Accounting Procedures Manual and Reference Guide

Section 1: Fiscal Procedures

Division of Business and Finance
Version 2025.02
Effective September 1, 2025

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What’s New

September 2025

1. **Payroll - Wire Transfers for Payroll Direct Deposit Accounts** – Information is provided on actions for colleges considering using ACH transfers into their Payroll Depository Accounts.

2. **Foreign Nationals - Electronic Filing of Information Returns** – Information has been updated in preparation of the retirement of the IRS FIRE System for electronic filing of information returns. Colleges are encouraged to begin processes to complete registration for the IRIS (Information Returns Intake System).

3. **Capital Assets – Grouping of Assets** – Information has been added discussing GASB Implementation Guide 2021-1, Question 5.1 and how to handle assets purchased as a group, when individually the items do not meet capitalization criteria.

4. **Links have been updated and added for user convenience**.
    a. State Board Community College Code links – Links added to this document lead to the complete State Board Code. You can access specific items by using the Table of Contents at the beginning of the SBCC Code or by using the control-F search mechanisms.
    b. OSC GASB Resources – Links added to this document may be specific or may lead to areas within the OSC website. Further search may be necessary to obtain complete information.

5. This document is reviewed and updated yearly by the College Technical Resources staff. Any questions/requests for additional information/changes should be directed to the System Office, Director, College Technical Resources.

Table of Contents

I. Vending & Concession Activities

The board of trustees of each college shall adopt local policies consistent with G.S. 115D-58.13 for the budgeting, accounting and expenditure of funds generated through vending machines and other convenience concession activities. Funds generated through vending facilities, vending machines, and other convenience concession activities shall not be used to supplement the salary of any college president.

II. Travel

A. Purpose of Regulations

Statutory regulations for per diem, transportation, and subsistence allowances for state travel are contained in G.S. 138-5, G.S. 138-6 , and G.S. 138-7 apply to community colleges and their boards of trustees. It is the intent of this section to provide statements of policy for uniform interpretation to pay or reimburse allowable state travel expenses pertaining to official travel and subsistence for official college business.

Notice this is for *state* travel expenses, and colleges have broad authority to use local funds within the constraints, if any, for those sources of funds. Business officers are reminded that state travel policies are designed to remain compliant with the Internal Revenue Code, and any additional level of funding paid from local funds may exceed the IRS allowable limits. In these cases, amounts paid in excess of the rates established by the IRS become taxable to the recipient.

B. Official College Business

Official college business occurs when an employee or other person is traveling to attend approved job-related training, work on behalf of, officially represent, or provide a service related to the college mission. Travel that would not directly benefit the college is not reimbursable.

C. Employee Responsibility

An employee traveling on official college business is expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Excess costs, circuitous routes, delays, or luxury accommodations and services unnecessary, unjustified, or for the convenience or personal preference of the employee in the performance of official college business are prohibited.

Colleges may authorize credit cards and/or procurement cards (“p-cards”) for employees during travel on college business. Employees will be responsible for unauthorized costs and any additional expenses incurred for personal preference or convenience. Employee misuse of college issued credit cards and/or p-cards is grounds for termination. All travel is contingent upon the availability of funds in the proper budget line item.

D. Definition of Terms

For purposes of this policy, the following definitions apply:

Authorized traveler – A college employee or non-college employee (as defined later) who is authorized for travel on official college business (as defined later). A member of a college's board of trustees is included in the definition of college employee.

Blanket authorization for college presidents requires Presidents to report to the college's Board of Trustees per *G.S. 115D-20(1)* . Therefore, the College Board of Trustees shall pre-authorize the President's routine travel in the manner they see fit and determine the level of detail they require before authorizing travel, subject to State Board of Community College guidelines. In addition, in the interest of fiscal responsibility, it is the Board's responsibility to examine the President's travel at their discretion.

Blanket authorization for other employees*, excluding college presidents* – A travel approval form necessary to conduct college business on a routine basis and claim mileage reimbursement only. The blanket authorization must contain the following:

1. name of the person traveling;
2. destination(s) and purpose for travel as defined by the college, such as various site visit to monitor classes, nursing instructors commuting to local hospital(s) to conduct student clinical training, commuting to local banks to deposit daily college deposits, commuting between campuses, etc.;
3. dates of travel for example July 1, 202X – June 30, 202Y;
4. source of funding; and
5. any other information necessary to justify traveling on a routine basis.

A blanket authorization form may be completed and approval secured annually. The blanket travel authorization form must be approved prior to departure for all routine travel for which reimbursement is issued.

Common carrier – Commercial scheduled airplane, train, or bus.

Conference – A formal gathering for the purpose of conducting business and exchanging information. Registration fees may be paid for the actual amount expended for such meetings as shown by a valid receipt or invoice.

Duty station – While employed by the college, it is the headquarters or job location assigned by the college at which the college employee spends the majority of their working hours.

In-state – Within the borders of North Carolina.

Institute – A formal gathering for the purpose of training and instruction. Tuition fees may be paid for instructional costs incurred in such meetings.

Non-college employee – A person who is not legally employed by the college, such as:

- A consultant whose compensation will be paid from a general expense line item rather than from a payroll;
- An employee of another governmental jurisdiction, local or federal, in whose travel the college may have a business interest; or
- A student in a community college or technical college.

Non-state funds – Any funds expended or deposited in the college's bank account (county, institutional/special, STIF).

International – Anyplace not included in the in-state and out-of-state of this subsection. Generally understood to be travel outside of the country. For the purposes of this policy travel to Alaska and Hawaii are considered to be international.

Out-of-state – All of the contiguous United States except within the borders of North Carolina. This does not include Alaska and Hawaii.

State Funds – Any funds expended or deposited with the State Treasurer, whether derived from appropriations, grants or college receipts.

Stipends – A fixed and regular payment such as a salary for services rendered. Colleges approving stipends must withhold appropriate taxes pursuant to IRS guidelines (see *Publication 15* and *Publication 15-A*).

Subsistence – Lodging, meals, registration, phone calls, and all other items allowed by this policy, which are not defined as transportation by this policy.

Transportation – The means of moving from one physical location to another. The cost of transportation includes reimbursement paid for the use of private or public motor vehicles; fares paid on public conveyances, tolls, and parking fees.

Travel – All activities involving expenses for transportation, subsistence, or registration, which are authorized to be paid from state, federal, county or institutional/special funds or which involve college vehicles for transportation.

E. Authorization

G.S. 115D-20(1) requires college presidents to report to the college's board of trustees. Therefore, the local Board of Trustees shall pre-authorize significant or unusual trips for the President, in the way they see fit and determine the level of detail they require before authorizing the trip, subject to State Board of Community College guidelines. In addition, in the interest of fiscal responsibility, it is the local board's responsibility to examine the president's travel at their discretion. A travel authorization must be completed and approved for all travel not covered under blanket authorization (i.e. overnight trips, out-of-state travel, requests for excess expenses, etc.).

For prospective professional employees
Approval for reimbursement of transportation expenses of prospective professional employees visiting a college for a *call back employment interview* may be approved by the college president or their designee. These expenses are limited to transportation and subsistence for three days at the current in-state rate.

Students
Students who travel on official college business and whose expenses are paid or reimbursed by the State of North Carolina are subject to these regulations, including statutory subsistence allowances, to the same extent as college employees. Travel by students for the purpose of participating in athletic contests and activities of student organizations must be paid from funds supporting the organization or activity, not state funds. Colleges shall pay or reimburse travel expenses related to athletic contests and student organization activities consistent with its local policy, provided that this policy does not provide subsistence allowances that are higher than statutory rates. In addition, state funds shall not be used to charter transportation for student field trips *unless* the field trip is a **mandatory** course requirement, *not optional*, and must be part of the course outline from inception.

For all others not previously listed – An approval form is required for travel that is necessary to conduct college business and not on a routine basis. This authorization allows the traveler to claim mileage and/or per diem reimbursements. A travel authorization form must be completed and approved for all travel not covered under a blanket authorization (i.e. overnight trips, out-of-state travel, international travel, requests for excess expenses, etc.) and must contain the following:

1. name of the person(s) traveling;
2. destination(s)and purpose for which the trip will be made;
3. dates of travel;
4. source of funding (including the department/unit);
5. mileage and/or air fare, hotel and/or registration fee costs, and any other information necessary to justify the trip must be attached/included with the authorization form;
6. excess request (if needed) with justification.

The travel authorization form must secure approval of the college president or their designee for all trips prior to departure, regardless if traveling in a college owned or private owned vehicle. In addition, written authorization must be secured ***in advance*** from the college president or their designee for excess lodging and for registration fees.

F. Per Diem Compensation
Per diem compensation, whether called a stipend or by any other name, is not authorized for college employees who are in paid status. Employees of the college who are off payroll but are to return to work and be put back on payroll (such as nine-month instructors who are off pay status during the summer months) may receive

compensation/stipend for attending conferences and/or workshops during the time when they are off payroll. Colleges approving stipends must withhold appropriate taxes pursuant to IRS guidelines (see *Publication 15* and *Publication 15-A*).

G. Subsistence Rates

Subsistence is an allowance related to lodging and meal costs, including gratuities. For the purposes of determining eligibility for allowances, travel status means being away from the employee's normal duty station or home and, while traveling, the employee must be acting in their official capacity as required by their work activities.

The NC Director of the Budget revises the subsistence rate on July 1 of each odd-numbered year based on the percentage change in the Consumer Price Index for All Urban Consumers ***(G.S. 138-6(a)(5))***. The most recent NC OSBM memo is located here: ***Travel Subsistence Rate Revisions July 2025***, which became effective July 1, 2025. Total subsistence reimbursements rates were increased by approximately 5.5% for both in-state and out-of-state expenses. *The most recent subsistence rates are effective for both years of the 2025-27 biennium*.

The following list details the various rates of subsistence per day for travel-related expenses. A revision to the State Budget Manual has been issued to reflect this change.

Allowable Subsistence Expenses (effective July 1, 2025)

Expense	In-State	Out of State
Breakfast	$ 10.60	$ 10.60
Lunch	$ 14.00	$ 14.00
Dinner	$ 24.40	$ 27.70
Lodging (actual, up to)	$ 94.10	$ 111.10
Maximum Allowed Daily Subsistence	$ 143.10	$ 163.40

Tips for meals are included in the meal allowance.

The payment of sales tax, lodging tax, local tax, or service fees applied to the cost of lodging is allowed in addition to the lodging rate and is to be paid as a lodging expense.

Colleges may choose to reimburse lodging and meals expenditures at the standard state subsistence rates or request authorization to set college-specific rates up to the U.S. General Service Administration’s (GSA) subsistence rates.

To be granted conditional authority to set college-specific subsistence rates (not to exceed the federal GSA rates) the college shall implement internal travel policies, publish them on the college’s public-facing website, and submit a signed ***Annual Travel Policy Attestation Form*** to OSBM each year by April 1. The policies shall, at a minimum, cover the topics outlined in the ***Annual Travel Policy Attestation Form***. College Presidents retain their authority to grant excess lodging above the rates in their policies based on the conditions outlined in the ***State Budget Manual Section 5.2.3*** for excess lodging.

The location and date-specific rates for lodging and breakfast, lunch, dinner, and incidental expenses can be found at ***U. S. General Services Administration Per Diem Rates,*** and are updated periodically. GSA rate adjustments for the first and last day of travel shall not apply.

H. Tips and Gratuities

Reimbursable gratuities or tips must be considered reasonable for items that are not already covered under subsistence. Excessive tips will not be reimbursed. A reasonable tip would be one that a prudent person would give if traveling or conducting personal business and expending personal funds. For further guidance, the following information is provided when calculating a tip:

- Airports: baggage handling/Skycaps = no more than $2 per bag; shuttle drivers = no more than $2 per bag.
- Parking/auto related: valets = $2 per car when collecting the car; taxi or ride sharing service drivers no more than $5 per trip.

Tips for handling baggage at common carrier terminals and/or when arriving at or departing from the place of lodging are allowed and must be itemized under "other expenses". Baggage tips are not counted toward the authorized subsistence maximums but may be claimed as miscellaneous and excessive tips must be documented with a receipt. Tips for room service and other hotel services are not reimbursable. The costs of laundry, entertainment, alcoholic beverages, “set-up,” between-meal snacks or refreshments, and other personal expenses are not reimbursable.

For tips and gratuities for meals, see *Reimbursement for Meals*, later.

I. Out-of-State Travel

Out-of-state travel status begins when the employee leaves the state and remains in effect until the employee returns to the state. However, in-state allowances and reimbursement rates apply when employees and other qualified official travelers use hotel and meal facilities located in North Carolina immediately prior to and returning from out-of-state travel during the same travel period.

J. International Travel

All out-of-country travel must be authorized by the college president or such department official designated by the president. International travel status begins when the employee leaves the contiguous United States and remains in effect until the employee returns to the contiguous states. If the employee and other qualified official travelers use hotel and meal facilities located outside North Carolina, but within the contiguous United States, immediately prior to and upon returning from international travel (or to Hawaii or Alaska) but during the same travel period, out-of-state subsistence rates shall apply.

K. Authorization for Lodging

Prior written approval by the department head or their designee must be obtained in order to qualify for reimbursement for overnight stays. Supervisory personnel certifying the reimbursement request as necessary and proper must require documentation from the traveler to substantiate that the overnight lodging was necessary and accomplished. The trip must involve a travel destination located at least 35 miles from the employee's regularly assigned duty station or home, whichever is less, to receive approved reimbursement. "Duty station" is defined as the location where the employee is assigned. The designation of an employee's home as the duty station requires the approval of the department head.

L. Reimbursement for Lodging

Each authorized traveler is responsible for their own request for reimbursement. The trip must involve a travel destination located at least 35 miles from the employee's regularly assigned duty station or home, whichever is less. Requests for reimbursement shall be filed within thirty days after the travel period ends for which the reimbursement is being requested. Specific dates of lodging must be listed on the reimbursement request, which shall be substantiated by a receipt from a commercial lodging establishment (or online residential rental service, if supported by demonstrated savings), not to exceed the maximum per night for in-state or out-of-state lodging as shown in *Subsistence Rates*, earlier. Reimbursement to an authorized traveler sharing a room with a member of their family will be limited to the single occupancy rate. Telephone access fees for business calls are considered a miscellaneous expense. Telephone access fees for personal calls are only reimbursable if they comply with the policy found later in this section.

M. Excess Lodging

Excess lodging authorization for in-state, out-of-state, and international travel (including Alaska and Hawaii) must be obtained in advance from the college president or their designee. Excess lodging is allowed when the travel is to a high-cost area and the authorized traveler is unable to secure lodging within the current allowance, or when the authorized traveler submits in writing an opinion that their personal safety or security is unattainable within the current allowance. Excess lodging authorization is not allowed for reasons of convenience or personal preference for the employee. The college may allow the authorized traveler to exceed the part of the ceiling allocated for lodging without approval from the college president provided that the total lodging and food reimbursement does not exceed the maximum daily subsistence.

N. Penalties and Charges Resulting from Cancellations

Penalties and charges resulting from the cancellation of travel reservations (including airline, hotel, or other travel reservations and conference registration) shall be the college's obligation if the authorized traveler's travel has been approved in advance and the cancellation or change is made at the direction of and/or for the convenience of the college. If the cancellation or change is made for the personal benefit of the authorized traveler, it shall be the authorized traveler's obligation to pay the penalties and charges. However, in the event of accidents, serious illness, or death within the employee's immediate family or other critical circumstances beyond the control of the authorized traveler, the college may pay the penalties and charges.

O. Authorization for Meals

An authorized traveler may be reimbursed for meals, including lunches, while on official college business when the authorized traveler is in overnight travel status. The destination must be located at least 35 miles from the authorized traveler's regularly assigned duty station (vicinity) or home, whichever is less, to receive approved reimbursement.

Prior written approval by the college president or their designee must be obtained to qualify for reimbursement for meals if the authorized traveler is within 35 miles of the authorized traveler's regularly assigned duty station (vicinity) or home, whichever is less. Supervisory personnel certifying the reimbursement request as necessary and proper must require documentation from the authorized traveler to substantiate that the payment for meals was necessary and accomplished.

P. Reimbursement for Meals

Each authorized traveler is responsible for their own request for reimbursement. Tips for meals are included in the meal allowance. Each meal reimbursement rate must be listed on the reimbursement request. Departure and arrival times must also be listed on the reimbursement request. The costs of meals included in other related activities (registration fees, conference costs, hotel registration, etc.) may not be duplicated in reimbursement requests. An authorized traveler may be reimbursed, if requested, for breakfast even if their lodging establishment offers a free continental breakfast. See the exception in *Meals and Commercial Air Travel*, later.

Q. Meals during Daily Travel

In recent years, state budget policy allowed for the reimbursement of meals during daily travel if pre-approved. Since there is no exception in the Internal Revenue Code to exempt such payments from taxation, the policy was revised to prohibit the practice. The state policy has once again been amended to allow such reimbursements provided that the following conditions are met:

- If a college decides to allow such reimbursements, there must be an approved college policy to clearly outline the allowable expenses and reimbursements. Such policy should dictate that:
    - breakfast cannot be paid unless the employee departs their duty station prior to 6am **and** the workday is extended by two hours;
    - supper cannot be paid unless the employee returns to their duty station after 8pm **and** the workday is extended by three hours; and
    - the trip must be to and from a location at least 35 miles from the employee's home or ordinary duty station, whichever is less.
- Under state law, lunches can generally be reimbursed only if the employee is in overnight status. Exceptions to this are set by ***NCGS §138-6(a)(3)*** and include allowing reimbursement for lunches under these circumstances:

    - When an overnight stay is required, reimbursement is allowed while an employee is in travel status;
    - When the cost of the lunch is included as part of a registration fee for a formal congress, conference, assembly, or convocation, by whatever name called. Such assembly must involve the active participation of persons other than the employees of a single State department, institution, or agency and must be necessary for conducting official State business; or
    - When the State employee is a member of, or providing staff assistance to, a state board, commission, committee, or council which operates from funds deposited with the State Treasurer, and the lunch is preplanned as part of the meeting for the entire board, commission, committee, or council.
- If employees receive reimbursement for one or more meals when the employee is not in overnight travel status, these reimbursements must be taxed as compensation. The System Office recommends paying such reimbursements through payroll to ensure that the proper federal and state taxes are calculated and withheld.
- Colleges choosing to implement this policy must ensure that all employees are made aware of the tax implications of the policy in any policy documentation or employee handbooks and similar references.

R. Meals during Overnight Travel

Authorized travelers may be reimbursed for meals for partial days of travel only when in overnight travel status and the partial day is the day of departure or the day of return. The following applies:

- Breakfast: depart duty station prior to 6:00 am and extend the workday by two hours.
- Lunch: depart duty station prior to noon on the day of departure or return to duty station after 2:00 p.m. on the day of return.
- Dinner: depart duty station prior to 5:00 p.m. on the day of departure or return to duty station after 8:00 p.m. on the day of return and extend the workday by three hours.
- The trip must involve a travel destination located at least 35 miles from the employee’s regularly assigned duty station (vicinity) or home, whichever is less.

Unless specifically authorized by local policy and approved in advance, allowances cannot be paid to authorized travelers for meals if travel does not involve an overnight stay.

S. Meals and Day-to-Day Activities

College employees may not be reimbursed for meals in conjunction with a congress, conference, assembly, convocation or meeting, or by whatever name called, of employees within a single college, state department, institution or agency, or between the employees of two or more colleges, state departments, institutions or agencies to discuss issues relating to the employee’s normal day-to-day business activities.

T. Meals for Conferences or Events Requiring Employee Attendance
A college employee, when traveling in overnight status, may be reimbursed for meals, including lunches, when the employee's job requires one's attendance at the meeting of a board, commission, committee, or council in one's official capacity and the meal is preplanned as part of the meeting for the entire board, commission, committee or council. Such board, commission, committee, or council must include persons other than the employees of a single college, state department, institution, or agency. This provision does not apply to conferences, seminars or workshops *unless* the lunch is a *preplanned* part of the formal agenda, and/or is included as part of the registration fee.

Similarly, a college employee may be reimbursed for meals, including lunches, when the meal is included as an integral part of a congress, conference, assembly, convocation, etc. Such congress must involve the active participation of persons other than the employees of a single state department, institution, or agency; the employee's attendance is required for the performance of their duties, *but must not be part of that employee's normal day-to-day business activities*; the congress must be planned in advance with a formal agenda; and the congress must provide written notice or an invitation to participants.

U. Meals and Commercial Air Travel
Authorized travelers are allowed to claim reimbursement for meals even though they are shown and offered as a part of the authorized traveler's flight schedule on a commercial airline.

V. Excess Meals
No excess reimbursement will be allowed from state funds for meals unless such costs are included in registration fees, there are predetermined charges, and/or the meals were for international travel or travel to Alaska or Hawaii. The college president or their designee may grant excess subsistence for meals for out-of-country travel. To claim excess subsistence, prior approval must be secured before departure.

W. Authorization for Registration Fees
All registration fees must be approved in advance by the college president or their designee. Convention or conference registration fees must be included in the travel authorization request prior to departure. Registration fees for webinars or other on-line training that does not involve travel should not be requested on a travel authorization but should be processed using the college's normal purchasing procedures. The college president or their designee must reduce the cost by unrelated items that are not a direct part of the official convention or conference, such as tours or social activities.
Registration fees may be paid by the college or the authorized traveler. An assembly must involve the active participation of persons other than the employees of a single college or agency and must be necessary for conducting official college or state business. When a registration fee includes the cost of one or more meals, it is the responsibility of the college to ensure that reimbursements for such meals are not approved on the travel authorization.

X. Reimbursement or Direct Payment of Registration Fees

Authorized travelers may not claim reimbursement for meals included in registration fees. To reimburse an authorized traveler for a paid registration fee, the employee must provide documentation of the expense by receipt. It is the authorized traveler's responsibility to obtain the receipt, not the college's responsibility. A copy of a cancelled check used to pay a registration fee cannot be used as a valid receipt for reimbursement purposes. The employee will have to exercise due diligence to obtain a receipt in order to be reimbursed.

If the registration fee is paid by the college directly to the vendor through the accounts payable process, the proper registration fee documentation (i.e. brochures, invoices, etc.) must be received for payment to be processed and filed with the expense voucher as other accounts payable invoices. Registration fees shall be distinguished from tuition fees. Tuition expenses which generate continuing professional education credits must be coded to expenditure object 53980X - Employee Education Expense.

Y. Transportation by Common Carrier

Reimbursement for air, rail, or bus fare is limited to actual coach fare, substantiated by receipt. Reimbursement for check-in fees is limited to actual costs substantiated by receipt. Tickets for commercial air travel may be purchased by the college or by the authorized traveler and claimed on their expense account. Travel by coach class must be utilized. Exceptional conditions requiring the use of first-class accommodation may warrant reimbursement provided a statement of the condition is attached. A receipt is required for reimbursement. Flight insurance is not reimbursable.

