment set out herein.
7. Rating levels for commercial paper and bankers acceptances.

The quarterly investment report will be delivered at an open session of a regular meeting of the Board. A copy of the College investment policy/regulation will be provided to each outside manager of College investment funds. Commitment to compliance with this policy/regulation will be a precondition for initial placement of College funds. Adherence to College policies/regulations will be condition for continued retention as a manager of College funds.

Financial Operation

Regulation 3360 **(Policy 3360)**

Revenue

Tuition

Owner – Dean of Student and Academic Support Services

Contact – Registrar

Tuition and Fees Refund

1. Students who drop courses by the 100 percent refund date are entitled to a full refund of tuition and fees. The last day to drop a course at 100 percent refund of tuition and fees depends on the length of the course so students will need to refer to the Academic Calendar located in mySTAR to determine the last day to drop.
2. Students who drop courses after the 100 percent refund date are not entitled to any refund of tuition and fees except in the following cases.
 - a. Result of a ruling through the appeal process as defined in Policy/Regulation 2160.
 - b. Transfer from same course, same part of term, and same instructor to another section or instructional method. A change in instructional method may result in additional tuition and fees or a reduction in tuition and fees, which may affect financial aid or other funding sources. Dean approval is required.
 - c. Transfer from same course, same part of term, and different instructor to another section or instructional method. A change in instructional method may result in additional tuition and fees or a reduction in tuition and fees, which may affect financial aid or other funding sources. Dean approval is required.
(approved 07/25/11, revised 1/00/14, 1/16/18, 2/8/2018)

FINANCIAL OPERATION

Regulation 3361

Financial Management

Primetime Learner Discount or Tuition Waiver

Academic

Missouri residents age 65 or older may enroll in college credit classes with no tuition if space is available in that course. Students receiving the discount will not be given college credit and shall satisfy all course prerequisites. If college credit is desired, the student must enroll in the course and pay full tuition and fees. The student is responsible for any fees, supplies or books.

Lifelong Learning

Many non-credit courses offered through the Lifelong Learning program offer a discount for Citizens age 60 or older. Certain specialized courses may be exempted from tuition discounting the full-price status of these courses will be fully disclosed in course schedule publications. If course materials such as books, supplies, etc., are required for the course and are not provided as part of the course fee, all students are responsible for purchase of these materials.

FINANCIAL OPERATION

Regulation 3380

Revenue

Sale/Lease of Real Property

If the Board of Trustees affirmatively votes to sell or lease unneeded real property, the sale will be conducted as follows:

Listing with Real Estate Broker

At its option, the Board may list the property with one or more real estate brokers licensed by the State of Missouri. In such cases, the Board is authorized to pay a commission upon successful completion of such sale or lease.

Sales/Lease to Highest Bidder

If the Board chooses not to list the unneeded real property with a real estate broker, the notice of the sale or lease will be published in a newspaper of general circulation within the District. Notice of the sale or lease will be published at least once a week for two consecutive weeks with the last publication to be at least seven (7) days prior to the sale or lease. Property will then be sold/leased to the highest bidder.

Sale/Lease to City, State, or Governmental Subdivision

The Board may also elect to sell or lease such real property to a city, state agency, municipal corporation, or other governmental subdivision located within the District for public use or purpose. In such case, the notice will be given by publication in a newspaper of general circulation as set out in the preceding section. The price for sale or lease of the property will be as agreed upon by the District and the governmental entity.

Regardless of how sold/leased, the lease or deed of conveyance will be signed by the Board President and attested to by the Board Secretary. The proceeds from such sale/lease will be placed in the capital projects fund.

FINANCIAL OPERATION

Regulation 3410

Accounting and Reporting

Accounting System

The Director of Business Affairs will develop a financial accounting system that will:

1. Safeguard the assets of the District by building into the system adequate internal controls;
2. Conform with Board policies;
3. Conform with state laws;
4. Conform with the American Association of Certified Public Accounts Audit Guide for Colleges and Universities;
5. Conform with the Missouri Uniform Accounting Procedures for Public Junior Colleges' Manual;
6. Issue financial management information of all kinds as required by the various units of the College.

The Director of Business Affairs will be responsible for the implementation, operation and maintenance of the financial accounting system.

The Director of Business Affairs will make available to the appropriate College personnel a fiscal services procedures manual which includes areas such as:

1. Revenues;
2. Expenditures;
3. Purchasing;
4. Investments;
5. Budgeting;
6. Financial reporting.

FINANCIAL OPERATION

Regulation 3440

Accounting and Reporting

Travel and Reimbursement

Administrators of the College will be responsible for travel budget allocations that serve the mission of the College.

General Guidelines

1. Administrators of the College will be responsible for the coordination, review and approval of travel requests.
2. Travelers will exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business.
3. In order to be compliant with the IRS Accountable Plan rule, receipts must be turned in within a reasonable amount of time on a monthly expense report. The IRS defines a reasonable amount of time as 60 days of being paid or incurred. Receipts submitted older than 60 days may be reimbursed and will be taxable as defined by IRS rules.

Authorization for Travel

Travel to destinations beyond a 100-mile radius of the campus (non-local travel) requires advance authorization. Local travel does not require advanced authorization.

