**Community College of Denver**

**General Accounting Procedures**

**Overview**

**Accounting Procedures Manual**

 Community College of Denver (CCD) does not have an accounting procedures manual, though we do function under the manuals written by the Colorado Community College System and the State of Colorado (see the links below). In addition, we have written procedures for certain functions, such as Travel Authorizations or P-Card/procurement cards (most recent update as of 5/1/2010).

[www.cccs.edu/docs/adminfin/SAP.pdf](http://www.cccs.edu/docs/adminfin/SAP.pdf)

[www.colorado.gov/dpa/dfp/sco/FiscalProcedures/Cur/manual\_cur.htm](http://www.colorado.gov/dpa/dfp/sco/FiscalProcedures/Cur/manual_cur.htm)

**Brief Summary of Accounting System**

The Community College of Denver utilizes ERP Banner software for managing its accounting and financial reporting needs. The Banner Financial module includes General Ledger and Accounts Payable. Payroll processing is under the Human Resources module. Because CCD is an agency of the State of Colorado, our accounting data then feeds into the State’s accounting software, COFRS. On July 1, 2008, CCD transitioned to the Banner software from the previous computerized accounting system, FRS. Within Banner (as a matter of internal control), each employee is assigned a role, the parameters of which grant security access to different reports and functions.

Banner software facilitates allocation of receipts and payments by unique fund and organization numbers to permit tracking separately all transactions for a specified activity or program. Reports are available in Banner to meet the needs of tracking general ledger activity, receipt/expenditure activity, and payroll activity.

**Access to Accounting Records**

Access to the financial reporting systems is granted depending on the role of the employee. There is a procedure and form to request security access by predetermined roles. Role profiles have been established so an employee will have access only to the parts of the system that are necessary to do his/her assigned tasks, and no individual will have control of the transaction from initiation to completion. A system of review and approval is also in place before and after a transaction is entered in the financial reporting systems. Access to the Financial Reporting systems are approved by the Colorado Community College Systems Controller’s Office and the State Controller’s Office (for the State of Colorado Reporting System.)

**Record Keeping**

Community College of Denver uses a complete computerized accounting system called Banner, which provides a variety of reports. Separate, hard-copy journals and ledgers (for example General Ledger, Cash Receipts Journal, Purchase Journal, or Payroll Register ) do not exist, though reports may be obtained grouped by the various functions.

The accounting system in Banner software is capable of separately identifying and reporting for individual programs within CCD. A unique organization number is assigned to each program which is used to post transactions. Use of unique organization numbers (“org” numbers) keeps transactions separate for each program.

Financial records are retained for 7 years after the close of a contract. Currently these records are retained on site.

**Storage and Organization of Records**

Bank Statements – Finance Department

Canceled checks – CCD does not receive canceled checks. Voided checks are kept by the Controller delegate.

Documents supporting disbursements – Centrally filed by vendor name

Payroll records

 Timesheets – Department and Finance Dept

Electronic Reports – Department Office; Payroll Dept at CCD, CCCS system office

 Hard-copy Computer Reports – Payroll Dept and Finance Dept

Staff Travel records – Authorizations in AP in Finance Dept; Hard copy in Department and in Finance Dept with AP Invoices

Petty Cash – N/A

**Income/Receipts**

**Funds Received**

 Checks are received in the Finance Department and matched to invoices or contract payment specifications. After identification and coding, the checks are delivered to the Cashiers Office for deposit. Deposit of checks is verified on bank statement by Staff Accountant (see bank reconciliation below). After the deposit posts in the General Ledger, the Accountant makes any necessary journal entries to post the receipt to accounts receivable, deferred revenue, or other appropriate account.

**Expenses/Disbursements**

**Disbursement Process – Accounts Payable**

Invoice is sent to Finance Dept. As of March 2010, invoices for grant expenses are reviewed by an accountant who works with grants. The accountant checks the grant award and approves the expenses by initialing the invoice and the account coding. The invoice then goes to AP Accounting Tech (AP Tech). The AP Tech keys the invoice data into the Banner software system for payment which assigns a transaction number to each payment. The transaction numbers are written on invoices and can be traced to the General Ledger. Internal control for disbursements includes restriction of computer access to set up a new vendor to only the Finance Department Admin Assistant. Banner software will not allow an invoice number to be entered more than once, preventing duplicate payments based on the same invoice. After a group of invoices has been entered, the batch is reviewed by the Controller delegate or Staff Accountant for accuracy of keying. The AP Tech receives batch back and will make corrections if needed. Checks are run once a week. Part of the check run process requires a match of check numbers used; no missing checks can be detected between batches from week to week. A process is run from Banner Finance to COFRS that feeds the checks to the States finance system. Check numbers are also verified on the State’s system prior to distribution. Warrants (checks) are printed and signed remotely at the Community College System Office and sent to CCD. The AP Tech matches the check to the invoice, prepares for mailing, and takes to mail room.

Payment for services, for recurring expenses (i.e., Xerox), and for purchases over $5000 begin with a purchase order processed by Auraria Higher Education Center (AHEC). Purchase Orders begin in the department with a Purchase Requisition being filled out. Different purchases require different backup documentation, but Purchase Requisitions must contain all documents necessary and all signatures prior to submission to AHEC. Invoices for purchase order items are received in Finance Dept and processed as noted above.