Requests for all travel as passengers on non-commercial (charter flights) aircraft are made and approved in the same manner as transportation by other means. To be approved, the use of a charter flight must be more economical than a commercial flight and/or be necessary because of unusual travel circumstances.

Z. Super Saver Rates

When traveling by common carrier to conduct official college business, authorized travelers traveling to their destination earlier than necessary and/or delaying their return to avail the college of reduced transportation rates may be reimbursed subsistence for additional travel days if, in the opinion of the college president or their designee, the amount saved due to the early and/or delayed travel is greater than the amount expended in additional subsistence. When the reduced airfare rates require staying overnight one Saturday night, to be eligible for reimbursement, the authorized traveler must stay overnight on the Saturday closest to the first or last day of official state business to which the authorized traveler is attending. With sufficient justification, the college president or their designee can make an exception to this requirement prior to travel commencing.

AA. Transportation by International Flights
Authorized travelers traveling internationally or to Alaska or Hawaii on overseas flights may be reimbursed actual business class fare (substantiated by receipt) with prior approval of the college president or their designee.

BB. Frequent Flyer Miles
Frequent flyer miles earned by an authorized traveler while traveling on official college business at state expense are the property of the college. Frequent flyer miles accumulated by an individual authorized traveler during previous official college business trips should, to the extent possible, be used by the authorized traveler accumulating the frequent flyer miles while traveling on future official college business trips.

CC. Coupons or Certificates for Reduced Air Fare
Coupons or certificates for reduced air fare, if acquired by an authorized traveler while traveling on official college business at state expense, are the property of the college and should be used, to the extent possible, by the authorized traveler on future official college business trips.

DD. Fees and Service Charges
With sufficient justification and documentation and with approval of the college president or their designee, authorized travelers can be reimbursed for usual, customary, and reasonable fees and service charges imposed by travel agents for assistance in making travel arrangements.

EE. Transportation by Personal Vehicle
Travel shall be conducted in the most efficient manner and at the lowest and most reasonable cost to the college. With regard to passenger vehicle travel, whether in-state or out-of-state, college travel policies shall:

- Maximize utilization of college-owned vehicles,
- Make use of State term contracts for short-term rentals (***State Term Contract 975B Vehicle Rental Services***), and
- Reimburse for use of personal vehicles on a limited basis.

Colleges are encouraged to establish policies that promote efficient travel, such as ride sharing. When college-owned resources are not available, the college may procure vehicles through the State's term contracts or reimburse use of personal vehicles. If a college employee chooses to use a personal vehicle, actual mileage is reimbursable. Mileage is measured from the closer of duty station or point of departure to destination (and return).

An authorized traveler who has been approved for reimbursement for the use of a personal vehicle shall be reimbursed the current standard business mileage rate set by the Internal Revenue Service (see *Table 2*, below, for rates as of this publication) or a lower rate approved by the college's board of trustees when using their personal vehicle for official college business.

Effective, April 1, 2021, the ***State Budget Manual*** removed the requirement of the 100-mile distinction for mileage reimbursement. All miles traveled by personal vehicle may be reimbursed at the same rate. Colleges may set the mileage reimbursement rate in their own policies, including the previous 100-mile distinction if the College elects to continue this practice. Reimbursements may not exceed the current approved IRS rate. If reimbursement exceeds the current approved business mileage rate, the difference becomes a taxable benefit and must be reported on W-2 or 1099-MISC as appropriate.

Parking fees, tolls, and storage fees are reimbursable when the required receipts are obtained (see *Parking*). Fines for traffic and parking violations are the responsibility of the employee.

Current rates for mileage reimbursement adopted by NC OSBM are the IRS Standard Mileage Rate of 70 cents per business mile driven. Unless otherwise specified, the Office of State Budget and Management adopts the IRS rate *annually*. Agencies can visit the IRS website to confirm the annual mileage reimbursement rates ***(IRS Standard Mileage Rates***).

It is the responsibility of the college to review the NC OSBM Budget Manual for the approved business standard mileage rate and obtain local board approval prior to changing the reimbursement mileage rate to the current prevailing rate or any amount less than the prevailing rate. Community colleges may choose to use a lesser reimbursement rate, with local board approval.

- Reimbursement shall not be authorized for expenses which exceed the established rate of travel or actual air-coach rate when: A college-owned vehicle is available.
- Railroad, airplane, or other alternate transportation is feasible and would be more economical, considering transportation, subsistence, and salary costs.

If colleges chose to charge State Funds for use of college-owned vehicles on official state business, reimbursement shall not exceed the rate established by the local board of trustees for transportation by privately owned automobiles ***less*** the current depreciation portion of the IRS standard business mileage rate.

Reimbursement may be made to the College Board of Trustees for their commute from their home to their duty station to conduct official College Board meetings.

FF. Transportation by a Rental Vehicle

For both in-state and out-of-state travel, rental vehicles shall be obtained through ***State Term Contract 975B Vehicle Rental Services*** when available. If the rental agency does not bill the college directly, the authorized traveler will be reimbursed up to the rental rate of a standard class vehicle based on the State's term contract, unless there is a documented business purpose for rental of a larger vehicle and that purpose has been approved through the travel authorization process.

Review ***State Term Contract 975B Vehicle Rental Services*** for a complete listing of all vehicle rates and options.

Differences in cost when renting a vehicle from a class that exceeds the cost of a standard vehicle must be approved in advance by the college president or their designee. Without such approval, the authorized traveler must pay the difference in the cost.

Authorized travelers must present an original itemized receipt from the rental agency for reimbursement. Authorized travelers should choose the most economical means of refueling the rental vehicle, which is typically to refuel the rental vehicle before returning it to the rental agency. Gas receipts for refueling the rental vehicle from a commercial gas station or rental agency are required for reimbursement. No reimbursement will be made for rental insurance purchased because college employees are covered under the college's auto insurance program. However, reimbursement for automobile rental insurance will be permitted for individuals engaged in official college business during travel to international destinations.

GG. Travel to/from Airport at Authorized Traveler's Duty Station
Reimbursement for travel between the authorized traveler's duty station or home (whichever is less) and the nearest airline terminal (or train/bus station if applicable) and for parking (see also *Parking*, later) may be made under the following circumstances. For travel by:

- Taxi, car service, mobile phone ordered car service, or airport shuttle - actual costs with receipt (but see *Tips and Gratuities*, earlier).
- Private car – the business standard mileage rate set by Internal Revenue Service (see *Transportation by Personal Vehicle*, earlier) for a maximum of two round trips with no parking charge, or for one round trip with parking charges. Receipts are required for airport parking claims (see *Parking*, later).
- Use of public transportation – In lieu of using a taxi or airport shuttle, employees can be reimbursed without receipts $5 for each one-way trip either from the airport to the hotel/meeting or from the hotel/meeting to the airport or the actual cost of the travel with the submission of receipts.

HH. Travel to/from Airport at Authorized Traveler's Destination
Reimbursement for travel to and from the airline terminal (or train/bus station if applicable) at the authorized traveler's destination may be made when travel is via most economical mode available as listed below:

- Taxi, car service, mobile phone ordered car service, or airport shuttle service – actual costs with receipts (but see *Tips and Gratuities*, earlier).

- Rental vehicles - may be used with the prior approval of the college president or their designee; however, rental vehicles may not be used for the sole convenience of the employee (receipt required).
- Use of public transportation – In lieu of using a taxi or airport shuttle, employees can be reimbursed without receipts $5 for each one-way trip either from the airport to the hotel/meeting or from the hotel/meeting to the airport or the actual cost of the travel with the submission of receipts.

II. Parking

Parking expenses are reimbursable while in the course of conducting official college business as long as such expenses are determined reasonable and clearly show that there was care taken to keep the costs to the college as low as possible. Any parking rates considered excessive and only for the convenience of the authorized traveler will not be reimbursable. An example of excessive or inappropriate parking would be the use of an airport's hourly parking lot for an overnight trip.

JJ. Travel Involving Trips Other than to and from the Airport

The actual costs of taxi and shuttle service fares are reimbursable when required for travel on official college business (see *Tips and Gratuities*). The request must be documented with a receipt. The use of public transportation is reimbursable for actual costs with a receipt.

KK. College-Owned Vehicles Used for Instruction

Reimbursement is allowed when using college owned vehicles for purposes of instruction, and college policies and procedures must be developed and approved by the local boards of trustees to calculate the appropriate reimbursement rate. Colleges should use the same reimbursement model as is used by the North Carolina Department of Administration (NCDOA) Motor Fleet Management Division for the State of North Carolina.

This model requires colleges to determine the anticipated resale value, salvage percentage, salvage value, and salvage miles for all vehicles. Next, create the applicable vehicle classes (i.e. sedan, truck, van, SUV), and apply the appropriate inflation rate for all vehicles. (Note: NCDOA Motor Fleet uses an inflation rate of 3% for 3 years, per the recommendation of OSBM). Then, colleges will need to determine their mileage reimbursement rate annually by calculating the following:

- Weighted vehicle class depreciation rate
- Vehicle class gas rate
- Vehicle class repair rate

The above rates are then added together to determine the mileage reimbursement rates for each vehicle class. Since college owned vehicles vary in size, number, and class from college to college, each college is responsible for calculating an appropriate reimbursement rate for the institution.

Table 3 – Example mileage and expense calculations.

Vehicle Class	Number of Vehicles	Vehicle Type Description	Miles Driven 7/1/22 - 6/30/23	Total Gas Expenses 7/1/22 - 6/30/23	Total Repair Expenses 7/1/22 - 6/30/23	Total Expenses
SUV	5	2005 Ford Escape Hybrid 4W	60,255	$5,063.76	$2,411.51	$7,475.27
SUV	15	2006 Ford Escape Hybrid	245,215	$20,864.28	$3,341.63	$24,205.91
SUV	8	2008 FORD ESCAPE HYBRID	48,211	$4,398.61	$109.72	$4,508.33
SUV	**28**		**353,681**	**$30,326.65**	**$5,862.86**	

Table 4 – Example depreciation calculations.

Vehicle Class	Number of Vehicles	Vehicle Type Description	Purchase Price	Salvage (%)	Resale Value	Depreciable value	Salvage Miles	Depreciation Weight
SUV	5	2005 Ford Escape Hybrid 4W	$24,900	25%	$6,225.00	$18,675.00	90,000	1.16577
SUV	15	2006 Ford Escape Hybrid	$18,322	25%	$4,580.50	$13,741.50	90,000	2.57341
SUV	8	2008 FORD ESCAPE HYBRID	$12,693	25%	$3,173.25	$9,519.75	90,000	0.95082
SUV	**28**							**4.69000**

Table 5 – Example operational cost calculations.

Vehicle Class	Number of Vehicles	Vehicle Type Description	Depreciation Rate	Gas Rate	Repair Rate	Billing Rate
SUV	5	2005 Ford Escape Hybrid 4W	0.23315	0.08404	0.04002	
SUV	15	2006 Ford Escape Hybrid	0.17156	0.08509	0.01363	
SUV	8	2008 FORD ESCAPE HYBRID	0.11885	0.09124	0.00228	
SUV	**28**		**0.16750**	**0.08575**	**0.01658**	**0.26982**

In summary, the steps to calculate mileage reimbursement for instructional use of college vehicles are as follows:

- Create policies for anticipated resale value, salvage miles, and use of an inflation rate.
- Determine vehicle classes (i.e. sedan, truck, van, SUV), miles driven, and total gas and repair expenses (shown in Table 1).
- Use the policies created in Step 1 to determine the salvage miles, to apply the salvage percentage to the purchase price, and to calculate the resale value and depreciable value (shown in Table 2). Determine depreciation rates for each vehicle class (shown in Table 3 fourth column) by multiplying the purchase price by the inflation rate minus the resale value, divided by the salvage miles. It will be necessary to weigh depreciation rates (shown in Table 2 last column) if there are multiple vehicles in a class (i.e. five 2005 Ford Escape Hybrid 4W). Multiply the depreciation rate by the number of vehicles to calculate the depreciation weight.
- Determine gas and repair rates for each vehicle class by dividing last fiscal year's expenses by the miles driven (shown in Table 3).
- Add the depreciation, gas, and repair rates for each class to determine the reimbursement rate for vehicles in each class.

LL. Travel Advances

All authorized travelers who travel on official college business may be issued advances when authorized by the college president or their designee in order that personal funds will not be required. Fiscal records must be maintained by the college for proper control. Eligibility for advances and reporting requirements are as follow:

- College employees who have been issued college credit cards for travel purposes should not be issued travel advances unless there is substantiated justification.

- Travel advances for occasional travel must not exceed the estimated cost of the trip and may not be issued more than five working days prior to the date of departure. Advances must be deducted from the reimbursement request on the travel expense report that is to be submitted within thirty days after the travel period or the date designated by OSC for year-end accounting processes, but not later than June 30th.
- Travel advances for regularly scheduled travel for employees who travel each month may be made through an annual advance of funds equal to the average monthly expense. All reimbursement requests shall be filed and paid monthly for incurred expenses and the advance must be repaid as of June 30th annually or earlier if required by the college. If it is determined that the monthly reimbursement has averaged less than the annual advancement, the advance must be reduced to the newly established amount.

Travel advances may be issued from grants/special projects from an accounts receivable code in the project's special fund, but the advance cannot be requested from the System Office on the project's request for reimbursement (Form NCCCS 2-33). Only actual expenses will be reimbursed by the System Office. If a college chooses to pay registration fees, airline fare, etc. in advance, the payment should be charged to the appropriate expenditure code and source of funds, not an accounts receivable code.

MM. Long Distance Telephone Charges
Authorized travelers are not allowed to charge long distance phone calls to the college for calls made of a personal nature, except as stated below. All long-distance calls that are to be paid by the college are those made pursuant to the employee conducting official college business. Official business phone calls are NOT reimbursable from state funds. Official business calls may be reimbursed from non-state funds up to five dollars ($5.00) without the point of origin and destination being identified. Calls over five dollars ($5.00) must be identified as to point of origin and destination.

NN. Reimbursement for Telephone Charges
Official phone calls are reimbursable under "Miscellaneous." Individual calls over $5.00 must be identified as to point of origin and destination. Reimbursement must be made from non-state funds.

OO. Allowable Personal Calls
An authorized traveler who is in travel status for two or more consecutive nights in a week is allowed one personal long distance telephone call for each two nights, for which reimbursement to the authorized traveler may not exceed $3.00 for each in-state call or $5.00 for each out-of-state call. Documentation is required for reimbursement. Reimbursement must be made from non-state funds.

PP. Employee Emergency Calls
Authorized travelers may be reimbursed for a personal long-distance call(s) if such call(s) is/are of an emergency nature as determined by the college. An example is a call made when an authorized traveler calls home to inform someone that the travel

period has been extended beyond original plans due to unforeseen reasons. Reimbursement must be made from non-state funds.

QQ. Mobile Telephones

Because mobile telephone charges (cellular and digital) are based on measured use, no personal calls should be made on college-owned mobile telephones except in case of emergency as determined by the college. Mobile telephone calls to conduct official college business should only be used when more economical means of telephoning are not reasonably available. If an authorized traveler uses their personal mobile telephone in conducting official college business, the authorized traveler can be eligible for reimbursement when more economical means of telephoning are not reasonably available. For the college to reimburse the authorized traveler, the traveler must indicate on their telephone bill the reimbursable calls, individuals called, and nature of calls and submit the telephone bill to their supervisor for approval. If the supervisor approves the calls as related to official college business, the college will reimburse the actual billed cost of the call(s) from non-state funds.

RR. Use of Telephone with Computer Hook-ups

Authorized travelers traveling on official college business who need to transmit data electronically (including email) or use the internet for official college business purposes should use the most cost-efficient manner available. Prior to reimbursement, the employee's supervisor must approve. Documentation and justification must be attached to the request for reimbursement. Reimbursement may be made from state funds for data transmissions.

SS. Assemblies Sponsored by the College

Whenever feasible, assemblies should be held in facilities owned by the college. When necessary, other facilities may be rented and the costs charged to participants as part of a registration fee. If no registration fee is charged, rental of facilities becomes a local responsibility. For subsistence allowance purposes, the 35-mile limitation with regard to employee's duty station as set forth previously does not apply for employees attending formal meetings.

Assemblies sponsored or co-sponsored by a college are considered formal when they meet the following limitations:

- There are a substantial number of participants, with at least 25 percent of the participants coming from outside the local area.
- The assembly is planned in detail in advance, with a formal agenda or curriculum.
- There is a written invitation to participants setting forth the calendar of events, the social activities, if any, and the detailed schedule of costs.

OSBM has adopted the following in reference to registration fees and "coffee breaks."

Registration fees may be charged by the sponsoring college to participants for the costs of assemblies. Registration fees collected shall be deposited to a special fund and used to defray expenses of the particular assembly. All registration fees collected for this assembly must be used to pay the cost of putting on this assembly and cannot be used for any other program or purpose.

When a registration fee is not charged, sponsoring colleges may provide refreshments for “coffee breaks” provided there are ten (10) or more participants and costs do not exceed five dollars ($5.00) per participant per day, per workshop. If a registration fee is charged, the allowance for refreshments for “coffee breaks” can exceed five dollars ($5.00) per participant per day, per workshop, if the cost is incorporated into the registration fee. For coffee breaks to be paid by the college, the following shall be secured:

- an itemized receipt or invoice;
- a list of participants by name; and
- the purpose and duration of assembly or a formal agenda.

When assemblies are to be held under the sponsorship of a college in which the funding for all participants is budgeted, lump-sum payments to a conference center or a service organization may be made upon written authorization from the college president or their designee. The authorization must provide:

- the purpose and duration of the assembly;
- the number of persons expected to attend;
- the specific meals to be served at the assembly;
- the approximate daily subsistence cost per person; and
- the name of the conference center, hotel, caterer, or other organization providing the service.

Payments will be made only when sponsoring colleges attach to the payment vouchers an itemized invoice, approved by the college president or their designee, with a list of names, addresses, and affiliations of those attending.

It is the responsibility of the college to ensure that reimbursement for meals included in the lump-sum payment is also not included in reimbursement payments made to assembly participants.

Expense reimbursement and payment for participants at formal assemblies - Reimbursement for expenses of college employees or payment expenses incurred on behalf of college employees participating in any formal conferences, convention, school, workshop, institute, seminar, or other organized gathering sponsored or co-sponsored by a college shall be in accordance with all provisions of these travel regulations and shall be based on in-state rates.
Colleges can pay registration fees for their employees when attending meetings sponsored by a college. If any portion of the registration fee is to be used to defray meal costs, it is the responsibility of the college to ensure that its employees are not reimbursed for the same meals charged in the registration fees.

TT. Informal Meetings
College presidents may be reimbursed from state funds for meals for themselves and non-college employees who are their official guests, when accompanying them while conducting official college business. Non-college employees include but are not limited to members of the college's board of trustees, advisory board, and/or curriculum advisory board. Such meals are not subject to the daily maximum limitations on amounts contained in these regulations and the limitations pertaining to the minimum distance from duty station do not apply. Cost of meals and other expenses for family members of college employees and/or non-college employees conducting official college business are not reimbursable from state funds.

UU. Travel and Allowances-Part-Time Instructors
Temporary or part-time curriculum and extension instructors who travel more than 15 miles to or from a duty station for the purpose of teaching curriculum and extension courses may be paid mileage expense ***in justified cases*** approved in writing by the college's president or their designee. These payments must be included on an employee's W-2 form as salary payments.

This policy is not intended to reimburse normal commuting expenses.

Subsistence and lodging for temporary or part-time curriculum and extension instructors may be paid when it is deemed more economical for the employee to stay overnight rather than to charge transportation costs on successive days.

If a college requires a part-time employee to travel to a conference, seminar, etc. beyond the times stated in their instructing contract, salary can be paid for the part-time employee to attend the conference, seminar, etc. A new contract must be generated, and the new contract shall include written justification stating that the college requires the part-time employee to travel. The new contract costs must include driving time to and from the conference, seminar, etc., as well as the time spent attending the conference, seminar, etc. The new contract salary costs shall not include time spent each day before the conference, seminar, etc. convenes nor time spent each day after the conference has adjourned (i.e. time spent each evening in their hotel room or participating in events that state funds normally would not support). Salary will only be calculated according to a formal, printed preplanned agenda according to the days and times listed on the agenda that relate directly to conference, seminar, activities, etc. Salary will be expended from a part-time salary object. All other travel-related costs will be expended from the appropriate expenditure object(s).

VV. Timely Filing
Each employee is responsible for their own request for reimbursement. All reimbursement requests shall be filed for approval and payment within thirty (30) days after the travel period has ended as reflected on the approved travel authorization or June 30th, whichever comes first. The travel period is defined as the calendar month during which the travel occurred. In the case of continuing education instructors who are paid at the end of a semester, their travel period may be the end of the contract.

III. Moving and Relocation

A. Conditions and Limitations:

An employee's moving expenses may be paid from state funds only when:

- A change of residence is deemed to be in the best interest of the college if such a change is required because of a promotion within the department or by a change in assignment involving a transfer of the employee for the advantage and convenience of the college.
- For existing employees, the new duty station is fifty (50) miles or more from the employee's most recent duty station or residence, whichever is *closer* to the new duty station. For new hires, the new duty station is fifty (50) miles or more from their current residence.
- The state policy has been amended to allow moving expenses for new hires when it is determined that it is in the best interest of the State. This should be limited to difficult to fill positions and the need must be documented. If a college decides to allow such reimbursements, there must be an approved college policy to clearly define allowable conditions.
- Community colleges may use state funds to pay for moving expenses of new presidents when the president's household and personal goods weigh less than 15,000 pounds. Should the president's household and personal goods weigh 15,000 pounds or more, see "Excess Weight Authorization" in the next section.
- Requests for moving expenses for new hires other than presidents must be approved by the president of the college. Requests for moving expenses for new presidents must be approved by the college's board of trustees.
- The move should be accomplished within 90 days of approval. The college's board of trustees may approve an extension of an additional 90 days.
- No payment may be made from state funds for expedited service, space reservation, or other special or non-routine services by the carrier.

Every effort should be made to expedite the movement of the employees' household goods. However, the time allowed for the employees locating a new residence and moving is the responsibility of the individual college and should be granted as leave-with-pay, for up to a total of 16 hours, which is accounted for as normal workday activities. Reimbursement for moving and relocation expenses shall be prorated in the same manner in which their salary is funded. For example, if the employee's salary is paid 80 percent state and 20 percent local, the moving and relocation allowance shall be prorated in the same manner.

All other moving and relocation expenses must be paid from non-state funds.

B. Expenses Paid

The maximum payment from state funds for various categories of costs is enumerated in this section. Any additional costs must be paid from other allowable funding sources or borne fully by the employee.