1. The President will review travel by Board members.
2. The Board will review travel by the President.
3. The immediate supervisor may authorize employee travel for approval by the appropriate officer.
4. The appropriate vice president may authorize and approve travel by students or others not employed by the College.

ALLOWABLE TRAVEL EXPENSES

Transportation

The traveler will use the most efficient and economical route and mode of transportation. If the traveler selects an alternative route, extra costs will be paid by the traveler. Reimbursement will be based on the most efficient and economical route.

1. Public Carrier
 - a. The expense of traveling by public carrier will be allowed on the basis of actual cost. If air transportation is required, the traveler will use coach or tourist fare.
 - b. Expenses for ground transportation (taxi, limousine, bus, subway, rental vehicle, parking, tolls) at the destination will be allowed. Receipts should be obtained where possible, and expenses listed for each day.
2. Private Vehicle
 - a. If travel by private vehicle is chosen, reimbursement for mileage will be at the rate approved by the Board of Trustees.
 - b. When more than one person travels in the same vehicle, mileage reimbursement will be paid only to the principal driver.
 - c. Mileage reimbursement will be based on distances recorded by odometer readings. The Vice President for Finance and Administration will maintain a mileage table for distances between common local sites.
 - d. Mileage for transportation within the community which is the point of destination will be reimbursed.
 - e. Mileage accumulated in performing an assignment requiring travel to a second location on the same day will be reimbursed. Faculty will be reimbursed for mileage incurred or travel between locations for the full time contract assignment. Summer and overload assignments are excluded. Attendance at committees or governance meetings to which the employee belongs is covered by this provision.
 - f. Fines for parking or traffic violations incurred by travelers are not reimbursable.
3. College-Owned or Rental Vehicle
 - a. When a College-owned or rental vehicle is used, reimbursement will be based upon receipts for actual charges. Arrangements for rental vehicles will normally be made prior to travel and will be for the most economical and suitable vehicle.

Lodging

1. Reasonable and necessary lodging supported by receipts will be reimbursed with advance approval.
2. When a traveler shares lodging with an unauthorized traveler, a receipt or printed rate schedule showing the single occupancy rate will be provided with the reimbursement requests. If documentation of the single occupancy rate is not provided, the allowable expense will be computed by dividing the total daily rate indicated on the bill by the number of occupants.

Registration and Enrollment Fees

Registration fees for conventions, workshops, or association meetings are allowable when documented by an official program.

Meals

1. Meals, including Incidental Expenses (M&IE), will be reimbursed at the IRS standard per diem rate for all locations within the continental United States in effect on July 1, the beginning of the fiscal year.

The IRS considers reimbursed meals as taxable income unless the meal is categorized as a business meal or an individual employee travels overnight.

Business meals are defined as meals with colleagues, donors, individuals from companies, or students during which specific college business discussion takes place.

Personal meals are defined as meals during which no college business takes place.

SFCC values its employees and will reimburse for all business meals and for personal meals for employees who travel six hours or more in a work day. Personal meals that are reimbursed will be taxable to the individual.

For a partial day, reimbursement will not exceed 20% for breakfast, 30% for lunch or 50% for dinner. Reasonable and necessary meal expense in excess of the allowance may be reimbursed when supported by receipts. Receipts are not required for M&IE that do not exceed the per diem rates.

2. Meals which are included in the registration fee for an event are not reimbursable as part of the daily meal allowance.

3. Meals for unauthorized travelers are not reimbursable.
4. Expenses for meals hosted by a College employee must be supported by a statement indicating the name(s) and position(s) of the guests and the nature of the College business involved.

Payment for Travel

The traveler is expected to pay for all authorized expenses which have not been prepaid by the College and to provide documentation for expenses where required.

1. Reimbursement for travel expenses must be approved by the one who authorized the travel. If the expenditure exceeds the amount originally approved, the appropriate officer must also approve the additional reimbursement.

Last updated 6/24/15

SUPPORT SERVICES

Regulation 3810

Inventory Management

Inventory Requirements

The Annual Inventory

The Vice President for Finance and Administration is responsible for the inventory. The person responsible for each room and its content should take the inventory.

“Physical Property” for inventory purposes is defined as that property other than the building and built-in facilities such as bookcases, wall lockers and toilets. “Physical Property” includes such items as desks, chairs, typewriters, computers, audio-visual equipment, shop and physical education equipment even though attached to the building (i.e., stage curtains, auditorium seating, clocks and public address systems). “Physical Property” meets all the following criteria:

1. Retains its original shape and appearance with use.
2. Is nonexpendable (more feasible to repair than replace).
3. Represents an investment of money which makes it advisable to capitalize the item.
4. Does not lose its identity through incorporation into a different or more complex unit.

“Physical Property” does not include supplies, textbooks, reference books, material, chalk and erasers, picture frames, cutlery, glassware, etc. Supply items which are not included are those which meet one or more of the following conditions:

1. Consumable
2. Loses its original shape or appearance
3. Expendable (more feasible to replace than repair)
4. Inexpensive item with value less than \$5000.
(approved 1-23-06)