**Disbursement Process – Procurement Cards (PCard)**

PCards are used for CCD program/department purchases, function like a credit card, and are regulated with State PCard rules. PCards have limitations on amounts (must be under $3,000), type of item (must be goods, not services), and cannot be used to pay for Information Technology items or Official Functions. Monthly statements and original receipts are submitted along with a Monthly Certification and Approval signed by the employee and supervisor indicating approval of the charges. The charges are paid by CCD.

**Disbursement Process – Payroll**

Payroll disbursements are a collaborative process between Human Resources, Budget Department, and Payroll Department using Banner software. Setting up a new employee requires a personnel requisition or a JIF (job information form) initiated by the department with input from the Budget Department and requires multiple signatures. Completed personnel forms go to Human Resources for set up in the payroll system. Employees must provide ID (such as driver’s license), social security card, and direct deposit information to complete I-9 From for Employment Eligibility Verification (verified via e-Verify by System Office) and complete a W-4 as well as a background check prior to employment.

Payroll processing for monthly salaried employees is automatic once employee has been properly set up in computer system. Sick and annual leave accruals are part of the automatic process. For hourly employees, processing begins with electronic timesheets showing hours worked per day. Submission by the employee and approval by the supervisor/center coordinator certify the accuracy of hours worked on the timesheet. CCD does not allow salary advances to employees.

After supervisor approval, the payroll accountant uses Banner software to process the payroll in entirety following a checklist and reconciliation of inputs and outputs within the payroll process. After the payroll process is completed for CCD, the payroll is submitted to the Community Colleges of Colorado System office for completion of processing with all of the community colleges.

Some payroll reports are kept in electronic format in duplicate at CCD and at the CCCS system office and some reports are printed and filed – current year in work area, previous years in boxes in record room. All payroll disbursements are made by direct deposit; therefore, there are no outstanding payroll checks to be monitored or reconciled. The Payroll System records payroll expenses by batch into Banner expense accounts based on account numbers recorded on personnel requisitions. Account numbers are verified by Finance during the signature phase of the personnel requisition/JIF process mentioned above.

**Control of Checks/Check Writing**

Two signatures are required - the State of Colorado Controller and Treasurer. Checks are printed already signed at the Colorado Community College System office. CCD employees with access to accounting records have no access to blank checks/warrants. Blank checks are kept in Colorado Community College System IT Office. The System Office IT prints the checks and maintains control of the machine that prints the checks and the signatures.

**Canceling Outstanding Checks**

The Banner A/P system issues only non-payroll checks. Checks expire six months from date of issue. The Colorado State Controller’s Office provides a list of expiring warrants/checks to CCD twice a year, December and May. CCD Controller delegate reviews the list and ensures that COFRS still shows that the checks are outstanding. Based on the verified list, Controller delegate instructs the AP Tech to cancel the checks in Banner. Controller delegate then cancels checks in COFRS. Canceling and not reissuing restores the payable status.

**Undeliverable Checks**

When CCD AP Tech receives an undelivered check, a review of the address in Banner system takes place to see if it matches the address on check. The AP Tech contacts the payee to verify address and sends the check to the correct address. If the AP Tech cannot obtain the correct address, she will inform the Controller delegate, who then will decide whether to void the check. Before voiding the check, Controller delegate ensures that the department approver of the payment agrees to void the check. Voided checks restore payable status.

**Voided Checks**

After obtaining approval from the Controller delegate, AP Tech voids the check in Banner and prints the screen as evidence that the check has been voided. The Controller delegate then voids the check in COFRS and prints COFRS screen. Checks are defaced and attached together with the screen prints to the payment voucher and filed.

**Bank Statements**

Bank reconciliations are not done on site as the disbursing bank account is a State of Colorado bank account. CCD’s bank account only captures deposits, and the CCD Sr. Staff Accountant or delegate tracks deposits on the Bank Statements against Daily Cash Reports from the Cashiers Office. CCD does not receive canceled checks for comparison to bank statements. Transfers from CCD bank account to the State of Colorado bank account are done regularly upon reaching certain bank-cleared amount. The transaction documents are prepared by the Sr. Staff Accountant or delegate and reviewed and approved by the Assistant Controller or Controller.

**Travel Expenses**

CCD follows the State of Colorado fiscal rules for reimbursement for travel expenses and the specific requirements of each grant.

**Petty Cash**

CCD does not allow Petty Cash.

**Grant Management**

**OMB Circular A-133 Single Audit**

CCD is subject to OMB Circular A-133 Single Audit. A copy of all finalized audit report s can be found on the Colorado Office of the State Auditor’s website. Below is the address:

 <http://www.leg.state.co.us/OSA/coauditor1.nsf/ReportPublicDept?OpenForm>

**Indirect Costs**

The Community College of Denver does not have a Federal negotiated indirect cost agreement.  CCD recovers indirect costs under a general waiver given to the Colorado Community College System as a whole.  The general waiver from the State expires June 30, 2011. CCD is currently preparing an Indirect Cost Rate Proposal.

**Payroll and Time and Attendance Records (staff and participants)**

Attendance records for student participation are maintained by the individual department.

The department and Finance maintain timesheet records for grants. Timesheet information for hours paid is maintained in the computerized payroll system, as well. All timesheets are dated and signed by the employee and supervisor. Monthly and biweekly grant timesheets are provided to the Finance Department after the close of each pay period.