The Internal Revenue Service (IRS) considers moving expenses paid to an employee directly or indirectly (to one or more third parties on behalf of the employee) as taxable compensation. Any moving expenses paid to an employee based on guidance under the Moving and Relocation section in this manual must be taxed as compensation, which includes not only income taxes but Social Security and Medicare taxes as well.

1. Moving of Household and Personal Goods

Payment for movement of household and personal goods includes items such as furniture, clothing, and personal effects. Any items that require special handling and/or packing, such as an animal, a boat, airplane, antiques, satellite dish, campers, woodworking equipment, workshop items, heavy machine equipment and building materials are not considered as household or personal goods**.** Payment includes, and is limited to, the cost of actual packing, transporting, and unpacking of a maximum of 15,000 pounds. If the move is on a weight basis (50 miles or more), the maximum cost to be paid can be no more than the lowest available regulated tariff rates. If additional storage is required for any such items, it is the responsibility of the employee and is not reimbursable.

2. Excess Weight Authorization

When due to extraordinary circumstances the total weight exceeds the maximum weight allowable, 15,000 pounds, a request for payment for this excess, which sets forth in detail the nature of such extraordinary circumstances, may be approved by the president, if submitted on behalf of a new employee who is not the president, or the Board of Trustees when the new hire is the college president. Reimbursement shall be based upon the tariff rate of 15,000 pounds, provided reimbursement does not exceed actual poundage costs. Except as otherwise provided specifically herein, payment may be made only for basic services performed by the carrier. No payment may be made from state funds for expedited service, space reservation, or other special or non-routine services by the carrier.

3. Insurance

Payment of transit insurance costs is set at $0.60 cents per pound per article. Presidents may grant exceptions.

4. Appliance Connections

The reasonable costs of disconnection of appliances, as defined in this section, at the old residence and reconnection or reinstallation of the same appliances at the new residence, by the carrier or by a service company, may be allowed up to a maximum of $500. This would include items typically found in performing household operations such as electrical, water, gas hook up, household appliances, and connection of a single telephone. This would not include items considered unnecessary to household operations such as television antennas, cable connection, satellite dish, nor any type of power tools or other equipment associated with home workshops, hobbies, or other activities. Also, utility deposits or the running of utility lines is not a reimbursable expense.

5. Mobile Homes

In lieu of an allowance for loading, unloading and insurance coverage, charges not to exceed a total of $1,000 are allowable for the following costs associated with the movement of mobile homes utilized as the employee's residence:

- Blocking and unblocking
- Anchoring and skirting
- Movement of air conditioners and utility buildings
- Wheel rental

Claims for payment for such services, whether performed by the carrier or a service company, must be supported by itemization on the bill of lading or on paid receipts, as applicable, detailing in either case the appliances serviced, the work done, and the individual cost of each such service. Such services performed by the carrier, and for which he assumes complete responsibility, may be invoiced at the applicable tariff rates, and must be further supported by an affidavit signed by the employee verifying that the carrier performed the services.

6. Employee Travel and Subsistence

Payment for travel expenses incurred in moving the employee and their family from the old residence to the new residence is authorized as follows:

- Locating a new residence
  Transportation mileage calculated at the statutory rate for a maximum of three round trips by automobile with each trip not to exceed two days (2 days, 1 night), for total house hunting trips not to exceed 6 days (6 days, 3 nights). Subsistence for meal costs as shown in the travel section for each member of the family per trip. If overnight lodging is necessary, lodging is limited to one double room and subsistence for the following day is allowable.

- Move date
  Mileage calculated at the statutory rate for a one-way automobile trip (a maximum of two cars). Subsistence for meal costs as shown in the ***State Budget Manual*** travel section (Section 5) for each member of the family. Employees have two days to complete the move. If overnight lodging is necessary, subsistence for the following day is allowable. Lodging is limited to one double room. The department head or their designee can approve any additional time needed.

- New duty station
  Subsistence at the new duty station is not to exceed five days a week Monday-Friday, or a consecutive five-day period, if working a nontraditional schedule. Mileage is limited for one-round trip per week from the employee’s current residence to the new duty station, subject to state travel laws and regulations, from the time he or she begins work until he or she moves into the new residence, not to exceed a total of 40 consecutive working days, excluding any leave time.

C. Procedures for Moving and Payment

1. Arranging the Move

Prior to the actual move, the employee will submit a request to the college's board of trustees. The request shall include bids from three movers and an estimate of other allowable expenses. These regulations require competitive bids that do not exceed the tariff rates and charges as published and filed with the North Carolina Utilities Commission. Bidders must have all required state and federal licenses and insurance. Bids included in the request shall include:

- Shipment weight
- Number of cartons
- Charges for loading and unloading
- Cost of transit insurance coverage

Transportation and loading shall be governed by the rules and regulations as contained in tariffs on file with the North Carolina Utilities Commission.

The college's chief financial officer shall accept the low bid unless judged not to be to the college's advantage and interest. The chief financial officer will notify the employee in writing as to the mover receiving the contract. Reimbursement to the employee will be paid after the move and based on the total bid price of the successful bidder and prorated by funding source as outlined in "Conditions and Limitations" earlier in this section.

2. Procedure for Payment

Upon completion of the move, the employee may pay the carrier and/or submit to the college's chief financial officer documentation consisting of:

- A bill of lading from the carrier which shows the actual rates and charges for transporting, loading and insurance, itemized by miles, loading charges with numbers and sizes of cartons, insurance coverage, as spelled out in this section.
- For moves over 50 miles, a certified weight ticket obtained by the mover and certifying the actual gross, tare, and net weights. This can be obtained from platform scales at truck stops, weight stations, etc.
- A copy of the letter authorizing the move. The college shall reimburse the employee or pay the carrier upon receipt of proper documentation. The expenditure should be charged to an account designated Employee Moving Expense.

The *Tax Cuts and Jobs Act of 2017* repealed the federal tax exclusion for moving expenses. Payments by employers to an employee or to third parties on behalf of an employee are taxable to that employee beginning January 1, 2018. Such payments are subject not only to federal and state income tax withholdings but also Social Security and Medicare taxes as well (§11048 of the *Act*). For these reasons, colleges are strongly advised to add the moving expense payments to the employee's pay for the period in which payment is made and run through payroll so appropriate taxes will be calculated, withheld, and reported. Payments made to third parties could be added as a taxable adjustment and deducted back as a post-tax adjustment.

3. Alternate Procedure

The college board of trustees may approve moving by an alternate procedure provided proper documentation and receipts support the move. The college may reimburse the actual cash expenditure made by an eligible employee in moving their household goods by another method, provided such reimbursement does not exceed that which would have been made if a regulated common carrier had been used. This alternative may be applicable for movement of an employee's goods by a rental trailer or truck or by a non-licensed mover. It is the responsibility of the board of trustees to determine if this method is cost effective before approval is granted.

IV. Bookstore Operations

The operations of the bookstore should be handled through the provisions of Institutional Funds. All financial transactions pertaining to the bookstore should be kept separate from all other activities of the college.

A. Inventory

A complete physical inventory should be taken of all items for resale as of June 30 each year. This inventory should list each item on hand on June 30 and should provide columns for quantity of each unit on hand, per unit cost, and total costs. The total cost value of the inventory should be recorded in the ledger and used to arrive at the cost of goods sold. The inventory list should be saved for use in auditing the bookstore.

All items on hand at year-end must be included in the inventory, although invoices on some of these items may not have been received until the following year. Care must also be taken to include any items which may have been returned, but for which credit has not yet been received.

Physical inventories may be desired at times other than June 30 to produce interim statements or some method of inventory estimating may be used as long as the inventory is reported at cost.

B. Bookstore Receipts

The bookstore manager should clear the cash register machine at the close of each day and prepare an analysis of receipts for the day. The format of the Daily Cash Analysis will be created in the college Business Office. All overages and shortages must be shown. The business office will issue a receipt as described above. The receipt, analysis and cash register audit tape will be filed together for bookstore audits.

All operations shall be consistent with the State Board of Community Colleges Code. See ***1H SBCCC 300.3*** for the State Board policy governing bookstore and bookstore commissions.

V. Receipt of Library Fees

A. Procedures to be followed in the library

- Collections in the library for overdue books, copy machine use, lost books, etc. should be turned into the business office whenever the receipts total more than twenty-five dollars ($25), but not less than once weekly. Normally this deposit should be on Friday to avoid leaving cash in the library over the weekend.
- The receipt from the cashier should be filed in the library's files for audit purposes for at least 2 years.

B. Procedures to be followed in the Business Office

- The cashier should count the cash and verify the count against the documentation provided by the library for the receipts collected.
- When fines are collected, receipts should be deposited into state funds as a refund of expense.

VI. Returned Checks

Returned checks will be replaced and should not be charged back against the bank account that received the deposit. Upon notification that a check was returned, the business office will write a replacement check from institutional funds, coded to an accounts receivable object (115xxx) for returned checks. This check will be exchanged at the bank for the one that was returned unpaid. The entry created from this check write will reflect:

Institutional Returned Check A/R	DR	$ XX
Institutional Fund Cash	CR	$ XX

A. Timely Repayment

If the original payor makes the check good by repayment (which should be the case most often) that repayment should be receipted directly into the Institutional Returned Check A/R code. The receipt will create the following entry, clearing the accounts receivable.

Institutional Fund Cash	DR	$ XX
Institutional Returned Check A/R	CR	$ XX

B. Write Offs

If after one year or more from retrieving the returned check from the bank, the check is not made good, and the college has performed due diligence collection procedures, the fund(s) that were credited when the check was originally receipted should be used to write off the debt by:

1. Writing a check against each fund that was involved when the bad check was originally receipted.

NOTE: If, institutional funds are involved, a journal entry may be posted instead of writing an institutional funds check to deposit back to institutional funds returned check accounts receivable.

2. Receipt this check to the Institutional Returned Check A/R account. The entry created by this receipt is outlined below and will clear the outstanding receivable.

Institutional Cash Account	DR	$ XX
Institutional Returned Check A/R	CR	$ XX

C. Repayment after Write-Off

If the check is made good by the debtor at any time after the above write-off has been made, repayment must be deposited into the codes used in B.2. of the Write-offs section above.

See collection of processing fees for returned checks ***(NCGA General Statutes - Chapter (25-3-506)***

A returned check processing fee may be charged not to exceed thirty-five dollars ($35.00) for a check on which payment has been refused. The fee must be established by the college's board of trustees and deposited into general unrestricted institutional funds.

Funds are to be used as follows:

- Support the collection efforts of the college for the returned check.
- Student aid and/or scholarships
- Other expenditures of direct benefit to students (e.g., funding of positions for financial aid and support of the Student Government Association)
- Other similar expenses authorized by the board of trustees (e.g., new faculty positions for start-up of new programs and counselors)

Funds may not be used for:

- Supplemental salaries or bonuses of any personnel
- Administrative support of the college other than as allowed above
- College entertainment expense (Educational activities for non-college personnel or college personnel to enhance student success is permissible. Functions in which the primary purpose is lobbying or soliciting donations would be considered entertainment and are not permissible.)

All expenditures shall be consistent with the mission and purpose of the community college system.

If a collection agency collects or seeks to collect on behalf of its principal a processing fee as specified in this section in addition to the sum payable of a check, the amount of such processing fee must be separately stated on the collection notice. The collection agency shall not collect or seek to collect from the drawer any sum other than the actual amount of the returned check and the specified processing fee.

NOTE: If a student issues a check and it is returned as "insufficient funds", the college must follow the above repayment policy. At no time can a college remove a student from their current class(es), but colleges are required to adopt a policy to prevent the student from registering for future class(es), curriculum or non-curriculum, or receiving grades and/or transcripts until the debt is paid.

VII. Deposit of Receipts

A. State Funds

The State Board of Community Colleges has provided that state funds shall be deposited in accordance with ***NCGS §147-77*** which requires that every agency or college collecting funds belonging to the State of North Carolina shall deposit same daily in the name of the State Treasurer in a bank designated by the Treasurer.

Under certain situations the Board of Community Colleges may approve temporary deposit guidelines which may differ from above, such as during COVID 19, etc. These guidelines are not permanent and are only allowed for the time specified by the approval.

The funds collected are to be deposited no later than the next business day following the date of collection. These funds are not subject to withdrawal except by draft of the State Treasurer. Checks which are taken in as receipts shall be endorsed as follows:

"For Deposit Only to the Credit of N.C. State Treasurer By: (Name of College)"

All deposits of State funds will be made on the Certificate of Deposit, Form 10-4. The deposit number should be sequential. If on a given day there are no receipts of State Funds, but receipts for other funds, (institutional and/or county) a Certificate of Deposit should still be prepared and electronically transmitted indicating zero receipts.

B. Local Funds

The deposit of local funds should be handled on a daily basis and accounted for on forms provided by the local bank(s). The bank deposit slip should be prepared in duplicate with the original retained by the bank and the duplicate retained by the college and filed with the day's receipting documents reflecting the deposit.

VIII. Disbursements

All disbursements of funds handled by the college should be made by check or P-Card except for the purchase of items handled through the college's petty cash account.

A. State Funds

As provided in ***G.S. 115D-58.3,*** all state funds received or deposited to the credit of a college shall be disbursed only upon warrants drawn on the State Treasurer and *signed by two employees* of the college who shall have been designated by the college's board of trustees, and who shall have been approved by the NCCCS Vice President of Business and Finance. Such funds may be disbursed in any other manner provided by regulations of the State Board of Community Colleges.

State funds expended by the colleges shall be disbursed through a disbursing account established for each college with the State Treasurer. The signature of persons authorized to sign vouchers issued on state funds shall be maintained on file with the State Treasurer and the State Board. The State Treasurer will furnish signature cards for this purpose. See section XX. Changing Depositories for guidance on requirements for signature cards.

The State Board of Community Colleges has established specifications for a standard check form to be used for the disbursement of State funds. Refer to the North Carolina Department of the State Treasurer Financial Operations Division Banking Operations web page for specifications. The cost of printing state checks shall be paid from state funds.

B. Local Funds

All local public funds received by or credited to a college shall be disbursed on warrants signed by two employees of the college that have been designated by the college's board of trustees, and who have been approved by the NCCCS's Vice President of Business and Finance as provided in ***G.S. 115D-58.4.***

IX. Petty Cash

Community colleges may find it desirable to maintain a petty cash fund. This should be handled on an imprest cash basis. It would be best to operate a petty cash fund with a minimum amount of cash. The best source to obtain this money would probably be Institutional Funds. **It may not be obtained from state funds.** If it has been determined that fifty dollars ($50) is the amount needed to establish the fund, a check for this amount should be written and charged to Petty Cash.

As this fund is used to pay small bills such as postage, freight, etc. a petty cash voucher would be completed showing the line item charges and initialed by the person receiving the cash; any supporting data available would be attached. Periodically these vouchers would be summarized by line item of expenditure, by fund and a reimbursement check would be drawn to replace these vouchers bringing the petty cash back up to the fifty-dollar ($50) level. The signed petty cash voucher slips and supporting data (i.e. sales receipt) shall be filed as documentation with the check. Petty cash reimbursement checks are made payable to the Chief Financial Officer, or the Cashier, or the custodian of the petty cash fund.

Any accumulated overages or shortages should be cleared periodically, at least by the end of each fiscal year.

X. Writing-Off Uncollectible Accounts and College Loans

Colleges shall establish policies and procedures to govern techniques for collection of accounts receivable and delinquent accounts, and the writing these accounts off as uncollectible. These techniques may include use of credit reporting bureaus, judicial remedies authorized by law, and administrative set-off by a reduction of an individual's tax refund pursuant to the Setoff Debt Collection Act, ***G. S. Chapter 105A*** or a reduction of another payment, other than payroll, due from the college to a person to reduce or eliminate an account receivable that the person owes the college.

The 1979 session of the General Assembly established the Setoff Debt Collection Act (***G. S. Chapter 105A***). The Act provides that North Carolina individual income tax refunds are subject to State claims. A refund in whole or in part may be applied against any past due indebtedness owed the State, provided both the debt and refund, if any, are at least fifty dollars ($50.00).

The Setoff Debt Collection Act must be incorporated into a college's collection procedures. Colleges will submit for collection all delinquent debts that are at least fifty ($50.00) which they are owed by individuals. Past due debts include those that have been written off as uncollectible for financial statement reporting purposes as well as those that are still in the collection process. Before final setoff can occur, colleges must notify the debtor of the proposed setoff and of the debtor's right to contest the setoff through an administrative hearing and judicial review.

The following should be considered a minimum effort and should not prevent a college from adopting more stringent measures.

A. For amounts of less than fifty dollars ($50)

A personal letter which details the date, purpose and amount of the debt should be mailed to the debtor. The debtor should be advised of state policy regarding grade transcripts and registration for future classes. If this measure fails, the account may be written off with the approval of the college's board of trustees. Copies of all correspondence should be retained.

B. For amounts of fifty dollars ($50) and more

A personal letter which details the date, purpose and amount of the debt should be mailed to the debtor. The debtor should be advised of state policy regarding grade transcripts and registration for future classes. If this measure fails, it should be turned over to the Collection Agency under contract with the State for this purpose and/or turned over to the College's Attorney who will write a collection letter. If the college is notified by the Collection Agency or the College's Attorney that the account is uncollectible, the debt shall be included in the "Set-Off Debt Collection Program" established with the Department of Revenue by ***G. S. Chapter 105A***. Use of this program is mandatory for all debts of fifty dollars ($50) and over. If all these measures fail, the account may be written off with the approval of the college's board of trustees. Copies of all correspondence should be retained.

Uncollectible accounts may be written off a college's financial accounting records and no longer recognized as collectible receivables for financial reporting purposes, but the legal obligation to pay the debts still remains. Accounts should only be written off when all collection procedures have been conducted without results and management deems the accounts uncollectible. Accounts due from individuals or vendors must be submitted to the Department of Revenue for setoff debt proceedings at least once prior to writing off. (For further details, *see* ***NCDOR Debt Setoff***.) After writing off, these accounts shall continue to be submitted to the Department of Revenue for debt setoff proceedings.

A college's write-off policy must be adequately documented. Such documentation must be available for audit. Federally sponsored student loans should be written off and no longer considered a debt of the college when assigned to the U.S. Department of Education or another applicable federal agency.

Colleges should develop policies and procedures to ensure that no student having any outstanding past-due accounts with that institution is allowed to enroll for the next term.

These procedures should be applied to state funds and other funds under the control of the college and that any debts rising from a federal program are subject to all rules and regulations of the U.S. Department of Education. Also, the college has the prerogative of placing accounts with a collection agency or filing legal suits for any amounts.

XI. Student Fees

The State Board of Community Colleges gives local boards of trustees the authority to establish registration and other fees; to provide a new and continuing source of support for college operations; to provide local flexibility in setting fees at what the local market can sustain and retaining those fees locally; and, to provide annual accountability to the State Board in identifying the fees.

A. Establishment of Student Fees

Community colleges board of trustees may establish student activity fees, instructional technology fees, college access, parking, and security fees, required specific fees, and other fees but are subject to any State Board established maximums.
Guidelines for the local application of each of those fees are established in State Board Code 1E SBCCC 700.1 through 700.7.

General Provisions – ***1E SBCCC 700.1***
Student Activity Fees - ***1E SBCCC 700.2***
Instructional Technology Fees - ***1E SBCCC 700.3***

College Access, Parking and Security Fees (CAPS) - ***1E SBCCC 700.4***
Required Specific Fees – ***1E SBCCC 700.5***
Other Fees - ***1E SBCCC 700.6***
Excess Fee Receipts – ***1E SBCCC 700.7***

B. Disbursements of Excess Funds Receipts

a. Receipts in accounts that are classified as excess funds should be transferred from the original account source to an account classified as Excess Funds Receipts.
b. Expenditures of Excess Funds Receipts must be maintained in a separate account so that those expenses are kept separate from expenses charged to the non-excess funds in the original account. For example: Self-support collections for the year exceeded expenditures by $20,000. A college wants to use $10,000 of these funds to support their welding program by purchasing some welding equipment. $10,000 should be transferred from the college's self-support account to excess receipts, and the welding equipment should be purchased from the excess receipts account.
c. Funds must be expended in accordance with ***1E SBCCC 700.7***.

C. Form 1098-T and Related IRS Regulations

This section is intended to assist colleges with locating and understanding the IRS guidance for Form 1098-T. It is not intended to be an all-inclusive source of information on the topic. Readers are encouraged to read the various IRS publications and articles on the topic to make the most informed decisions surrounding this topic.

Purpose and Brief History of Form 1098-T

It is important for colleges to understand that IRS holds each taxpayer/student responsible for the amounts claimed on the taxpayer's income tax return. Form 1098-T is not designed to tell the taxpayer nor IRS exactly how much should be reported on the tax return. For instance, Community colleges in North Carolina do not report amounts paid for required books and other classroom materials. Students would add these amounts to the QTRE that they report on their individual income tax return. The taxpayer/student is ultimately responsible for all claims made on their tax return, even if the Form 1098-T is inaccurate and/or if a paid preparer prepares the tax return. This does not relieve colleges of being diligent in preparing Forms 1098-T using data that the college knows or should know is required for accurate reporting.

Since 2016, colleges have been required to provide all eligible students with a Form 1098-T and adhere to tougher requirements regarding the effort made to obtain a taxpayer identification number from each qualifying student. Similarly, taxpayers/students were required to have a Form 1098-T to claim educational tax benefits on an individual income tax return.

Who receives a Form 1098-T?
A Form 1098-T must be issued to every student who has any QTRE unless **one or both** of the following conditions is met:

1. The total of the QTRE is paid entirely from scholarships/grants or waivers, leaving no difference between the two figures; or

2. The student is a foreign national and does not request a Form 1098-T.

Colleges are reminded if a student requests a Form 1098-T, even if they are covered through one of the exceptions above, the college is required to provide a Form 1098-T to the student.

A. Qualified Tuition and Related Expenses (QTRE)
Tuition, fees, and course materials required for a degree program are QTRE to the extent that they are required. If there is an optional fee for graduation purposes it would not be included because it is not required for the program of study. Amounts paid for education involving sports, games, or hobbies would not be included unless the course is required for the degree being sought by the student or taken for improvement in the employee's job skills. Any amounts for personal, familial, or living expenses such as room and board, insurance, transportation, and similar expenses are not QTRE and should not be included. When a college is unsure of whether to include an expense, the safest course of action is to exclude it from QTRE.

This reporting requirement is for the total amount for the student without regard to how the QTRE was paid. It could be paid by the student, the student's employer, a scholarship, or any other source, but it must have been paid. Any amount of tuition or fees that is waived is not reported on Form 1098-T.

B. Scholarships and Grants
IRS definitions of a scholarship or grant vary, and colleges should use the broadest definition IRS provides to ensure that all amounts required to be reported are included on the Form. The instructions for Form 1098-T state, in part, "Scholarships and grants generally include all payments received from third parties (excluding family members and loan proceeds)." Tax Topic No. 421 states, in part, "A scholarship is generally an amount paid or allowed to a student at an educational institution for the purpose of study." The first definition uses a source approach to define scholarships and grants, while the second uses a use approach. IRS further broadens the use approach definition in *Publication 970*: "A scholarship is generally an amount paid to, or allowed to, *or for the benefit of*, a student (whether an undergraduate or a graduate) at an educational institution to aid in the pursuit of their studies," (emphasis added).

The trouble with the first definition is that it is ambiguous about what party receives the payments, though it is unlikely that IRS intended to exclude scholarships granted by a college or university to a student. It is also unlikely that IRS intended for a college to report on amounts received by the student and not by the college since the college would have no reasonable way of knowing about those payments. Thus, a reasonable combination of the definitions might look like this: "Scholarships and grants generally include a) all payments received by the college on behalf of the student from parties other than the student, the student's family members, or loan proceeds from the student's own loans, and b) funds paid to, allowed to, or for the benefit of a student for the purpose of assisting the student in pursuit of their study at the college." Clearly, the IRS would not expect a college to include the same amount twice just because it meets both definitions; colleges should use both definitions to determine whether to report an amount in the first place.

The System Office has received many questions related to various types of aid to students and the answer is consistently in step with the guidance provided in this section: any direct economic benefit that the student receives as a result of their studies at the college is a form of scholarship or grant provided that neither the student nor the student's family were the source of the funds. Loan proceeds and Americorps payments are considered student sourced. Loan proceeds represent amounts that the student must ultimately re-pay, and Americorps payments represent amounts that the student earned from working. Day care aid paid directly to a day care for a student and car repairs paid by the college directly to a mechanic for repairing a student's vehicle are payments provided *in kind* – that is, for the benefit of the student and meet the definition of a scholarship. These are only examples. When a college is unsure of whether to include such amounts, the safest course of action is to include it as a scholarship/grant.

C. Dual Reporting

When the college pays a mechanic, day care, or other third party on behalf of the student as mentioned in the last paragraph, the payment could be $600 or more in some cases, which would trigger additional reporting.

Though it may seem strange to report the same payment to two different taxpayers, the requirement to report compensation received by the vendor does not take the place of reporting the same amount on Form 1098-T for the student. The reason is the college is not reporting a *payment by the college* but rather the *receipt by the taxpayers*. In this case the college acts as an agent for the student by making the payment on their behalf. The student is not required by the IRS to report the payment to the mechanic; the college does have that requirement and must report the value the student received and then report the payment made to a vendor on the student's behalf. See ***Instructions for Forms 1099-MISC and 1099-NEC*** for more information about who receives these forms.

Information for 1098-T reporting can be found at ***About Form 1098-T, Tuition Statement | Internal Revenue Service (irs.gov)***. The System Office has various training sessions in November and December of each year to review updated and changes associated with 1098-T. The System Office has prepared a detailed Frequently Asked Questions document that colleges should review prior to the training sessions. The FAQ is located on the System Office Knowledge Base.

XII. Live Client Projects
Live client projects are defined as;

(1) educational programs in which students, as part of their educational experiences and as part of the instructional course requirements, repair or remodel non-college owned personal property or real property; or

(2) educational programs that construct structures that are sold, produce goods that are sold, or provide services for a fee, such structures, goods or services being the normal and necessary product of learning activities of students.

If a college elects to engage in live client projects, college management shall adopt procedures for the administration of such projects, consistent with State laws and rules. See ***1H SBCCC 300.1*** for State Board policy.

XIII. Parking and/or Traffic Fines
Colleges approving and charging a parking and/or traffic *fines* must remit collections to the "Civil Penalty and Forfeiture Fund" through the Office of State Budget and Management within 10 days after the end of the calendar month in which the fines were collected to comply with a July 1, 2005 ruling of the North Carolina Supreme Court. Checks are to be made payable to the Office of State Budget and Management and the description of the payment should indicate "FINES AND PENALTIES COLLECTED FOR _____(insert month and year)"and mailed to OSBM, 20320 Mail Service Center, Raleigh, NC 27699-0320. See numbered memorandum CC05-239.

This ruling does not affect towing fees collected under ***G. S. 115D-21*** so long as those fees reasonably relate to the actual costs associated with the towing of vehicles. In addition, the decision does not affect library fines or other fines beyond the scope of ***G. S. 115D-21***.

XIV. Overhead Receipts
Many financial aid programs provide an administrative allowance that colleges can use to offset overhead costs of administering the program. These financial aid receipts shall be divided into two parts:

A. Unrestricted
Twenty-five percent (25%) of the total amount received each year may be used for instruction, student support services, student financial aid (e.g. scholarships, grants, loans, Work Study), student refunds, student activities, curriculum development, program improvement, and professional development. Colleges may also use this portion for costs associated with financial statement audits or any other audits required by the State or Federal Government, OMB A-133 audits, or any other audits required by the State or Federal Government. If the college is required to payback funds as a result of audit findings, the college may use this portion to meet that obligation. These purposes shall be approved by the college's board of trustees only once, unless the purposes are changed. If equipment was permitted by the grant through which the indirect cost allowance was earned, equipment may be purchased with the unrestricted portion only. Funds cannot be approved for capital improvement projects.

B. Restricted

The remaining seventy-five percent (75%) of the total amount received each year may only be used for the following:

1. Publications containing financial aid and other student services information.
2. College Work Study matching or continuation of the College Work Study Program after regular funds have been exhausted.
3. Salaries and related fringe benefits in financial aid, business office, grants administration or student services, which are necessitated by grants earning overhead receipts. (Supplements to regular salaries are not permitted.)
4. Supplies and materials for use in either the financial aid office, business office, grant administration or student services which are related to the grants providing the overhead receipts.
5. Travel of persons in the financial aid office, student services or others who are responsible for administration of grants providing overhead receipts.
6. Membership dues or fees paid to financial aid and student services associations.
7. Service fees paid to billing and collection services.
8. Contractual services which are related to supporting the grants providing the overhead receipts.
9. Costs associated with financial statement audits, OMB A-133 audits, or any other required audits by the State or Federal Government.
10. Required payback of funds as a result of audit findings.
11. Student financial aid (e.g. scholarships, grants, loans).
12. Other purposes related to supporting the grants providing the indirect cost receipts, upon receipt of written approval from the North Carolina Community College System Chief Financial Officer.

C. Special Provisions

The fund balance that accumulates from year-to-year in Overhead Receipts Restricted is only available for uses as described above. Funds should be transferred out of the Overhead Receipts Fund to other appropriate funds to be expended.

D. Payroll

A. Partial Month Pay Calculations

Colleges have two options for calculating partial month pay in Colleague: the daily rate method and the hourly rate method. No other method is approved for use at this time.

Daily rate method

Colleges may use the daily rate calculation method when calculating partial monthly pay for employees. Current functionality in Colleague supports the daily rate calculation method for several scenarios, though not all. To calculate the daily rate, Colleague divides an employee’s monthly salary by the number of working days in the current working month to calculate a daily rate.

Example: An employee having a monthly salary of $4,112.10 works 22 days in a particular month that has 23 working days. The gross pay is calculated by dividing the monthly salary of $4,112.10 by the 23 working days in the month to get a daily rate of $178.7869. Next, multiply the daily rate by 22 days worked to get $3,933.31.

Monthly salary	÷	Scheduled working days	x	Actual days worked	=	Partial month pay
4,112.10		23		22		3,933.31

For employees taking leave days without pay, an adjustment can be made on PPGA to delete the number of days that an employee is on unpaid leave.

Example: Assume that the employee in the example above works 19 days out of 23 and takes four unpaid days. The gross pay is calculated by dividing the monthly salary of $4,112.10 by the 23 working days in the month to get a daily rate of $178.7869. Once the four unpaid days are removed from PPGA, Colleague multiplies the daily rate by 19 days worked to get $3,396.95. The salary will be correct using this method without doing any other manual manipulations of the salary in PPGA.

Monthly salary	÷	Scheduled working days	x	Actual days worked	=	Partial month pay
4,112.10		23		19		3,396.95

Hourly rate method
In most cases, adoption of the daily rate method will eliminate the need for any manual calculations. However, if a new employee has a wage start date after the first working day of the month or if an employee leaves and has a wage end date before the last working day of the month, Colleague will pay the employee using an hourly rate method in which the monthly gross is divided by the number of working hours in the month. Colleges wishing to avoid manually calculating the partial pay and manually correcting the amount shown on PPGA are permitted the flexibility to accept the hourly rate calculation.

A college may choose to make the manual interventions necessary to pay by the daily rate method if preferred but is not required to do so. Furthermore, the college may choose the method on a case-by-case basis using professional judgment to decide which method is more appropriate under the circumstances of the individual situation.

As a reminder, pay is not received for any days designated as a holiday in the following cases:

- Holidays that occur before the beginning date of employment;
- Holidays that occur after the last date of employment; or
- Holidays that occur after an employee goes on extended leave without pay if the employee does not work at least half of the workdays in that same month.

Questions about Colleague human resources and payroll processes can be directed by opening a ServiceNow incident ticket. **https://ncccs.servicenowservices.com/sp**

B. Spreading Pay
As a service to employees on contracts shorter than twelve months, as well as for administrative efficiency, colleges may decide to offer the option of extending contract pay over twelve months. This has the advantage of offering these employees a year of paychecks and it benefits the college by easing the burden of collecting payments from contract employees for the cost of their benefits during the months in which no paycheck is issued.

The Internal Revenue Code (IRC) calls compensation earned in one period but paid in a later period deferred compensation, and it is further classified as qualified or non-qualified. Qualified deferred compensation is money deducted from an employee's check and deposited into funds that meet the terms of IRC §401(k), §403(b), or §457(b). Non-qualified deferred compensation is any other type of deferred compensation unless specifically exempted.

IRS originally exempted a limitation of up to $15,500 of deferred pay for instructional personnel as set by IRC §402(g)(1). This means as long as the employee is paid the entire amount of their contract within the thirteen-month period that begins in the initial month of their working period (i.e., the first of the month that their contract begins) and there is a written or electronic agreement in place with the employee accepting spread pay, any deferral of pay up to the limitation is essentially treated as though it were earned in the subsequent tax year for tax purposes. Colleges are required to review annual limitations/maximum contributions to deferral compensation accounts. The annual limits can be found at ***Retirement topics: 401(k) and profit-sharing plan contribution limits.*** The current limitation for 2025 is $23,500. See **IR-2024-285** issued on November 1, 2024.

Under the IRS rules, colleges have three options:

1. A college may elect not to offer to spread pay;
2. A college may elect to offer to spread pay; or
3. A college may elect to require spreading pay.

For colleges who elect to offer to spread pay but not require it, should adopt a policy stating whether participants will be allowed to alter their spread pay agreement or cancel it entirely during the work period. Note that the process of switching to or from a spreading agreement during a working period requires manual calculations and colleges should consider whether this is a service they want to offer.

Regardless of whether the colleges allow intra-period modifications, agreements should specify the terms of the spread pay agreement, including when the pay is earned, the method by which the current portion will be calculated for payroll purposes (such as *pro rata*), and when the deferred portion will be paid. Colleges should pay out any unpaid balance of earnings upon termination of the employee.

See ***Retirement Topics - 401(k) and Profit-Sharing Plan Contribution Limits*** for more details.

C. Members of Boards and Commissions as Employees

As outlined in ***Numbered Memo CC17-033***, community college board and special commission members should generally be treated as employees for tax purposes. Federal revenue regulations provide that a public official must be an employee of the organization and payroll withholding regulations must be followed. Internal Revenue Code §3401(c) provides that the term ***employee*** includes, "an officer, employee, or elected official of the United States, a State, or any political subdivision thereof, …or any agency or instrumentality of any one or more of the foregoing."

On its website ***Tax Withholding for Government Workers*** IRS defines "public office":

- The constitution, legislation, or a municipality or other body with authority conferred by the legislature created the office
- The office was delegated a portion of the powers of a government body
- Legislative authority or law defined, either directly or indirectly, the powers conferred and the duties to be discharged by the office

In the same place as the foregoing, IRS provides the following examples:

- President and the vice president
- Governor or mayor
- Secretary of state
- A member of a legislative body such as a state legislature, county commission, city council, school board, utility or hospital district
- A judge, a justice of the peace, a county or city attorney, a marshal, a sheriff, a constable and a registrar of deeds
- Tax collectors and assessors
- Members of advisory boards and committees like boards of education, water boards and other boards and commissions

Colleges should not only treat members of boards and commissions as employees but should also run all other forms of taxable compensation through the payroll system and tax them as ordinary compensation. Other forms of compensation typically include routine personal/commuting use of a business vehicle, travel allowances, travel reimbursements that exceed customary amounts (amounts that would have been provided to any other employee in the normal course of business), season tickets to theatre or sporting events, and country club memberships. While most of these are not common among colleges, readers should be aware of these specific categories. Please see the following sections, "Taxability of Payments and Accountable Plan Rules," "De Minimis Fringe Benefits," and "Awards," for more rules that apply to members of boards and commissions.

D. Taxability of Payments and Accountable Plan Rules

All amounts paid to employees are taxable unless specifically excluded by regulation. In ***Publication 463*** , IRS defines an accountable plan as one in which the expenses must have a business purpose, that the recipient is accountable to the employer for the amount spent within a reasonable period, and that excess funds received over the actual expenses are returned to the employer. A "reasonable period of time" could be thirty days prior to travel for a travel advance, sixty days after travel for an accounting of actual expenses, and up to a few months after travel for repayment of any excess. Colleges must designate "reasonable period of time" within their local authority.

An example of reimbursement under an accountable plan would typically involve reimbursing employees or board members for actual lodging and meal costs or providing reasonable per diem allowances. Examples of payments that would not qualify as reimbursements under an accountable plan would include reimbursing employees or board members for commuting expenses, routine meal reimbursements when not in travel status, and transportation or vehicle allowances for which employees are not required to account and return any excess.

E. De Minimis Fringe Benefits

Similarly to accountable plan rules, IRS regulations provide that colleges may elect to provide tokens of appreciation to employees, including board members, and exclude the value of such items from taxable wages if certain de minimis benefit rules are met. For a benefit to be a de minimis fringe benefit, it must be property or service that has so little value, considering the frequency of providing such a benefit, that accounting for it would be unreasonable. Cash and cash equivalents (such as gift cards), season tickets for theater or sporting events, country club or athletic club memberships, and similar items are never de minimis. A few examples of de minimis fringe benefits include:

- Holiday or birthday gifts, other than cash, with a low fair market value;
- Occasional personal use of a business cell phone; and
- Occasional theater or sporting tickets.

For more information, consult ***IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits.***

F. Awards

There are federal revenue regulations specific to awards that increase a college's flexibility for tax-free gifts. First, the recipient must be considered a legal employee. Second, it must meet ***all*** the following criteria:

- it is given to an employee for length of service or safety achievement;
- it is awarded as part of a meaningful presentation; and
- it is awarded under conditions and circumstances that don't create a significant likelihood of disguised pay.

These criteria are detailed in many sources with the IRS. Publication 535 has been discontinued. However, the IRS has developed a ***Guide to Business Expense Resources*** which provides links to many business expenses. Since colleges don't pay income taxes, deduction is not what is important. Whether the employee must be taxed on the gift is important and is discussed in ***IRS Publication 15-B***. If the award is cash, cash equivalent (such as a gift card), vacations, meals, country club memberships, tickets to theatre or sporting events, and similar items, it becomes taxable to the employee.

Otherwise, such gifts are excludable from an employee's wages under the following circumstances:

- the award is made under an established written plan, **and**
- the plan does not discriminate in favor of highly compensated employees, **and**
- the average cost of all employee achievement awards (both qualified and nonqualified awards for length of service and safety) made by the employer during a single year does not exceed the cap

To be excludable from an employee's wages the gift must meet **all** requirements listed above.

The ***State Budget Manual Section 6.4.4*** allows State Funds to be used for personnel recognition of services in the form of meritorious service awards and annual employee appreciation events.

Colleges are allowed to frame certificates or plaques in recognition of meritorious service provided by employees as included in ***1C SBCCC 400.9 EMPLOYEE MERITORIOUS SERVICE AWARDS .*** State funds may be used for this purpose not to exceed $100.

Colleges may use a portion of lapsed salaries to cover nominal expenses related to employee appreciation activities. Nominal expenses per person cannot exceed a rate equivalent to the established per diem rates set for lunch. Expenses must adhere to the following guidelines.

- Funds cannot be spent to provide cash awards or cash incentives to employees or contractors.
- Funds cannot be spent to purchase gift certificates or gifts for employees or contractors.

- Funds cannot be used to purchase anything that could potentially undermine public trust in the agency.

XVI. Foreign National Compliance Policy

All North Carolina state government agencies, universities, community colleges, and institutions have been tasked with the responsibility of withholding and reporting on payments to nonresident aliens (foreign nationals) and foreign businesses in accordance with Internal Revenue Code (IRC) Section 1441 and policies established by the Office of the State Controller (OSC). These policies and procedures can be accessed using the following link: ***NC OSC: 600.01 - Foreign Nationals.***

The Sprintax/Calculus software package is contracted through OSC and provided at a cost to state entities to assist in properly withholding and reporting payments made to nonresident aliens working and studying in North Carolina. The software consists of components that calculate all applicable tax withholdings and deliver all necessary tax analyses and required forms. All community colleges have designated individuals with access to the Sprintax/Calculus Software. The software is funded and paid for by the System Office.

College Responsibilities

As part of the Foreign Nationals Compliance Program, all colleges must develop written internal policies and procedures that establish their own internal business flow process between Human Resources, Student Services and Accounts Payable. Any payments to foreign employees, businesses, contractors, or students must be tracked within the Sprintax/Calculus software.

Colleges are responsible for processing all nonresident aliens (foreign nationals) and foreign businesses information in the Sprintax software. The information processed with the software will determine the withholding requirements for any payments issued. All required information should be entered into Sprintax/Calculus prior to any payments being made. If payments are issued prior to information being properly entered in Sprintax, the college can become responsible for any taxes that should have been withheld from the payment. Colleges may be responsible for any penalties issued by the Internal Revenue Service for non-withholding.

When presented with a foreign national vendor, contractor, student or employee, the college should complete the ***Foreign Visitor Information Form*** found on the Business and Finance website and enter this information into Sprintax. Once all required information is properly entered and verified, Sprintax provides any applicable taxation rules.

It is the college’s responsibility to gather all data for everyone or company to be tracked through Sprintax before payment is issued. No payments should be made to foreign individuals or organizations until an analysis of the facts and circumstances surrounding the transaction has been performed.

Colleges may be responsible for any penalties issued by the Internal Revenue Service for non-withholding. Payments and tax withholdings information are maintained within Sprintax. At the end of each calendar year, IRS Forms 1042, 1042-T and 1042-S are prepared by Sprintax based on information entered in the software.

The quarterly Foreign National Payment Certification Form is no longer required to be prepared and sent to the System Office. All payment information should be entered into Sprintax for IRS Forms 1042, 1042-T and 1042-S can be prepared. These are no longer prepared by the System Office.

Electronic Filing of Information Returns
The IRS requires entities to electronically file Forms 1042, 1042-T and 1042-S. Colleges are required to obtain a Transmitter Control Code (TCC) specifically for 1042 filings. This TCC will be different from the TCC assigned for 1099 and W-2 processing. Colleges are responsible for completing the electronic filing of IRS Forms by March 15 for each year, after the close of the reporting year.

Upcoming Changes - Effective for Tax Year 2026 (Filing Season 2027) the FIRE System is targeted for retirement.

- The Information Returns Intake System (IRIS) will be the only intake system for information returns for filing season 2027.
- Existing FIRE users are encouraged to complete their IRIS Application for TCC and use IRIS for their electronic filing needs as soon as possible.
  Visit ***IRS.gov/IRIS*** for more information.
- Stay tuned for future Quick Alerts, IRIS Working Group meetings, and updates to IRS.gov resources as further guidance is available.

XVII. Capital Asset Policy

A. Capitalized Assets
A capital asset is property, such as land, land improvements, easements, buildings, equipment, works of art and historical treasures, and infrastructure, with a cost equal to or greater than $5,000 and a useful life of two or more years. Capital assets are acquired for use in normal operations and are not for resale. These assets must be capitalized and entered into the College's capital asset inventory system. A physical inventory must be taken of capital assets at least once a year.

B. Non-Capitalized Assets
Assets costing below $5,000 are expensed, not capitalized, nor depreciated for financial reporting purposes. These assets **are consumable and do not have an extended useful life**. Non-Capitalized Equipment is purchased using either the **expense object code 555100** (**Non-Capitalized Equipment) or the expense object code 555200 (Non-Capitalized Equipment – High Risk). Non-Capitalized Equipment** is a non-consumable asset and should never be purchased using a supply object code. **Object Codes 555100 and 555200** can be used with either a **capital purpose code (920, 940) or with a current operating purpose code (1XX, 220,**

3XX, 4XX, 510). Only expenditures charged to capitalized equipment object codes in purpose code 920 will be used to calculate the amount of equipment carryover funds.

C. High Risk Assets

The System Office has designated the following equipment as **high risk**: data processing and networking equipment, servers, computers, laptops, portable projectors, iPads and other tablets, and firearms.

Equipment that is considered high risk must be purchased **using the expense object code 555200** (**Non-Capitalized Equipment – High Risk)**.

Colleges can also use **expense object code 555200** (**Non-Capitalized Equipment – High Risk)** for other items that they consider high risk, such as, audio-visual equipment, microscopes, and medical equipment. Using a separate object code for high-risk equipment purchases provides a balancing tool between the monthly state funds expense report and the capital asset inventory system, for those colleges that are adding non-capitalized high-risk equipment to their capital asset inventory system.

D. Capital Assets System

Colleges are required to enter capitalized assets into the college's capital asset inventory system.

Colleges are not required to enter equipment purchased with a non-capitalized equipment object code to the college's capital asset inventory system but are allowed and encouraged to track it on the inventory system. Non-capitalized assets tracked on the inventory system must be designated with a source code of 9.

An annual physical inventory is not required on non-capitalized inventoried items, but Colleges **should inventory non-capitalized items kept on the inventory system at least once every 2 to 3 years, if not annually**. High-risk items not kept on the inventory system should be inventoried at least once every 2 to 3 years, if not annually.

Colleges must have the ability to **keep track of high-risk non-capitalized equipment**. The college's tracking process for **Non-Capitalized Equipment – High-Risk** items must be written and reported to the System Office. Colleges submit their written process to the System Office upon request, and the written process must be **signed** and approved by the CFO.

E. Grouping of Assets

In May 2021, GASB issued GASB Implementation Guide 2021-1 Section 5.1 with the objective of clarifying that "a government should capitalize assets whose individual costs are less than the capitalization threshold for an individual asset if those assets are significant".

Therefore, community colleges are now required to assess acquisitions of similar assets purchased as a group near the same time with a single objective that have

significant value in aggregate, to be capitalized even if the individual assets fall below the capitalization threshold of $5,000 as stated in OSC policy 102.1.

Effective FY2023-24, assets that are below $5,000, that are purchased as a group and have a significant cost are subject to capitalization per GASB Implementation Guide 2021-1 Section 5.1.

OSC issued a Financial Reporting Update on June 21, 2023, to provide guidance on grouping of assets. ***FRU 00 GASB IG 2021-1 Question 5.1 Asset Capitalization policy (nc.gov)***, which provides an evaluation template with instructions and Appendix A providing how to utilize the evaluation template. OSC IG 2021-1 Question 5.1 Evaluation Template can be located at: ***GASB IG 2021-1 Section 5.1 Evaluation Template-NC OSC.***

After further evaluation and collaboration with the UNC System, OSC recommends state reporting entities should be reviewing the significance of the aggregation of similar asset purchases over the course of a fiscal year.

The first step in implementing this standard is determining what qualifies as ***significant***. The OSC IG 2021 Question 5.1 Evaluation Template aids in this determination by evaluating whether previously reported capital outlay expenses could be considered significant and thus should be capitalized as a grouped asset.

To gain additional understanding of GASB implementation Guide 2021-1 please refer to the following resources:

• Question 5.1 from ***GASB Implementation Guide 2021-1***
• OSC IG 2021-1 Question 5.1 Evaluation Template ***OSC-IG 2021-1 Question 5.1 Evaluation Template***

XVIII. Reporting Damage, Theft, Misuse of State Funds/Property

- Report damage, theft, embezzlement, or misuse of any state-owned personal or real property by institutional officials or employees to the Director of the State Bureau of Investigation in accordance with G.S.114-15.1 ***Misuse of State Property***.
- Whistleblower Protection
- State Auditor Tipline - ***How to Report Fraud, Waste or Abuse*** or call 800-730-8477 or ***Tipline@ncauditor.net.***
- Retirement Hotline: The North Carolina Retirement Systems has created a Fraud and Abuse Hotline that allows citizens to report potentially fraudulent behavior by members, benefit recipients and employers in the Retirement Systems. You are encouraged to contact the N.C. Retirement Systems to report possible fraud and abuse regarding areas such as:
  - Return-to-work violations
  - Disability fraud as it pertains to the N.C. Retirement Systems, not Social Security disability
  - Receipt of a deceased member’s benefits
  - Impersonation of an N.C. Retirement Systems employee

- Report Retirement Systems fraud to one of the following:
  - 1-855-90FRAUD (1-855-903-7283)
  - email: ***retfraud@nctreasurer.com*** to submit a fraud report

IX. Changing Depositories

North Carolina community colleges will generally need at least three types of accounts for deposits of funds to be maintained and/or expended within the lawful purposes for which the source of the funds have been designated.

Sources of funds may be federal, State, County or Institutional. Colleges should be mindful of the requirements of the funding sources and set up appropriate accounts accordingly.

- **State Funds**

All community colleges within North Carolina State Government are required to deposit their daily receipts of State funds into accounts in the name of the Department of State Treasurer (DST) based upon General Statutes ***147-77*** and ***147-78***.

The State Treasurer is authorized by G.S. ***147-78*** to select and designate, wherever necessary, in this State banks, savings and loan associations, or trust companies as an official depository of the State. The current list of banks approved for banking relationships in the State can be located at ***Statewide Banking Relationships | NC Treasurer*** on the State Treasurer's website. This list was updated as of March 31, 2025. Community colleges should review this list before making any change in banking relationships.

Community colleges occasionally have the need to establish new depository relationships or to change existing relationships. The Specialized Banking Unit within the Statewide Banking Relationships section of the DST Financial Operations Division facilitates these actions.

DST does not mandate where any community college chooses to deposit its funds. The Financial Operations Division, Statewide Banking Relationships group does facilitate the account opening and management of the account with the bank. These relationships consist of large commercial banks and smaller regional and community banks.

When a community college wishes to choose a depository for their daily receipts of State funds, the DST Specialized Banking Unit partners with the college to open the account and provide account assistance. For more information access: ***Statewide Banking Relationships | NC Treasurer.***

Forms required to be filed with the DST include the Application for New Disbursing or Short-Term Investment Fund (STIF) Account which can be accessed at: ***DST - Short-Term Investment Fund (STIF) or Disbursing Account Application*** and the

Signature Card for Disbursing & STIF Account which can be accessed at: ***Signature Card for Disbursing & STIF Account.***

For more information, please contact the Department of the State Treasurer, Specialized Banking Operations at 919-814-3905 to assist with the process. The North Carolina Office of the State Controller (OSC) is to be notified of any account changes or change in leadership within a college. The Delegation of Disbursing Authority is required to be completed through DocuSign and is routed to the State Controller for signature once the college has signed. Information can be located at: ***Delegation of Delegation Authority – Community Colleges***. OSC requests that when a new Delegation of Disbursing Authority is signed and completed, that the college upload a copy to the Cash Management Plan SharePoint site by staff as specified at each college.

Frequently asked questions and additional guidance in completion of the Delegation of Disbursing Authority can be accessed through the following: ***Delegation of Disbursing Authority - FAQs***.

E. Local Funds - County and Institutional

Community colleges should set up and maintain separate banking accounts according to the lawful purpose for which the funds have been granted. At no time should these accounts be used to deposit State funds.

To request access to Core Banking, the State of North Carolina's banking software, individuals should complete the ***Core Banking User Access Request*** and submit as instructed on the form. Colleges must be sure to include the seven-digit bank account information for accounts the individual should have access to. This will minimize time required to gain access. This form is frequently updated so colleges are encouraged to always verify the most current form is being used by accessing the System Office website.

F. STIF (Short-Term Investment Funds)

If colleges utilize a State Treasurer Investment Fund (STIF) to deposit local, institutional or Foundation funds, colleges must work directly with the State Treasurer's office for account support. System Office staff are not authorized to assist colleges with account support or accessing STIF accounts.

XX. P-card/Credit Cards

Refer to the North Carolina Administrative Code ***01 NCAC 05B .1523*** and ***NCGS § 143-49(8)*** rules governing the use of p-cards. See also ***DOA - Procurement Manual 2.1.2 Procurement Card (P-Card)***. ***Statewide Term Contract 946-A State Procurement Card*** has been awarded to Bank of America through February 28, 2026, with the option to renew for three additional one-year periods.

Colleges are advised to review all P-card requests prior to official payment being processed. Many foreign businesses may request payment by P-card. However, if amounts paid are not properly analyzed through the Sprintax/Calculus software, colleges may be responsible for paying the withholding taxes that should have been deducted from the payment. The withholdings should have been deducted from the P-card transaction amount released. Once a P-card transaction is processed, no changes for withholding requirements can be made. Colleges may be responsible for any penalties issued by the Internal Revenue Service for non-withholding.

P-Card Rebates

The system office will generate payments to colleges receiving procurement card rebates when notified by the Office of the State Controller (OSC) and funds are received from the Department of State Treasurer.

Colleges should deposit the rebates into the general ledger account(s) where the original expenditures were made. Any amounts deposited to state fund general ledger accounts should be recorded as refunds of expenditure using the appropriate NARD code so that these amounts are reflected accurately on the monthly 2-12 Receipts and Deposits page.

The federal government must be allocated their portion of any rebate received from the use of procurement cards by colleges. The federal portion is based on the participation by the federal government in the particular grant or program that generated the rebate. Each college is responsible for calculating the federal financial participation rate, applying that rate to the rebate received and remitting that amount back to the specific granting federal agency via check. The exact procedure for the return of funds should be agreed upon with the granting agency.

An OSC approved method to calculate the federal financial participation rate is to divide total college Schedule of Expenditures of Federal Awards (SEFA) expenditures for the fiscal year by the total college expenditures for the fiscal year for accounts with any federal revenues. Any other method by which a more precise rebate allocation is generated may also be used, including the actual rate for a particular grant where the federal funds were spent, if that is easily identified.

Each college is responsible for proper documentation of the receipt of these funds, the accounts to which they were deposited, any methods of calculation or allocation between accounts and/or federal portions, and all other details about accounting for these rebates, as each college is responsible for any future inquiries concerning the receipt and processing of these rebates.

XXI. Records Retention

Refer to the State Records Retention Schedule on the State Archives website for rules governing the retention of state records. The URL for the current retention schedule is: ***Records Retention - NCCCS (nccommunitycolleges.edu)***. This link is posted to the North Carolina State Archives blog located at: ***Amendments Available for the Community Colleges Schedule.***

XXII. Document History

Date published	Description
March 2015	**Travel –** Corrected the total daily travel reimbursement rates as shown in the written words**.** (The reimbursements amounts shown on the chart in Section II, Part C and shown in numbers in Section II, Part B were correct) **Travel –** Statement about on-line training added to the section on Registration Fees - All registration fees must be approved in advance by the college President or their designee. Convention or conference registration fees must be included on the travel authorization request prior to departure. Registration fees for webinars or other on-line training that does not involve travel should not be requested on a travel authorization, but should be processed using the college's normal purchasing procedures. **Moving and Relocation** – Added a statement giving colleges blanket approval to use state funds for moving and relocation expenses for new Presidents. Moving expenses are not allowable for initial employment or if the employee requests the change. The Office of State Budget and Management (OSBM) has approved one exception to this rule. They have given Community Colleges blanket approval to use state funds to pay for moving expenses of new Community College Presidents when the President's household and personal goods weigh less than 15,000 pounds. Should the President's household and personal goods weigh 15,000 pounds or more, colleges must request permission from OSBM. **Moving and Relocation –** Clarification that the Office of State Budget and Management is the approval authority for approving employee moving expenses when household goods weigh above 15,000 pounds **Writing off Uncollectible Accounts and College Loans –** This section was completely rewritten and the minimum requirements were changed to give colleges more flexibility. **Student Fees –** Disbursements of Excess Funds Receipts section added. Requires colleges to keep the expenses related to excess funds receipts in a separate institutional account from the original source account. **Payroll** – Updates the Partial Monthly Pay Calculations section to the daily rate method which is the way colleague calculates partial monthly pay

	Foreign National Compliance Policy – Change in the number of colleges that maintain their own Tax Navigator (Windstar) software license for foreign tax compliance from ten to five.
June 2015	**Payroll –** Spreading Pay was added. Provides guidance to colleges about spreading pay for employees on instructional contracts less than twelve months.
October 2015	**Travel –** The travel policies were updated for current rate information. **Payroll –** *Partial Month Pay Calculations* and *Spreading Pay* were combined into a single Payroll section. This section combines the payroll issues into one section and updates the guidance on partial month pay to offer colleges flexibility in calculating partial month pay. **Document History –** section was added. This will allow users to track the history of modifications to this document.
March 2016	**Travel –** In addition to being completely reorganized for better reference and to reduce redundancy, the travel policies were updated for: • the decrease in IRS mileage rate from 57.5¢ per mile to 54¢ per mile; • the current IRS depreciation rate of 23¢ per mile; • the current state motor fleet rate of 34¢ per mile; • the introduction of a tiered mileage reimbursement system for mileage above and below 75 miles per trip; • the rental of vehicles under state contract; • the allowance of tips for taxi and other ground transportation drivers of 15% of the fare plus up to $2 per bag; and • the handling of "super saver" rates and frequent flyer miles earned on official college business trips. **Live Client Projects –** Readers are now referred to the Board policy at 1H SBCCC 300.1. **P-card/credit cards –** In accordance with Office of the State Controller Memo No. 15-22, this section was updated to reflect that federal rebates are no longer to be sent to OSC but remitted directly to the granting agency. **Records Retention –** section was added. Refer to the State Archives website for the State Records Retention Schedule. Currently, the URL is http://stateschedules.ncdcr.gov/Schedules/North%20Carolina%20Community%20College%20System/Colleges%20in%20the%20Community%20College%20System/NCCCS_Colleges_CommCollSystem_Admin.pdf This document was updated for ADA compliance. The font family was converted from serif to sans serif. The online version will be available in grayscale.
December 2016	**Travel –** In accordance with Numbered Memo CC16-052, this document has been updated to show that reimbursement for official use of a personal

	vehicle is to reimbursed at the IRS standard business mileage rate up to 100 miles per day of travel status and any miles driven in excess of that threshold are to be reimbursed at the IRS medical or moving purposes mileage rate. See the Transportation by Personal Vehicle section for details.
January 2017	**Travel –** This document has been updated to reflect the 2017 IRS standard business mileage rate, which decreased from 54¢ to 53.5¢ per mile; the 2017 IRS standard depreciation mileage rate, which increased from 24¢ to 25¢; and the 2017 IRS medical or moving purposes mileage rate, which decreased from 19¢ to 17¢ per mile. See the Transportation by Personal Vehicle section for details. **Records Retention –** The North Carolina Department of Natural and Cultural Resources, State Archives Division, has completed the new records retention schedule for community colleges. See the Records Retention section for details.
July 2017	**Travel –** Pursuant to a memorandum dated July 7, 2017, from State Budget Director, Charles Perusse, this document has been updated to reflect changes in the state travel subsistence rates effective July 1, 2017. The in-state breakfast rate has increased from \$8.30 to \$8.40, the lunch rate has increased from \$10.90 to \$11.00, and the dinner rate has increased from \$18.70 to \$18.90. The out-of-state breakfast rate has increased from \$8.30 to \$8.40, the lunch rate has increased from \$10.90 to \$11.00, and the dinner rate has increased from \$21.30 to \$21.60. The in-state lodging rate has increased from \$67.30 to \$71.20 and the out-of-state lodging rate has increased from \$79.50 to \$84.10. See the Subsistence Rates subsection of the Travel section for more information about these daily rates.
August 2017	**Payroll –** Following Numbered Memo CC17-033, this document has been updated to include four new subsections: "Members of Boards and Commissions as Employees," "Taxability of Payments and Accountable Plan Rules," "De Minimis Fringe Benefits," and "Awards." These sections are intended to provide an outline to assist colleges in finding the appropriate guidance for making decisions about which board and commission members should be treated as employees, and how fringe benefits should be handled for all employees. See each of these new subsections for details.
January 2018	**Travel –** This document has been updated to reflect the 2018 IRS standard business mileage rate, which increased from 53.5¢ to 54.5¢ per mile; the 2018 IRS standard depreciation mileage rate, which remained unchanged at 25¢; and the 2018 IRS medical or moving purposes mileage rate, which increased from 17¢ to 18¢ per mile. See the Transportation by Personal Vehicle section for details.
March 2018	**Travel –** Pursuant to a memorandum dated January 19, 2018, from State Budget Director, Charles Perusse, this document has been extensively updated to reflect the following changes, with the affected subsection(s) in parentheses following the update:

	• The 2018 IRS standard business mileage rate, which increased from 53.5¢ to 54.5¢ per mile and the 2018 IRS standard depreciation mileage rate, which remained unchanged at 25¢ (*Transportation by Personal Vehicle*); • The 2018 state excess mileage rate of 33¢ per mile replaces the IRS medical or moving purposes mileage rate, which was 17¢ per mile (*Transportation by Personal Vehicle*); • The change in the mileage rate structure from a threshold of 100 miles per day of travel status to 100 miles in total while in travel status. (*Transportation by Personal Vehicle*); • To update guidance for tip allowances for taxis and car services (*Tips and Gratuities*) • To allow for reimbursement for the use of car services and mobile phone ordered car services (*Travel to/from Airport at Authorized Traveler's Duty Station, Travel to/from Airport at Authorized Traveler's Destination*) • To prohibit meal reimbursements for travel that is not in overnight status in order to comply with IRS regulations. (*Meals during Overnight Travel*, *Meals for Conferences or Events Requiring Employee Attendance*) • To allow reimbursement for online residential rental services that are supported by demonstrated savings (*Reimbursement for Lodging*); and • To increase the rate for breaks to provide for coffee, snacks, and related items (*Assemblies Sponsored by the College*). **Payroll –** This document has been updated to reflect the 2018 IRS elective deferral limitation, which increased from $18,000 to $18,500. See the *Spreading Pay* subsection for details.
October 2018	All changes noted below were made pursuant to a memorandum dated July 2, 2018, from State Budget Director Charles Perusse. This document has been updated with the affected subsection(s) in parentheses. **Travel** – Colleges may now choose whether to allow for meal reimbursements during daily travel, but it must be in policy approved by the board of trustees and employees must be taxed on such reimbursements as compensation (Meals During Daily Travel). **Moving and Relocation** • Colleges have been delegated the authority to approve moving expenses for employees new to the college under certain circumstances (Conditions and Limitations); • Payment of moving expenses must be treated as compensation to the employee (Expenses Paid, Procedures for Payment); • Colleges have been delegated the authority to approve higher weight limits for moving expenses (Excess weight authorization); • Moving expenses for the advancement of an employee has been removed (Arranging the Move); and

	• Updated guidance on the proper accounting of moving expenses by referencing the Office of the State Controller's Job Aid (Procedure for Payment).
December 2018	**Travel** – Added a reminder for readers that the state travel policies are to guide colleges in the use of *state* funds. Colleges have broad authority to use local funds within the constraints, if any, provided by those funding sources. This may have income tax implications in certain circumstances. **P-card/credit cards** – Added a reminder for readers to see the State's p-card policy, located on OSC's website at https://www.osc.nc.gov/documents/commercial-card-transactions-procurement-cards-and-payment-cards.
January 2019	**Travel –** This document has been updated to reflect the 2019 IRS standard business mileage rate, which increased from 54.5¢ to 58¢ per mile, and the 2019 IRS standard depreciation mileage rate, which increased from 25¢ to 26¢ per mile. See the Transportation by Personal Vehicle section for details.
June 2019	**Travel** • Pursuant to a memorandum dated June 20, 2019, from State Budget Director Charles Perusse, this document has been updated to reflect the travel subsistence rates effective July 1, 2019, which increased approximately 4.6%. Breakfast rates increased 20¢ to $8.60 per diem, lunch rates increased 30¢ to $11.30 per diem, dinner rates increased 60¢ to $19.50 in-state and $22.20 out-of-state per diem, the in-state lodging rate increased $3.90 to $75.10 per diem, and the out-of-state lodging rate increased $4.60 to $88.70 per diem. See the Subsistence Rates section for the new table. • The definition of an authorized traveler has been clarified to include a member of a college's board of trustees. Board members are considered public officials by IRS and are therefore statutory employees. This does not represent a change in policy since they have always been included, but is a clarification that they are included. **Moving and Relocation –** This document has been updated to clarify that college-paid moving costs and reimbursements to employees are subject to Social Security and Medicare. The previous version used the acronym for the Federal Insurance Contributions Act (FICA), and because of incorrect terminology used in Colleague, colleges often think that FICA only includes the 6.2% old age and survivors' disability insurance (OASDI), also known as Social Security. FICA includes Social Security and Medicare combined, and for clarity, this document now specifically names both tax programs instead of using the term FICA. See the Procedures for Moving and Payment section for details.
January 2020	**Travel** – This document has been updated to reflect the 2020 IRS standard business mileage rate, which decreased from 58¢ per mile to 57.5¢, and the 2020 IRS standard depreciation mileage rate, which increased from 26¢ to 27¢ per mile. The state rates do not change with the tax year; they change

	with the fiscal year and there is therefore no change in that structure at this time. See the Transportation by Personal Vehicle section for details. **Form 1098-T and Related IRS Regulations** – A new section has been added to this document to assist colleges with understanding the IRS regulations pertaining to Form 1098-T and the types of information required by Internal Revenue Code to be reported in Boxes 1 and 5. See the Form 1098-T and Related IRS Regulations section for details.
February 2021	**Travel** – This document has been updated to reflect the 2021 IRS standard business mileage rate, which decreased from 57.5 per mile to 56 , and the 2021 IRS standard depreciation mileage rate which decreased from 27 per mile to 26 . The state rates do not change with the tax year; they change with the fiscal year and; therefore, there is no change in that structure at this time. See the Transportation by Personal Vehicle section for details. **Collection of processing fees for returned checks –** This document has been updated to reflect the change in G.S. 25-3-506 which increased the processing fee from $25 to $35. **Payroll – Spreading Pay** – This document has been updated to reflect the revised limitation of deferred pay for instructional personnel to $19,500 effective beginning 2020. **Foreign National Compliance Policy** – This document has been updated to reflect current processes and forms and how to file information which may contain PII with the System Office while protecting the PII. **Reporting Damage, Theft, Misuse of State Funds/Property -** The information in this document has been updated to include various website hotline telephone numbers and URL links that can be used to report violations. **Changing Depositories** – This document has been updated to include guidelines from OSC and Department of State Treasury and how to proceed when needing to make changes in banking depositories. **Complete Document Updated** - This document has been updated to include updated URL links to System Office website and documents and other State of North Carolina agencies websites for policies and forms.
June 11, 2021	**Travel -** This document has been updated to reflect the change within the State Budget Manual to allow reimbursement of lodging and meals expenditures up to the Federal General Service Administration's subsistence rates. Colleges may choose to reimburse lodging and meals expenditures at the standard state subsistence rates or request authorization to set college-specific rates up to the U.S. General Service Administration's

	(GSA) subsistence rates. If Colleges chose to use these rates, approval must be approved annually by NC Office of State Budget and Management. • Effective, April 1, 2021, the State Budget Manual no longer requires the 100-mile rule when calculating mileage reimbursement. However, Colleges may continue to use this requirement if they chose. • Assemblies Sponsored by the College has been revised to reflect a change in the State Budget Manual which provides for an allowance not to exceed $5.00 per participant per day, per workshop for “coffee breaks” when registration fees are not charged provided there are ten (10) or more participants, previously this was allowed for 20 or more participants. If a registration fee is charged, the allowance for “coffee breaks” can exceed the five dollars ($5.00) per participant per day, per workshop, if the cost is incorporated into the registration fee. **Awards -** The section for Awards has been revised to include State Budget Manual updates to allow State Funds to be used to provide for framing of certificates or plaques in recognition of employees for meritorious services and for annual employee appreciation events. Although expenditures are allowed by State Funds, Colleges will not receive additional monies to fund these, they must be paid from current allocations. **Changing Depositories -** Information has been updated to provide current Office of State Controller contact information for questions regarding Delegation of Authority for State Funds Deposits. Information has been added to provide Colleges with an understanding of whom to contact with questions concerning Core Banking Access for various cash accounts. **Complete Document Update -** Links to System Office website and documents and other State of North Carolina agencies websites have been included and updated for user ease.
June 30, 2021	**Travel –** This document has been updated to reflect revised subsistence rates for state employees’ in-state and out-of-state travel. These changes are effective July 1, 2021, and will be increased by approximately 5.0% for both in-state and out-of-state expenses. The new subsistence rates will be effective for both years of the 2021-23 biennium.
June 30, 2022	**Travel –** This document has been updated to reflect the Internal Revenue Service change in business travel mileage reimbursement rate, effective July 1, 2022 to 62.5 centers per mile. The IRS rate is approved July 1 – December 31, 2022. **Returned Checks** – This information has been updated to provide clarity.

	Complete Document Review and Update – Links to System Office website and documents and other State of North Carolina agencies have been updated.
August 2024	Travel - This document is updated to direct community colleges to the Internal Revenue Service and NC Department of Office and State Budget Management to determine the approved mileage reimbursement and subsistence rates going forward. 1098-T Reporting - Updates have been made to reflect several years of requirements of 1098-T reporting for students. Many details have been removed from this document to direct college personnel to the many sources of information available with the Internal Revenue Service and System Office Knowledge Base. Also, reference has been made regarding training sessions available to colleges. Foreign Nationals Compliance Policy - Effective January 2024, the State of North Carolina's foreign national compliance software is Sprintax/Calculus. Guidance is provided to college for their expanded roles and responsibilities. Capital Assets Policy - Grouping of Assets per GASB Implementation Guide 2021-01 is included to remind colleges there should be a review of groups of assets that individually may not meet capitalization requirements, however, when purchased collectively may be significant to colleges financial statements. P-card Transactions - Information in reference to purchases from foreign businesses and use of P-card for these purchases is updated. Complete Document Review and Update - Links to System Office website and documents and other State of North Carolina agencies have been updated.
September 2024	Travel - This document is updated with the current NC OSBM subsistence rates effective July 1, 2023. The official memo from NC OSBM is included below the Accounting Procedures Manual Sections on the NCCC System Office website and can be found at: ***Memo Travel Rates Update | NC OSBM.*** Travel by Personal Vehicle - Updates have been made to include the current NC OSBM travel by personal vehicle reimbursement rate. NC OSBM adopts the IRS reimbursement rate annually. The current IRS reimbursement rate (effective January 1, 2024) adopted by NC OSBM is 67 cents per mile driven for business purposes.

	Student Fees - Per ***Numbered Memo CC24-044*** issued on September 24, 2024, the State Board of Community Colleges voted to amend the State Board Code, 1 E SBCCC 700.2 - Student Activity Fees. This amendment increases the cap on student activity fees and link future hikes to the Consumer Price Index. This amendment is effective October 1, 2024.
July 2025	This document is updated with the current NC OSBM subsistence rates effective July 1, 2025. The official memo from NC OSBM is included below the Accounting Procedures Manual Sections on the NCCC System Office website and can be found at: ***Travel Subsistence Rate Revisions July 2025.***

Accounting Procedures Manual
and
Reference Guide

Section 2: Chart of Accounts

Finance and Operations Division

Version 2025.01

Revision Date September 2025

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What's New?

September 2025

1. **Non-Formula VOC & Purpose Codes Combinations Listing –** There is a special listing combining VOC & Purpose Codes frequently used together. This is not all inclusive but will provide quicker access for users when questions arise. This is located immediately behind VOC Codes on page 36.

2. **Object Codes Listings –** An added benefit for this version of the Accounting Procedures Manual is the addition of two Excel listings of Revenues and Expenses codes. These have been prepared to provide a quick go-to listing for colleges for questions regarding where an account is listed. These listings do not include accounts that individual colleges may have set up for their purposes but include the accounts included in Object Codes. Colleges should always review the description for an account before setting up the account. This is located immediately behind Object Codes beginning on page 94.

3. **Links have been updated and added for user convenience**
   State Board Community College Code links – Links added to this document lead to the complete State Board Code. You can access specific items by using the Table of Contents at the beginning of the SBCC Code or by using the control-F search mechanisms.

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Table of Contents

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I. General Ledger Account Structure

X X XXX XX X XXXXX XXXXX

FUND SOURCE
0 Institutional Funds
1 State Funds
2 County Funds
5 Accounts Receivable Clearing

NACUBO CODE
1 Current Unrestricted
2 Current Restricted
5 Proprietary
6 Loan
7 Plant
8 Endowment
9 Agency

PURPOSE
Classifies the function of expenditures

VOCATIONAL CODE
Tracks federal and state non-formula expenditures across purposes

LEDGER IDENTIFICATION
1 Asset
2 Liability
3 Fund Balance
4 Revenue
5 Expense

OBJECT
Structured code to identify the nature of assets, liabilities, fund balance, revenues and expenses

UNIT
Assigned by each college to support local college needs

II. Fund Source Codes (Position 1)

The budget source identifies the approving authority for purposes of budgeting, as prescribed by ***G.S. 115D.***

0. Institutional Fund

Funds acquired and controlled entirely by the local college, including loans, scholarships, endowments, trust and agency funds, auxiliary enterprises, student fees, and private and federal grants and contracts that are not processed through the System Office.

1. State Fund

Funds appropriated by the NC General Assembly and allotted to the colleges by the State Board of Community Colleges. Expenditures identified with this source code will conform to the items listed in ***G.S. 115D-31***. The only exception to this rule is certain grants and contracts which may be awarded to colleges on an individual basis, such as research grants, Title II special projects, construction grants, and other specific grants. Recipient colleges are notified of such exceptions, are classified as Institutional Funds at the time of allotment and are funded on a reimbursement basis.

2. County Fund

Funds appropriated to the college by the local tax-levying authority. Expenditures identified with this source code conform to the items listed in ***G.S. 115D-32*** .

3. Unassigned

4. Unassigned

5. Accounts Receivable Clearing Fund

A self-balancing fund that contains internal colleague accrual revenue and accounts receivable transactions to separate them from daily cash basis transactions during the year. This clearing fund ensures daily deposits and monthly revenue, and expense reporting occurs on a cash basis, as required by the State of North Carolina. This fund is reclassified to the appropriate state, county, and institutional revenue and accounts receivable accounts at the end of the fiscal year for accrual financial statement presentation purposes.

III. NACUBO Codes (Position 2)

The NACUBO code was established to allow each college to prepare financial statements in the format recommended by the National Association of College and University Business Officers and accepted by the American Institute of Certified Public Accountants. The codes in this position identify fund groups that have been defined by NACUBO in the Financial Accounting and Reporting Manual (FARM) for Higher Education, ***Accounting (nacubo.org)*** and the AICPA in the Industry Audit Guide, Audits of Colleges and Universities [***Accounting & Auditing (aicpa.org)***]. Governmental Accounting Standards Board Statements ***GASBS 34*** and ***GASBS 35*** later changed public college and university financial statement format and presentation, but public colleges and universities still use the NACUBO code in daily processing.

1. Current Unrestricted Funds

Funds used for regular operations in carrying out the primary educational objective of the college and those other activities that are necessary to support this primary objective. These funds are available to the college for current operating purposes without stipulation or conditions imposed by an outside agency. Included in this definition are curriculum and non-curriculum instruction, general administration and college support, library and learning resource operations, student services, plant operations and maintenance, and student financial aid.

State funds allotted by the State Board of Community Colleges and other funds appropriated by the local tax-levying authority for current operations are considered current unrestricted funds.

2. Current Restricted Funds

Funds used for regular current operations, but their use has been limited or stipulated by some agency or person outside of the college and its governing board. Federal, state, local and private grants made for specific and limited operating purposes are included in this group.

3. Unassigned

4. Unassigned

5. Proprietary

Funds used for the sales of merchandise and the rendering of services by activities performed in addition to the primary educational objective of the college, including auxiliary enterprises, Student Government Association, and internal service funds.

6. Loan Funds

Funds consist of loans, the resources available for making loans, and all revenues and expenses associated with loans, made to students or employees. Loan recipients may be restricted by certain criteria, such as financial status. If the recipient is named by an external agency or person, the college should consider classification as an agency fund. All loan funds are classified as Institutional Funds in the budget source.

7. **Plant Funds**
   Funds incorporating the provision of ***G.S. 115D-31*** and include all instructional, administrative, and general equipment, land, improvements to land, buildings, improvements and renovations to buildings, and instructional resources. Plant funds also include any cash or other assets that are intended to be used for the acquisition of any of the above. Plant funds may be used with any of the three budget sources previously described.

8. **Endowment Funds**
   Funds designated by the principle to be non-expendable. The purpose of such an endowment is the production of income recorded as revenue to the endowment and then transferred to another fund for use according to the donor's intent.

9. **Agency Funds**
   Funds for which the college acts only as an administrator or custodian. All decisions about these funds' use are made by the agency or individual who placed them with the college. There should not be a fund balance shown for agency funds. Separate liability accounts should be maintained to indicate ownership of the assets.

IV. Purpose Codes (Positions 3, 4, and 5)

These positions identify purposes and functions within the fund group. The purpose used when making entries to state and county asset, liability, fund equity and revenue accounts will always be "000".

Certain institutional funds purposes are standard across the system, while individual colleges may establish institutional purpose codes at the local level based on business needs. The standard institutional, state, and county expense accounts are classified into the following purposes and functions. Use of purposes other than those shown below **is not allowed for state expenses.** The System Office may at any time necessary establish new state and county purpose codes that have priority over any locally established purpose codes. Colleges are required to reclassify locally established codes should the System Office establish a conflicting statewide code.

1. 1XX – Institutional Support

This purpose includes activities that involve the management and administration of the entire institution and includes the following purposes:

110 Executive Management - Records the cost of senior level executives with responsibilities for managing the institution. These individuals include the president, chief academic officer, chief business officer, chief student affairs officer, board of trustees, and any other officers who report directly to the president. Other technical/paraprofessional or clerical personnel who support or assist these executives with no other responsibilities may be reported in this function.

120 Financial Services - Records activities involving all accounting, payroll, purchasing, auxiliary services and the business office.

130 General Administration - Records expenditures for the college-at-large excluding the plant operation and executive management. This purpose will include human resources, communications, planning, institutional effectiveness, insurance, legal fees, court claims, dues and memberships, accreditation expense, public relations, advertising, marketing, printing catalogues, and the operation of print shops and other services that support the general institution.

131 College Work Study - Records expenditures for the Federal Work Study Program where students earn funds through part-time employment at the college to help finance postsecondary education costs. State funds may not be used to meet any matching funds required by participation in the program. All matching funds required must be paid from the county or institutional funds.

140 Information Systems (Administrative) - Records cost of computer operations that serve the administrative activities of the entire institution.

2. 2XX – Curriculum Instruction

Records the cost of all activities that directly involve delivering curriculum instruction to students. These costs shall include the salaries paid to instructors and teaching assistants (as defined in objects 513XXX) whose efforts directly involve the instruction of students. These costs shall also include all fringe benefits associated with these individuals and other costs including travel, supplies, service and maintenance contracts on educational equipment, and any other current expenses incurred during instruction.

220 Curriculum Instruction – Records all instructional expenses related to certificate, associate, diploma, career and college promise pathways, and transitional programs.

Certificate programs are designed to lead to employment or to provide skills upgrading or retraining for individuals already in the workforce. A certificate program may be a stand-alone curriculum program title, or a college may award a certificate under an approved degree or diploma curriculum program for a series of courses taken from the approved program of study.

Associate programs are planned programs of study culminating in an associate in applied science, associate in arts, associate in fine arts, associate in science, or associate in general education degree. Associate in applied science degree programs is designed to prepare individuals for employment. These programs involve the application of scientific principles in research, design, development, production, distribution, or service. Associate in arts, associate in science, and associate in fine arts degree programs are designed to prepare students for transfer at the junior level to institutions offering baccalaureate degrees. Associate in general education degree programs are designed for students who desire a general liberal arts education.

Diploma programs are designed to provide entry-level employment training. A diploma program may be a stand-alone curriculum program title, or a college may award a diploma under an approved associate in applied science degree curriculum program for a series of courses taken from the approved program of study and structured so that a student may complete additional non-duplicative course work to receive an associate in applied science degree.

Career and College Promise Pathway programs include college transfer pathways providing up to 34 hours of tuition-free course credits toward the Core 44, an agreed-upon 44 hours of college credits that will transfer seamlessly to any public or participating private college or university; technical career pathway toward a job credential, certificate or diploma in a technical career; and innovative high schools where high school students earn college credits by attending an approved cooperative innovative high school.

Transitional programs are used for students enrolling in college level curriculum courses with the intent to move from general interest to a specific educational program, including Basic Skills Plus and Special Credit programs.

29X Curriculum Fees - Records the additional local fees that are charged to curriculum students to offset the high-cost of curriculum programs.

291 Required Specific Local Fees – Curriculum - Records fees charged to students to support other required academic costs for items that are in addition to normal supplies and materials the college typically provides for students. Such academic costs may include tools, uniforms, insurance, certification/licensure fees, e-text, lab, and other consumable supplies, etc. A specific fee may be charged for refreshments and/or meals if disclosed to potential students in advance.

Specific fee rates should be determined on a cost-recovery basis. Specific fee receipts shall be used for their charged purposes. If specific fee receipts exceed expenditures for the purposes for which they are charged, the college must expend the excess receipts consistent with the provisions outlined in ***1E SBCCC 700.1.***

. **292 Instructional Technology Fees** – **Curriculum** - Records fees charged to students to support student access to instructional technology. The instructional technology fee shall not exceed $48 per academic term for curriculum students and $5 per course to continuing education students per ***1E SBCCC 700.3.*** However, subject to the prior approval of the SBCC, local boards of trustees have the authority to establish an instructional technology fee that exceeds the $48 per academic term for curriculum students. Instructional technology fees may not be charged to individuals who participate only in meetings/seminars organized by the college. A seminar/meeting is defined as a small grouping of people primarily for discussion under the direction of a leader or resource person(s) and are generally one-time offerings.

Instructional technology fee receipts shall be used to support costs of procuring, maintaining, and operating instructional technology, including both information technology (hardware and software) used primarily for instructional purposes and specialized instructional equipment necessary for hands-on instruction. Colleges are authorized to use fee receipts to hire support positions to operate, maintain, and repair this technology, and to buy the necessary supplies and materials for operations.

Fee receipts **may not** be used to purchase computers and other technology used primarily by college employees, nor may receipts be used to support positions that do not directly support this instructional technology.

293 - 294 Live Client Projects – Curriculum - Records revenues and expenditures for live client project fees collected and expended for Curriculum Programs. Live client projects are educational programs in which students, as part of their educational experiences and as part of the instructional course requirements, repair or remodel equipment not owned by the college; or educational programs that produce goods that are sold or services for which charges are made, such goods or services being the normal and necessary product of learning activities of students.

When repairing or remodeling equipment, the owner of the equipment must supply or pay for all required parts and colleges may charge only for services. When part of the educational program, the college must charge all clientele for the value of the goods and services provided.

Live client project receipts shall be deposited into an unrestricted institutional account. A college may determine locally whether discrete live client projects are accounted for in separate institutional accounts or in one account used for multiple live customer projects. See ***1H SBCCC 300.1*** for additional Live Client Project information.

3. 3XX – Continuing Education Instruction

Record the cost of all activities that directly involve delivering continuing education instruction to students. These costs shall include the salaries paid to instructors and teaching assistants (as defined in objects 513XXX) whose efforts directly involve the instruction of students. These costs shall also include all fringe benefits associated with these individuals as well as other costs including travel, supplies, service and maintenance contracts on educational equipment and any other current expenses incurred during instruction. The continuing education purposes are as follows:

310 Occupational Education Instruction - Records the cost of offering single courses, each complete, designed specifically for training an individual for employment, upgrading the skills of persons presently employed, and retraining others for new employment in occupational fields.

311 Occupational Support - Records the costs associated with the direct administration, coordinating, scheduling and support of the occupational education instruction courses. **NOTE: Do not charge instructional costs for this purpose, i.e., instructional salary, instructional supplies, etc**.

321 Adult Basic Education/English Language Acquisition - Records the Adult Basic Education (ABE) costs of offering instructional programs that provide basic skills for adults who are performing below the ninth-grade level in reading, writing, mathematics, and other basic skills. Many of these activities include pre-high school equivalency preparatory components or transition from English acquisition to ABE instructional programs. English language acquisition classes are designed to assist eligible individuals who are English language learners achieve competence in reading, writing, speaking, and comprehension of the English language. This allows eligible individuals to attain a secondary school diploma and its recognized equivalent and transition to post-secondary education and training or employment. Record the instructional costs associated with offering classes in Adult Basic Education and English Language Acquisition. Allowable expenses include costs for instructors' salaries and benefits, classroom materials, training and educational costs, travel, equipment, maintenance, repairs and depreciation, insurance and audit services. Unallowable costs include the following: alcohol, commencement costs, fundraising, lobbying, student activity costs and bad debts. Allowable and unallowable costs may be found within the College and Career Readiness Cost Allowability document. For the complete list of items, please refer to the ***College and Career Readiness | NC Community Colleges*** website.

No administrative or clerical costs can be charged to this purpose code. Up to 5% of the federal portion may be used for administrative costs. See purpose code 325 for more information.

322 Adult Secondary Education (ASE) – Records ASE instruction costs that may lead to a diploma, a high school equivalency certificate, transition post-secondary education, or employment. Allowable costs may include but are not limited to the following: audit services, bonding costs, compensation-personal and fringe, depreciation, equipment, employee health, maintenance, repairs, materials, supplies, computers, rental costs, training and education costs, transportation, and travel costs. Unallowable costs include the following: alcohol, commencement costs, fundraising, lobbying, student activity costs and bad debts. Allowable and unallowable costs may be found within the ***College and Career Readiness Cost Allowability*** document. For the complete list of items, please refer to the ***College and Career Readiness | NC Community Colleges*** website.

No administrative or clerical costs can be charged to this purpose code. Up to 5% of the federal portion may be used for administrative costs. See purpose code 325 for more information.

323 Integrated English Literacy and Civics Education (IELCE) – Records costs for Integrated English Literacy and Civics Education (IELCE) for English language learners who are adults, including professionals with degrees and credentials in their native countries, to achieve competency in the English language and acquire the basic and more advanced skills needed to function effectively as parents, workers, citizens, and civic participants, and to receive workforce training. IELCE prepares adults who are English language learners for, and place such adults in, unsubsidized employment in in-demand industries and occupations that lead to self-sufficiency; and integrate with local systems and its functions to carry out the activities of the program. IELCE provides instruction in literacy and English language acquisition, civic participation, and the rights and responsibilities of citizens, and workforce training. Activities must be provided in combination with integrated education and training activities. Allowable costs may include but are not limited to the following: audit services, bonding costs, compensation-personal and fringe, depreciation, equipment, employee health, maintenance, repairs, materials, supplies, computers, rental costs, training and education costs, transportation, and travel costs. Unallowable costs include the following: alcohol, commencement costs, fundraising, lobbying, student activity costs and bad debts. Allowable and unallowable costs may be found within the College and Career Readiness Cost Allowability document and should be outlined in your college's approved budget plan. For the complete list of items, please refer to the ***College and Career Readiness | NC Community Colleges*** website.

No administrative or clerical costs can be charged to this purpose code. Up to 5% of the federal portion may be used for administrative costs. See purpose code 325 for more information.

325 Basic Skills Administration – Records up to 5% of the federal portion of the Title II grant that is allowed for support and administrative functions, such as clerical personnel costs. These costs are not related to the direct provision of adult education and literacy activities as defined in WIOA. In other words, administrative costs include clerical support but do not include the cost of Basic Skills directors who spend considerable time performing program specific activities, which could be charged to purpose code 321, 322, and 323. This would depend upon the job functions as documented in the job description of the director. Allowable costs may include but are not limited to the following: audit services, bonding costs, compensation-personal and fringe, depreciation, equipment, employee health, maintenance, repairs, materials, supplies, computers, rental costs, training and education costs, transportation, and travel costs. Unallowable costs include the following: alcohol, commencement costs, fundraising, lobbying, student activity costs and bad debts. Allowable and unallowable costs may be found within the College and Career Readiness Cost Allowability document and should be outlined in your college's approved budget plan. For the complete list of items, please refer to the ***College and Career Readiness | NC Community Colleges*** website.

No other administrative or clerical costs above the 5% maximum of the federal portion of the Basic Skills grant can be charged to this purpose code. *Expenses above this 5% maximum cannot be paid from state Basic Skills formula or Title II funds. See purpose code 422.*

331 Community Service – Costs of single courses offered by the college from **institutional** funds that focus on an individual's personal, or leisure needs rather than occupational or professional needs may be recorded in purpose 331. This program includes both cultural and civic components. **State funds**

cannot be used for community service efforts since the General Assembly eliminated the state Community Service block grant as of July 1, 2009. Colleges may use institutional funds for community service offerings.

4. **35X – 37X Continuing Education Instruction – Categorical Allocations**
   Record the cost of all activities that directly involve the delivery of continuing education instruction through the following categorical programs tracked in purpose codes 357 through 371. Categorical program funds are state fund allocations made separately from the current operating formula budget and earmarked for certain programs or initiatives that can only be spent for the specific purposes of those programs or initiatives. **Generally, use Vocational Code 80 with purpose codes 357 through 371. All categorical equipment expenditures should be recorded in purpose code 940. Any other combinations of vocational code and purpose code required to properly record these categorical expenditures are detailed in their respective descriptions.**

   357 Apprenticeship Building America Grant – Records the cost to support education assistance, supportive services, and employer incentives for qualified apprentices through ApprenticeshipNC.

   360 NC EDGE Customized Training Regional Trainers - Records costs of support salary and fridge benefits, travel and subsistence, supplies and materials, telephone expenses, and training certification costs for five Customized Training regional trainers who deliver services to business and industry statewide. ***Only approved colleges may use this purpose code.***

   361 Customized Training Program Projects – Records the cost of offering programs for customized, job-specific training needs of new industries which are moving into the state and for existing industries undergoing a major expansion which will result in the need for additional skilled manpower. Funds must be used in accordance with the Customized Training Guidelines adopted by the State Board as amended May 15, 2009, ***Numbered Memorandum CC09-014***. **Customized Training program projects current operating costs are charged to vocational code 80**.

   363 Small Business Centers - Records the cost of providing training, counseling and referral services especially designed for existing and prospective small businesses. **Current operating and non-capitalized expenditures against these separately allotted state funds must use vocational code 83. Non-capitalized equipment is charged to object purpose codes 555100 and/or 555200. Capitalized equipment is charged to purpose code 940 and object code 553500.**

   364 Business and Industry Support - Administrative – Records the administrative costs of positions whose responsibility is to serve existing business and industry. Colleges may only use up to $40,000 for administrative purposes. **Business and Industry Support current operating costs are charged to vocational code 80**.

365 Business and Industry Support - Instructional - Records the instructional costs of positions whose responsibility is to serve existing business and industry. The instructional component may only be used for instructional activities supporting the Manufacturing, Warehousing and Distribution, Business Support Services, Information Technology, and Computer Software Design industries. **Business and Industry Support current operating costs are charged to vocational code 80**.

369 BioNetwork Centers – Records the costs for the operation of the six approved BioNetwork Centers. Funds in purpose 369 are appropriated by the State and may not be transferred to any other purpose, except for BioNetwork center equipment. **BioNetwork center current operating costs and equipment are charged to vocational code 80.** Prior approval must be received before transferring funds to equipment.

370 NC Military Business Center – Records the expenditures of funds appropriated by the General Assembly to Fayetteville Technical Community College for their Military Business Center. **NC Military Business Center current operating costs and equipment are charged to vocational code 80. *Only Fayetteville Technical Community College may use this purpose code.***

371 NC Research Campus at Kannapolis – Records the expenditure of funds appropriated by the General Assembly for Rowan Cabarrus' research facility. **NC Research Campus current operating and equipment to vocational code 80. *Only Rowan Cabarrus may use this purpose code.***

373 Literacy Special Projects – Records the expenditures for the literacy grants awarded under the Comprehensive Adult Student Assessment System (CASAS), IDEAL Distance Learning, Pathways to Employment, Comprehensive Family Literacy, English Literacy/Civics Education, and Innovations/Transitions projects. **Record the expenditures in vocational codes as designated below:**

- **73 for Adult Education and Family Literacy Act (AEFLA) State Leadership,**
- **74 for CASAS, 75 for IDEAL, Pathways, and Family Literacy,**
- **76 for English Literacy/Civics Education,**
- **77 for Innovations/Transitions**

Each program should also be tracked and recorded in a separate unit code at the college level.

375 NC BioBetter – Records the costs of expanding capacity for industry training at ten colleges through the development of new curriculum and hiring of industry trainers. The funding for these costs is the Build Back

Better Regional Challenge Grant from the US Department of Commerce Economic Development Administration. Equipment purchases are coded to purpose code 945. ***Only approved colleges may use this purpose code.***

5. **39X – Non-Curriculum Fees**

Record the additional fees charged to non-curriculum students to offset the high cost of occupational continuing educational classes.

391 Required Specific Local Fees – Non-Curriculum - Records the fees charged to students to support other required academic costs for items that are in addition to normal supplies and materials the college typically provides for students. Such academic costs may include tools, uniforms, insurance, certification/licensure fees, e-text, lab, and other consumable supplies, etc. A specific fee may be charged for refreshments and/or meals if disclosed to potential students in advance.

Specific fee rates should be determined on a cost-recovery basis. Specific fee receipts shall be used for their charged purposes. If specific fee receipts exceed expenditures for the purposes for which they are charged, the college must expend the excess receipts consistent with the provisions outlined in State Board Policy ***1E SBCCC 700.7.***

392 Instructional Technology Fee - Non-Curriculum - Records the fees charged to students to support student access to instructional technology. The instructional technology fee shall not exceed $5 per course for continuing education students and may not be charged to individuals who participate only in meetings/seminars organized by the college. A seminar/meeting is defined as a small grouping of people primarily for discussion under the direction of a leader or resource person(s) and are generally one-time offerings.

Instructional technology fee receipts shall be used to support costs of procuring, maintaining, and operating instructional technology, including both information technology (hardware and software) used primarily for instructional purposes and specialized instructional equipment necessary for hands-on instruction. Colleges are authorized to use fee receipts to hire support positions to operate, maintain, and repair this technology, and to buy the necessary supplies and materials for operations.

Fee receipts **may not** be used to purchase computers and other technology used primarily by college employees, nor may receipts be used to support positions that do not directly support this instructional technology.

393 - 394 Live Client Projects – Non-Curriculum - Records revenues and expenditures for live client project fees collected and expended for Continuing Education classes. Live client projects are educational programs in which students, as part of their educational experiences and as part of the instructional course requirements, repair or remodel equipment not owned by the college; or educational programs that produce goods that are sold or services for which charges are made, such goods or services being the normal and necessary product of learning activities of students.

When repairing or remodeling equipment, the owner of the equipment must supply or pay for all parts required and the college may charge only for services. When part of the educational program, the college must charge all clientele for the value of the goods and services provided.

Live client project receipts shall be deposited into an unrestricted institutional account. A college may determine locally whether discrete live client projects are accounted for in separate institutional accounts or in one account used for multiple live customer projects. See ***1H SBCCC 300.1*** for additional Live Client Project information.

395–399 Reserved for Future Use

6. **4XX – Academic Support and Administration**
   Funds expended primarily to provide support services that directly assist academic functions of the institution's primary instructional mission, including instructional resources and technology, academic administration, and curriculum development.

7. **41X – Academic Support**
   Records expenditures for activities that provide support for the institution's primary purpose of instruction, including library services, technology support, and separately budgeted curriculum development.

   410 Library/Learning Center - Records expenditures for organized activities that directly support the operation of a catalogued or classified collection of resource material. It also includes learning resources and educational media support services that aid in the transmission and collection of information in support of the institution's educational mission.

8. **42X – 45X Academic Administration**
   Records expenditures for activities providing administrative support to the academic programs but **excludes executive academic officers who are included under Executive Management purpose 110**.

   421 Curriculum Administration - Records the costs associated with the administration of curriculum instruction as a whole and includes related expenditures for all directors, deans, support personnel, etc. who support and/or supervise curriculum programs. The chief academic officer shall not be coded to this purpose. Department chairs, in which instruction is still an important role, should have their expenditures charged under their specific curriculum purpose.

422 Continuing Education Administration - Records the costs associated with the administration of non-curriculum instruction. It should contain the expenditures of the deans and/or directors of non-curriculum programs and any others who provide non-teaching support for the non-curriculum programs. Individuals associated with a specific non-curriculum program should have their expenditures charged under their appropriate purpose, excluding purposes 310, 311, 321, 322, 323, and 331, unless otherwise stated. Coordinators, Recruiters and/or Assessment and Retention Specialists in Literacy Education programs should be charged to that program. Other administrators of Literacy Education programs should be charged to purpose 422.

430 Information Systems (Academic) - Records current operating expenses incurred in operating all information systems that serve the institution's instructional activities.

432 Rural College Broadband Services (GREAT) – Records costs associated with design and implementation of critical, college specific IT infrastructure and network security improvements for serving students at campuses in the most rural and economically challenging regions. Funding is from Growing Rural Economies with Access to Technology (GREAT) program. ***Only approved colleges may use this purpose code*.**

9. 5XX – Student Support

510 Student Services - Records the costs associated with the admissions office and registrar, counseling, career guidance, placement officers, placement testing, and financial aid administration.

525 Intellectual & Developmental Disabilities Pilot Program – Records the expenditures to research best practices and conduct a needs assessment to identify how to best serve students with intellectual and developmental disabilities. **Expenditures are to be charged to vocational code 80**.

530 Child Care – State Appropriation - Records the expenditures of the NC Child Care Grant in assisting curriculum and qualified work study student-parents with the financial responsibilities for childcare expenses so they may stay enrolled and complete their educational goals. **Use vocational code 80 with all expenditures in this purpose code**. No faculty, staff, or administrator employed by the college may receive or utilize funds from this grant.

These funds must be disbursed directly to the provider or the student-parent only upon receipt of an invoice from a childcare provider accompanied by a student's class attendance report. Under no circumstances may colleges pay in advance for services which have not been received. Neither these funds nor any other state funds may be used to support non-State costs, including non-instructional activities for college childcare facilities. State funds cannot be used to support childcare facilities or support childcare staff positions. Colleges may not expend any of these allocations for administrative overhead, including salaries.

554 Short-Term Workforce Development Grant Program – Records costs of the Short-Term Workforce Development Grant Program as established and appropriated in ***Session Law 2021-180 (SB 105, Section 6.6)*.** Allowable expenditures are direct financial assistance for North Carolina resident students who enroll in noncredit, short-term workforce training programs that lead to an industry-recognized credential in fields with employer demand and competitive wages.

10. 6XX – Operation and Maintenance of Plant

Record the expenditures for all activities involving the operation and maintenance of the institution's physical plant.

610 Plant Operation - Records the salaries of the plant supervisor, janitors, maids, watchmen, groundskeepers, and other individuals contributing to the operation of the physical plant and adjacent grounds. Also included in this purpose are the costs of fuel, water, power, telephone service, the costs of janitorial supplies and materials, the costs of operation of motor vehicles (but not including motor vehicles used for instruction), rental of land and buildings, and other costs necessary for the continuous operation of the plant. Insurance is not included in this purpose but should be classified as a general administration expense.

620 Plant Maintenance - Records the salaries of all maintenance supervisors and workers. The costs of supplies, materials, parts, contracted services, and any other cost associated with the maintenance or non-capitalized repair of buildings, grounds, motor vehicles, heating, general electrical, plumbing, and other general plant equipment. The maintenance and replacement of furniture and equipment provided by local funds may also be included.

11. 7XX – Proprietary/Other

Record the cost of auxiliary enterprises, bookstore operations, food service, parking, internal service funds, and Student Government Association funds.

71X Auxiliary Enterprises - Records activities of an auxiliary enterprise. An auxiliary enterprise is one that furnishes a good or service to either or both students and employees and charges a fee for that good or service. They are operated as self-supporting entities intended to make profit or break even.

72X Bookstore - Records activities from the sale of all merchandise in the bookstore, either operated by the college or on a contract basis with an outside party.

73X Food Service - Records activities associated with both vended food and other traditional methods of food service, either operated by the college or on a contract basis with an outside party. If a college offers more than one service of this type, each distinguishable entity should be assigned a separate unit code.

74X Parking - Records activities when parking fees are charged, and the revenues are used for some phase of operating or maintaining the parking facilities. Any use of county money for parking facilities should be reported within the "2" Budget Source.

76X Internal Service Funds - Records activities of an internal service that has been established to support the educational mission of the college and has its accounts operated through institutional funds. Internal Service Funds may include print shops, central stores, etc.

77X SGA Funds - Records activities conducted under the auspices of the Student Government Association or similar organization. Specific assignments within the 77X series are to be made by the college.

78X Research - Records all activities related to research projects. Individual projects will be accounted for as separate entities under the 78X series of numbers. Special projects, designated as research, under Vocational Education Act funds are included in this category.

79X Public Service - Records funds for activities designed to provide non-instructional services to individuals or groups outside the college, such as public workshops, conferences, and broadcasting services when any of these do not constitute instruction. Specific fund number assignments are assigned by the college within the 79X series.

12. 8XX – Student Aid

Records scholarships, grants and loans made to students to help with post-secondary education. In cases where the college is the administrator of the funds, but does not determine recipients to any significant degree, the funds should be classified as Agency Funds. Pell grants are always considered to be Student Aid.

81X Loans - Records any loans granted by the college to students to offset the cost of postsecondary education that must be repaid to the institution. Federal Direct Stafford and PLUS loans are recorded as “Agency Funds” since the institution acts as fiduciary agent for the student.

82X Student Aid – Federal - Records all federal aid programs separately using the 82X series purpose codes. The following standard system wide codes have been established and should be used consistently at all colleges. Colleges may assign the 82X series to any other federal aid programs that may exist at the local level, such as TEACH Grants, and Iraq and Afghanistan Service Grants.

821 Department of Education – Draw Downs - Records the amounts drawn down from the U.S. Department of Education separately from the amounts awarded to students.

823 Federal Supplemental Educational Opportunity Grant (FSEOG) - Records the aid awarded to students through the FSEOG grant program. The FSEOG Program provides need-based grants to low-income undergraduate students to promote access to postsecondary education. Institutional allocations are based on institutional requests for program funding under a statutory formula.

824 Pell Grant - Records the aid awarded to students through the Pell grant program. Pell grants are direct grants awarded through participating institutions to students with financial need who have not received their first bachelor's degree or who are enrolled in certain post-baccalaureate programs that lead to teacher certification or licensure. Grant amounts are dependent on the student's expected family contribution (EFC), the cost of attendance, the student's enrollment status (full-time or part-time), and whether the student attends for a full academic year or less.

83X Scholarships - Records other aid awarded to students to offset the cost of postsecondary education. Scholarship awards can be merit-based, student specific or career specific and can be awarded by the institution, various foundations, or other organizations.

13.9XX – Capital Assets

A capital asset is property, such as land, land improvements, easements, buildings, equipment, works of art and historical treasures, and infrastructure, with a cost equal to or greater than $5,000 and a useful life of two or more years. Capital assets are recorded at historical cost or estimated historical cost. Colleges should record purchase price or cost of construction plus any other charges incurred to place the asset in its intended location and condition for use. Capital assets are acquired for use in normal operations and are not for sale. These assets may be subject to depreciation.

With the release of ***GASB's Implementation Guide 2021-1***, certain assets below the $5,000 threshold may need to be grouped as capital assets and recorded as such. Colleges should analyze and determine individual materiality and record as capital assets.

910 Buildings and Grounds - Records the expenditures and revenues associated with capital projects funded with county appropriations. This purpose is used only with county funds. The expenditures in this purpose may include land, land improvement, landscaping, extension of water and sewer lines, paving, architectural fees, and other capital outlays that are charged against the county's regular appropriation for this purpose. Major acquisitions and projects will probably be handled through the plant funds category under the Institutional Fund source. (See also NACUBO code "7" - Plant Funds.)

920 Equipment - Records the cost of state equipment formula funds used to procure furniture and equipment used for administrative or instructional purposes. Acceptable uses of these funds include motor vehicles used for instructional purposes, hardware and software associated with telecommunication and information technology systems, office furniture and equipment, audio-visual materials of a durable nature, and any other tangible items of substantial cost that may reasonably be expected to have a useful life exceeding one year that is used for administrative or instructional purposes.

923 Equipment – Literacy - Records the costs of procuring instructional technology for the college's literacy labs and classrooms. Colleges may use **up to 5 percent** of the basic skills allotment to procure instructional technology, including computers, instructional software and software licenses, scanners for testing, and classroom projection equipment, for the college's literacy labs and classrooms, per ***Session Law 2010-31, Section 8.10*** . ***No other equipment or capital items can be purchased with basic skills funds***. Budget can only be transferred into 923 from literacy current purpose codes 321, 322 and/or 323. No other budget can be transferred into 923.

930 Instructional Resources - Books - Records the cost of books, book-like materials, magazines and periodicals, and audio-visual materials of a durable nature.

940 Categorical Equipment - Records the cost of procuring categorical program administrative or instructional equipment, furniture, motor vehicles, data processing equipment, audio-visual materials of a durable nature, and any other tangible items of substantial cost that may reasonably be expected to have a useful life exceeding one year.

945 Equipment – NC BioBetter - Records the cost of purchasing equipment through the funding of Build Back Better Regional Challenge Grant from the US Department of Commerce Economic Development Administration. Current expenses are recorded in purpose code 375. ***Only approved colleges may use this purpose code.***

946 Equipment – Rural College Broadband Access (GREAT) – Records the costs of equipment purchased through the funding from Growing Rural Economies with Access to Technology (GREAT) program. Current expenses are recorded in purpose code 432. ***Only approved colleges may use this purpose code*.**

96X Capital Assets - Records the value of tangible long-term assets such as land, buildings, or equipment, obtained or controlled as a result of past transactions, events or circumstances and held for use rather than for processing or resale. These are assets expected to have a useful life exceeding two years and may be depreciated.

14. COVID-19

Several sources of funds have been provided since the national declaration of the COVID pandemic on March 13, 2020. Federal sources provided to the State of NC allowed for allocations through the 2020 COVID-19 Recovery Act, Coronavirus Relief Act, Governor's Emergency Education Relief Scholarships and the American Rescue Plan Act (ARPA) which resulted in allocations to colleges through the NC Community College System Office. Currently the only funding with remaining allocations is the ARPA State Fiscal Recovery Funds grants.

Colleges receiving these funds are also responsible for required reporting to the NC Pandemic Office and are subject to State and Federal audit requirements. These funds are also subject to the requirements in the Code of Federal Regulations Uniform Compliance Guidance Part 200 (2 CFR §200): subpart D (2 CRF §200.303) regarding internal controls, subpart D (2 CRF §200.331 - §200.346) regarding subrecipient monitoring and management and subpart F (2 CFR §200.501 – §200.521) regarding audit requirements. In addition to the Code of Federal Regulations Uniform Compliance Guidance, these funds are subject to the NC Administrative Code as mandated by G.S. 150B-21.18.

General ledger tracking codes are set up to record the costs of various expenses caused by the COVID-19 pandemic. Many codes are no longer valid as the funding for those has ended and is no longer available. The following codes are only to be used as indicated on college allocations.

Various COVID-19 Purpose Codes:

372 Apprenticeship Expansion – Records costs to expand apprenticeship programs for small businesses and high demand trades. This is an allocation funded through ***S.L. 2021-180, as amended by S.L. 2021-189*** as part of the State Fiscal Recovery Funds.

431 Rural College Broadband Access - Current Operating – Records costs to deliver critical, college specific IT infrastructure and network security improvements for 20 colleges serving students at campuses in our system's most rural and economically challenged regions caused by COVID-19. This is an allocation funded through ***S.L. 2021-180, as amended by S.L. 2021-189*** as part of the State Fiscal Recovery Funds See purpose 944 for equipment costs. **This purpose code is only allowed to be used by colleges with an approved IT plan.**

540 Building Careers/Construction Academies – Records costs of developing work-based learning programs across the community college system on campuses where construction programs currently exist or where there is a demand to expand construction programs. The work-based learning program shall involve the construction industry and shall focus on core competencies, including applied hands-on skills, safety training, and soft skills training. This is an allocation funded through ***S.L. 2021-180, as amended by S.L. 2021-189*** as part of the State Fiscal Recovery Funds

556 Underserved Student Outreach & Advising – Records funds used to expand outreach and student advising capacity in support of the Longleaf Commitment grant program, for students who are from low- or moderate-income families. This is an allocation funded through ***S.L. 2021-180, as amended by S.L. 2021-189*** as part of the State Fiscal Recovery Funds

944 Rural College Broadband Access Allocation – Equipment - Records the cost to deliver critical, college specific IT infrastructure and network security improvements for 20 colleges serving students at campuses in our system's most rural and economically challenged regions caused by COVID-19. This is an allocation funded through ***S.L. 2021-180, as amended by S.L. 2021-189*** as part of the State Fiscal Recovery Funds See purpose 431 for current operating costs. All funds are to be spent according to a specified schedule. Failure to adhere to the expenditure schedule will put the college at risk of having funds recalled and reallocated. ***This purpose code is only allowed to be used by colleges with an approved IT plan.***

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Purpose Codes

FY 2025-26

110	Executive Management
120	Financial Services
130	General Admin
140	Information Systems (Admin)
220	Curriculum Instruction
310	Occupational
311	Occupational Support
320	Basic Skills Plus
321	Adult Basic Education (ABE)/English Language Acquisition
322	Adult Secondary Education (ASE)
323	Integrated English Literacy and Civics Education (IELCE)
325	Basic Skills Administration
357	Apprenticeship Building America Grant
358	Project Skill Up
360	NC EDGE Customized Training Regional Trainers
361	Customized Training Projects
363	Small Business
364	Business and Industry Support - Administrative
365	Business and Industry Support - Instructional
366	Marketing and Outreach for Apprenticeships
367	Apprenticeship NC Coordinators
369	BioNetwork Centers
370	Military Business Center (Fayetteville Tech CC)
371	NC Research Campus (Rowan Cabarrus CC)
372	Apprenticeship Expansion (SFRF)
373	Title II Literacy Special Projects
374	Title II Integrated Education & Training (IET)
375	NC BioBetter
376	Apprenticeship Expansion (SAEF)
377	Common Digital Credential Pilot Program
410	Library/Learning Center
421	Curriculum Admin
422	Continuing Education Admin
430	Information Systems (Academic)
431	Rural College Broadband Access (SFRF)
432	Rural College Broadband Access (GREAT)
510	Student Services
525	Intellectual & Developmental Disabilities Training Program
530	Child Care - State Appropriation
540	Building Careers-Construction Academies (SFRF)

547	Disaster Recovery Act of 2024, PT II-Emergency Scholarship Grants
548	Disaster Recovery Act of 2024, PT II-Mental Health Support
554	Short Term Workforce Development Grant Program
556	Underserved Student Outreach & Advising (SFRF)
560	Finish Line Grants (State Appropriations)
680	Innovation Quarters
910	Buildings and Grounds
920	Equipment
923	Equipment - Literacy
930	Instructional Resources - Books
940	Categorical Equipment
944	Equipment - Rural College Broadband Access (SFRF)
945	Equipment - NC BioBetter
946	Equipment - Rural College Broadband Access (GREAT)

Note: Colleges are prohibited from creating purpose codes for use with state funds and may only use the purpose codes listed above as prescribed by the Accounting Procedures Manual.

V. Vocational Codes (Positions 6 and 7)

Vocational codes are composed of two digits and are necessary to capture federal and state non-formula expenditures that can be spent across multiple purpose codes. The first digit denotes the major area in which the funds are expended. The second digit has no special definition.

1. **Career and Technical Education Program**

   Starting in academic year 2020-21, Vocational Codes 10-19 will be used to account for ***Carl D. Perkins Strengthening Career and Technical Education for the 21st Century Act*** (Perkins V) funds, as approved by the NCCCS Career and Technical Education Director, as well as the associated non-federal matching costs.

   The term *Career and Technical Education (CTE)* means organized educational activities that (A) offer a sequence of courses that (i) provide individuals with rigorous academic content and relevant technical knowledge and skills needed to prepare for further education and careers in current or emerging professions; (ii) provides technical skill proficiency or a recognized postsecondary credential which may include an industry-recognized credential, a certificate, or an associate degree; and (iii) may include prerequisite courses (other than a remedial course) that meet the requirements of this subparagraph; and (B) include competency-based, work-based, or other applied learning that supports the development of academic knowledge, higher-order reasoning and problem-solving skills, work attitudes, employability skills, technical skills, and occupation-specific skills, and knowledge of all aspects of an industry, including entrepreneurship, of an individual.

   The term *CTE Program of Study* is defined as a coordinated, nonduplicative sequence of academic and technical content at the secondary and postsecondary level. This includes all curriculum programs that do not begin with A10 (college transfer) C10, D10, T90, or P10.

   Perkins V stipulates required and permissive uses of funds as outlined in ***§135(b)***. Expenditures must be documented in the college's approved local plan and budget or in an approved modification to the local plan and budget. Expenditures not documented in the college's approved local plan and budget can result in disallowed costs.

2. **Career and Technical Education Vocational Code Definitions**

   10 Administration – As stipulated by the Perkins V ***§135(b)***, a college shall not use more than 5 percent of its allotment for **administrative expenses**. Administrative expenses are those necessary for the effective and efficient performance of the college's eligible duties under Perkins V, including the supervision of such activities. Any cost that supports the management of the Perkins V program is administrative in nature. Examples of allowable administrative costs include, but are not limited to, salary costs associated with the development of the local plan.

The college’s 5% maximum administrative expenses is reduced by the ***Workforce Innovation and Opportunity Act (WIOA) §(121 (h))*** which requires all required partner programs of the one-stop delivery system to contribute to the infrastructure costs of the one-stop delivery system based on proportionate use and relative benefit received. These are non-personnel costs necessary for the general operation of the one-stop center, including: rental of facilities; utilities and maintenance; equipment; and technology to facilitate access.

Therefore, the total allotment approved by the State Board will be reduced by this amount. It is important that colleges pay attention to the total amount they can budget for administration (VOC Code 10) as listed on the State Board item.

For example: Alamance CC calculated allotment is $272,217 ($81,665 + $190,552). The WIOA infrastructure cost has been calculated to be $204. The available administrative cost listed is the total 5% admin minus the amount for the One-Stop ($272,217 - $204 = $272,013).

It is important to note that administrative expenses may be used only in proportion to the grant expenditures. For example, if after the first quarter 25 percent of the grant has been spent, then 25 percent of the administrative funds may be billed to the grant, etc.

11 Career exploration and career development *(§135(b)(1)*) - Provides career exploration and career development activities through an organized, systematic framework designed to aid students before enrolling and while participating in a career and technical education program, in making informed plans and decisions about future education and career opportunities and programs of study.

Funds **may** be used for activities that: focus on career exploration and awareness, provide labor market information, development of plans for graduation and career plans, guidance/career counselors that provide information on postsecondary education and career options, any other activity that advances knowledge of career opportunities and assists students in making informed decisions about future education and employment goals, including nontraditional fields, provides students with a strong understanding of all aspects of industry.

12 Professional Development *(§135(b)(2))* - Provides professional development for teachers, faculty, school leaders, administrators, specialized instructional support personnel, career guidance and academic counselors, or paraprofessionals.

Funds **may** be used for activities that: support training on the implementation of strategies to improve student achievement and close gaps in student participation and performance; provide opportunities to advance knowledge, skills, and understanding in pedagogical practices; training on how to provide appropriate accommodations for individuals with disabilities, and English language learners; provide advanced education and training leading to further credentials for faculty and staff that improve teaching and learning, provide opportunities to advance knowledge, skills, and understanding of all aspects of an industry.

13 Skill Attainment ***(§135(b)(3))*** - Provides within career and technical education the skills necessary to pursue careers in high-skill, high-wage, or in-demand industry sectors or occupations.

Funds **may** be used for work-based learning opportunities; integration of employability skills; and other activities that increase student engagement and success including simulated work environments.

Equipment purchased for this purpose must be listed under VOC Code 17.

14 Academic Integration ***(§135(b)(4))*** - Supports integration of academic skills into career and technical education programs and programs of study.

Funds may be used for instructional technology equipment that expands the use of technology to enhance teaching such as distance learning. Funds may also be used to support tutors.

15 Increase Student Achievement ***(§135(b)(5))*** - Plans and carries out elements that support the implementation of career and technical education programs and programs of study and that result in increasing student achievement of the local levels of performance established under section 113.

Funds **may** be used for activities supporting curriculum alignment; collaborative relationships; accelerated learning programs; activities that increase access; support for career and technical student organizations; support to reduce or eliminate out-of-pocket expenses for special populations participating in career and technical education; other activities to improve career and technical education programs.

16 Evaluation of CTE Programs ***(§135(b)(6))*** - Develops and implements evaluations of the activities carried out with funds under this part, including evaluations necessary to complete the comprehensive local needs assessment.

17 Equipment ***(§135(b)(5)(D))*** **–** Appropriate equipment, technology and instructional materials (including support for library resources).

Funds **may** be used for equipment that is aligned with business and industry needs, including machinery, testing equipment, tools, implements, hardware and software and other new emerging instructional materials.

18 Wages: Salary for faculty, staff, and other supportive personnel (not Administrative) ***(§135(b)(5)(G))*.**

Funds **may** be used for efforts to support salaries, recruit and retain career and technical education faculty, and staff, administrators, specialized instructional support personnel, career guidance and academic counselors and paraprofessionals. Indicate which VOC code activities each position is responsible for in the description.

Note: It is recommended that faculty salaries, or other staff positions in FTE supported roles, should be funded for no more than 2 years with Perkins V funds.

19 Career and Technical Student Organizations ***(§135(b)(5)(G))*** Supporting career and Technical student organizations. **(It is recommended not more than 10% of allotment be used for this VOC Code.)**

Funds **may** be used for student preparation and participation in technical skills competitions aligned with career and technical education or upgrading technical skills. Funds **may** be used to support individual members of special populations as defined by Perkins V section 3(48) in all aspects of participation in Career and Technical Student Organizations (CTSO) including membership dues, uniforms and other activities directly related to the CTSO that may present a financial barrier for participation. It is expected all other avenues of funding assistance will be exhausted before using Perkins funds for special populations assistance in CTSOs.

20 Non-Federal Matching – All instructional expenditures, including instructional equipment, from other funds sources for all curriculum programs except college transfer and developmental math/reading. Non-federal matching can also include curriculum instruction administrative and support expenditures associated with CTE, such as deans, directors and other curriculum program support personnel, student services of the admissions office, registrar, financial aid, and guidance and counseling.

However, colleges including any allowable non-instructional costs to non-federal match must keep detailed time records to substantiate the classification as non-federal match. Further, **unless such timekeeping processes are in place, all student support and services should be coded to vocational code 97**.

3. **Other Vocational Codes**
   Vocational codes 21-99 are assigned by the System Office to track state funds, special allotments, and grant programs. Colleges are not allowed any other vocational codes in state funds except those assigned by the system office. Any expenditure charged to a vacant vocational code must be reclassified by the college. If a college is using a vacant vocational code for institutional or local accounting needs, the college must use the state definition for state funds when the vacant code is defined and assigned. Since the definition may change annually based on the state funds budget process, only a current list of other vocational codes is provided here. Special allotments and grant programs are defined in the annual state funds budget package and in the specific grant award documents, respectively. **Note:** ***Colleges are prohibited from creating purpose codes for use with state funds and may only use the purpose codes listed above as prescribed by the Accounting Procedures Manual.***

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
Vocational Codes
FY 2025-26

10	Administration
11	Career Exploration and Career Development
12	Professional Development
13	Skill Attainment
14	Academic Integration
15	Increase Student Achievement
16	Evaluation of CTE Programs
17	Equipment
18	Wages (not Administrative)
19	Career and Technical Student Organizations
20	Non-Federal Matching
21	Vacant
22	Vacant
23	Vacant
24	Vacant
25	Vacant
26	Vacant
27	Vacant
28	Career & Technical Education Grant
29	Vacant
30	State Board Reserve
31	VLC - State Appropriation (VLC Community Centers)
32	Adult Learner Pilot Project
33	Vacant
34	Vacant
35	Vacant
36	Vacant
37	Vacant
38	Vacant
39	Vacant
40	FTCC-Military Business Equipment
41	High-Cost Healthcare Workforce Expansion Program
42	High-Cost Healthcare Workforce Start-Up Program
43	BioNetwork Capital Equipment
44	High-Cost Workforce Start-Up Program
45	LCC – NC Motorcycle Safety Education Program
46	CCC&TI - Truck Driver Training Program
47	FTCC - Botanical Lab
48	FTCC – Cape Fear Botanical Gardens (SFRF)
49	Short Term Workforce
50	Performance-Based Bonus
51	NR Budget Stabilization Funds (SFRF)
52	Enrollment Growth State Appropriations
53	Enrollment Growth Reserve - Current Operations
54	Enrollment Growth Reserve – Capital Equipment
55	Accounts Receivable Clearing
56	Stanly-CCRG Alignment Project (State)
57	Vacant
58	Vacant
59	Rowan-Cabarrus-NC Research Campus – Capital Equipment
60	NR Specific Program Categoricals
61	Expanding CC Economic Impact Grants
62	Construction Training, Building Careers Program (SFRF)
63	Truck Driver Shortage Program
64	Nursing Program (Johnston)
66	Nursing Educators Program (Surry)
67	Gaston-Center for Applied Textile Technology
68	Surry-Viticulture & Enology
69	Mayland-Anspach Advanced Manufacturing School
70	Transportation Technology Center
71	Cape Fear-High-Cost Marine Science Program
72	Title II Career Pathways State Leadership Funds
73	Title II, State Leadership Grants
74	Title II, Section 231 Career Services
75	Title II, Institutionalized Instruction
76	Title II ABE English Literacy/Civics
77	Title II, Regional Online Adult School Pilot Program
78	Title II Prof Developer Facilitator Network
79	NC Career Coach
80	Misc Non-Formula Allotment
81	Prison - Designated
82	Prison - Discretionary
83	SBC Equipment
84	Recidivism Project
85	Prison Education Program
86	Vacant
87	CVCC - CEMS
88	NC FAME Partnership (Guilford)
89	Vacant
90	Vacant
91	Vacant
92	Campus Security
93	Vacant
94	Minority Male Success Initiative
95	Vacant
96	Hurricane Appropriation
97	Formula Expenditure
98	Vacant
99	Vacant

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
Non-Formula VOC & Purpose Codes Combinations
FY 2025-26

Voc	Purpose	
80	357	Apprenticeship Building America Grant Program
80	358	Tobacco Trust Fund (Project Skill Up)
80	360	NC Edge Customized Training Regional Trainers
80	361	Customized Training Projects
80	364	Customized Training Business & Industry Support (Administrative)
80	365	Customized Training Business & Industry Support (Instructional)
80	369	BioNetwork
80	370	NC Military Business Center current exp (Fayetteville Tech CC)
80	371	NC Research Campus current exp (Rowan-Cabarrus CC)
80	372	Apprenticeship Expansion
80	373	Title II Integrated English Literacy & Civics Ed
80	374	Integrated Education and Training Project (IET)
80	375	NC BioBetter
80	376	Apprenticeship Expansion SAEF Grant
80	377	Common Digital Credential Pilot Program
80	431	Rural College Broadband Access (SFRF funding)
80	432	Rural College Broadband Access (GREAT funding)
80	525	Intellectual & Developmental Disabilities Students Pilot Program
80	530	Child Care
80	546	Disaster Recovery Act of 2024 Pt. II - Tuition & Registration Fees
80	547	Disaster Recovery Act of 2024 Pt. II - Emergency Scholarship Grants
80	548	Disaster Recovery Act of 2024 Pt. II - Mental Health Support
80	554	Short-Term Workforce Development
80	556	Underserved Student Outreach & Advising
80	559	Finish Line Grants III (Wraparound Services) (EANS II)
80	560	Finish Line Grants (State Appropriations)
80	680	Innovation Quarters (Forsyth Tech CC)
80	910	Buildings & Grounds
80	923	Equipment - Literacy
80	940	Categorical Equipment
80	944	Rural College Broadband Access Equipment (SFRF funding)

VI. Ledger Identification Codes (Position 8)

The type of account is determined by the first digit of the six-digit object code.

1. **Asset**
2. **Liability**
3. **Fund Balance/Equity**
4. **Revenue Accounts**
5. **Expense Accounts**

VII. Object Codes (Positions 9, 10, 11, 12, and 13)

All object codes are described by a five-digit number preceded by the one-digit ledger identification. This number is structured and is increasingly descriptive as you move from left to right. Generally, the object codes have been defined by the first two digits in positions nine and ten, although some object codes have been defined to the twelfth or thirteenth digit. Although the college may not change the definition of an object, they may create more detailed objects by completing any digits unused by the System Office.

Use of objects other than those shown below is not allowed for state funds classification. The System Office may at any time necessary establish new object codes that have priority over any locally established expense object codes. Colleges are required to reclassify locally established codes should the System Office establish a conflicting statewide code.

Because the object subcomponent is independent from other parts of the general ledger account code components, they may be used in conjunction with any purpose or fund, other administrative rules notwithstanding.

11XXXX Current Assets

Cash and Cash Equivalents

110100 **Petty Cash and Change Fund** – Records currency maintained for either paying small bills or making change during cash transactions.

110200 **Cash in Bank - Non-Interest-Bearing Accounts –** Records demand deposits available to the college in either institutional or county funds that do not earn interest. This account is not used with state funds.

110300 **Cash in Bank-Interest Bearing Accounts –** Records demand deposits available to the college in either institutional or county funds. This account is not used with state funds.

110400 **Cash Equivalents** – Records instruments in the possession of the college that may easily be converted to cash such as money market accounts, etc.

110600 **Cash with Treasurer** – Records cash on deposit with the State Treasurer. This does not include the regular state disbursing account.

111100 **Disbursing Account** – Records deposits made by the System Office and checks written on the account by the college. This account is used with state funds as the checking account.

111199 **Claim on Cash** – Records internal colleague transactions to allocate cash to the individual self-balancing institutional funds from the overall institutional cash control account during accounts payable processing.

111555 **Cash Receipts Clearing** – Records the internal colleague transactions to reclassify cash receipts from the accounts receivable control fund to the appropriate state, county, or institutional fund.

Investments

112000 **Investments** – Records certificates of deposits, money market funds, stocks, bonds, or other securities of a relatively short-term nature. Such items are usually acquired to generate short-term income and recorded at the gross amount of the investment.

112010 **U.S. Government Guaranteed Securities** – Records the notes, bonds, or other debt instruments issued by the U.S. Treasury and other U.S. governmental agencies.

112020 **State and Municipal Debt Securities** – Records the notes, bonds, or other debt instruments issued by any State or its political subdivision (county, city, etc.)

112030 **Corporate Bonds –** Records the unsecured and/or convertible bonds issued by a U.S. Corporation

112040 **Corporate Stocks –** Records common stock, preferred stock and convertible preferred stock representing ownership interest in a U.S Corporation.

112060 **Commercial Paper –** Records a short-term obligation issued by banks, corporations, and other borrowers to investors with temporary idle cash. Maturity can range from 2 to 270 days and such instruments are usually unsecured.

112090 **Investment in Real Estate –**Records land and all physical property held for investment purposes (ex. Endowment fund property).

112130 **Certificates of Deposits** – Records all negotiable or non-negotiable bank certificates of deposits (CDs).

112160 **Money Market Funds –** Records all money market funds held at financial institutions. Money Market Funds are open-ended mutual fund that invests in various highly liquid securities.

112170 **Mutual Funds –** Records all mutual fund investments that raise money from shareholders and invest in stocks, bonds, options, commodities, or money market securities in accordance with a state set of objectives. These funds offer the investor the advantage of diversification and professional financial management.

112230 **Pooled Investments –** Records funds held by a bank that are pooled together with other depositors' money and invested in investment pools managed and operated by the bank (i.e., life income pools).

112500 **Allowance-Fair Value Investments –** Records the adjustment from cost to fair value for investments outside the State Treasurer and not held by a fiscal agent.

Receivables

115100 **Due from Private Grantors** – Records a current receivable due to the college from any private grantor that is not a government entity.

115110 **Due from Community College Component Units** - Records amounts due from the college's Foundation, provided that under GASB 39 the Foundation is required to be presently discreetly.

115200 **Due from County** - Records a current receivable to record a claim which is due to be paid to the college by the county.

115300 **Due from Federal Agencies** - Records a current receivable due to the college directly from any federal agency.

115400 **Due from State** - Records a current receivable due to the college from a state agency, another community college, a university, or some other component unit of the state not specifically defined by other object codes.

115410 **Due from NCCCS** – Records a current receivable due to the college from the System Office. In most cases, this will represent amounts expended by the college for which they have not yet received reimbursement.

115500 **Interest Receivable on Investments** – Records a current receivable due to the college for any interest on investments earned but not yet received by the college.

115600 **Due from Unrestricted Current Funds –** Records a current receivable for any amounts owed from one fund at the college to another fund at the college.

115601 **Due from Unrestricted Current Funds – AR** – Records a current receivable for any amounts owed from one fund at the college to another fund at the college created by the custom cash module processing.

115700 **Returned Checks** – Records current receivable for checks that are made payable to the college that were returned by the bank.

115750 **Accounts Receivable - Students** - Records current receivable for any amounts owed to the college by students.

115760 **Accounts Receivable – Sponsors** – Records current receivable for any amounts owed to the college by sponsors.

115780 **Allowance for Doubtful Accounts – Other** – Records the portion of accounts receivable other than student accounts receivable estimated not to be collectible.

115790 **Allowance for Doubtful Accounts – Students –** Records that portion of student accounts receivable estimated not to be collectible.

115800 **Notes Receivable** – Records current receivable in cases where a receivable is secured by a signed instrument. Short-term loans should be included in this category.

115900 **Other Current Receivables** - Records current receivable for any amounts owed to the college that have not been provided under another object code.

115950 **Due from Vendors** - Records current receivable for any amounts owed to the college by vendors caused by credits, returns, over-payments, etc.

116000 **Prepaid Items** - Records the value of items which have been paid for, but not yet used. An example would be insurance that has been purchased but provides coverage for a future period. Entries to this account usually are made at the end of the accounting period as adjusting entries.

Inventories

117000 **Inventories – Other –** Records the value of tangible personal property acquired for normal operations and supplies to be used in the production of goods and services that have not been provided under another object code.

117060 **Inventories – Central Stores –** Records the value of various custodial, maintenance, repair, safety, office, and computer supplies, that the college holds centrally for use by departments on an as needed basis.

117100 **Inventories - Merchandise For Resale** – Records the value of items purchased, usually for the bookstore, and intended for resale to students or others.

117200 **Inventories - Supplies and Materials** – Records the value of consumable items that are intended for use within the college.

117300 **Inventories - Gas and Oil** – Records the value of fuels that are stored for use in college vehicles or the physical plant.

117310 **Inventories – Tires and Tubes** – Records the value of any tires and tubes stored for use in college vehicles or the physical plant.

117320 **Inventories – Parts** - Records the value of any mechanical parts stored for use in college vehicles or the physical plant.

117330 **Inventories – Other Vehicle and Equipment Supplies -** Records the value of any other supplies stored for use in college vehicles or the physical plant.

117400 **Inventories - Postage** – Records the value of unused postage in the form of postage machine balance or stamps as an asset.

118000 **Undrawn Grant Awards** – Records the value of any grants awarded where funds are available to the college but have not yet been drawn.

12XXXX Non-Current Assets

Non-Current Investments

121000 **Restricted Cash and Cash Equivalents** – Records the value of cash and cash-like instruments subject to constraints externally imposed by grantors, contributors, or laws or regulations that limit its availability.

122000 **Long-Term Investments** – Records the value of investments that are held or intended to be held for extended periods of time, usually greater than 12 months.

122010 **U.S. Government Guaranteed Securities** – Records the value of securities issued by the U.S. Treasury and other U.S. governmental agencies, such as the Federal Home Loan Bank, Federal Loan Bank, Government National Mortgage Association (GNMA), and Federal National Mortgage Association (FNMA). Examples of the types of securities classified within this control would be notes, bonds, or other debt instruments which are issued by these U.S. governmental agencies.

122020 **State and Municipal Debt Securities** – Records the value of notes, bonds, or other debt instruments issued by any State or its political subdivision, county, or city.

122030 **Corporate Bonds -** Records the value of securities issued by a U.S. corporation. Some examples include unsecured and convertible bonds. The convertible bond is recorded to this object code until it is converted to stock.

122040 **Corporate Stocks** – Records the value of securities that represent ownership interest possessed by shareholders in a U.S. corporation. Some examples include common stock, preferred stock, and convertible preferred stock.

122060 **Commercial Paper** – Records the value of short-term instruments, with a maturity that can range from 2 to 270 days, issued by banks, corporations, and other borrowers to investors with temporarily idle cash. Such instruments are unsecured and usually discounted, although some are interest bearing. This type of instrument can be issued directly or through a broker. Almost all commercial paper is rated as to credit risk by rating services.

122090 **Investment in Real Estate** – Records the value of land and all physical property related to it that is owned for investment purposes, such as endowment fund properties.

122130 **Certificates of Deposits** – Records the value of all certificates of deposits (CD's) which are either negotiable or non-negotiable.

122160 **Money Market Funds** – Records the value of money market funds at a financial institution. Money market funds are in effect an open-ended mutual fund that invests in various highly liquid securities. Such funds usually offer check writing privileges but are not federally insured.

122170 **Mutual Funds** – Records the value of funds operated by an investment company that raises money from shareholders and invests it in stocks, bonds, options, commodities, or money market securities. These funds offer the investor the advantage of diversification and professional financial management.

122230 **Pooled Investments** – Records the value of funds that are placed with a bank, pooled together with other depositors' money, and are invested in investment pools that are managed by the banks, such as life income pools. The internal investment pools reported under this object code are not openly traded mutual funds.

Non-Current Receivables

123000 **Accounts Receivables – Students-Non-Current** - Records a non-current receivable for any amounts owed to the college by students which will not be collected until future fiscal periods.

123100 Accounts Receivables – Non-Current - Records non-current receivable for any amounts owed to the college that will not be collected until future fiscal periods that have not been provided for under another object code.

123150 Allowance for Doubtful Accounts – Students-Non-Current - Records portion of non-current student accounts receivable estimated not to be collectible.

123160 Allowance for Doubtful Accounts – Other - Records portion of non-current accounts receivable other than student accounts receivable estimated not to be collectible.

124090 Deferred Outflows for Pensions - Records deferred outflows as defined by GASBS 68, Accounting and Financial Reporting for Pensions. Amounts reported in this account are amortized over time as pension expense. The account should only reflect the allocated portion of deferred outflows for that college for cost-sharing plans (TSERS) and any deferred outflows associated with single-employer plans administered by the college. See GASBS 68, Accounting and Financial Reporting for Pensions, for more information.

124091 Deferred Outflows for OPEB - Records deferred outflows as defined by GASBS 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. Amounts reported in this account are amortized over time as OPEB expense. The account should only reflect the allocated portion of deferred outflows for that college for cost-sharing plans (Retiree Health Benefit Fund and Disability Income Plan of North Carolina) and any deferred outflows associated with single-employer plans administered by the college. See GASBS 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, for more information.

125000 Long-Term Notes and Loans Receivable – Records a non-current receivable for all long-term notes and loans receivable. Specifically, this account should be used in conjunction with the various student loan funds in sufficient detail to record loan amounts canceled and repaid.

125100 Allowance for Uncollectible Notes Receivable – Records that portion of long-term notes and loans receivable estimated not to be collectible.

128000 Work-in-Progress - Records the cost of work performed to date on capital assets, usually a building under construction, in the plant funds. The capital asset may also involve improvements to land or equipment.

142XXX Pension/OPEB Assets

As a result of GASB Statements 68 and 75 and their amendments, pension, and other post-employment benefit (OPEB) plans, respectively, hold assets in a legally protected trust for the purposes of helping to meet pension and OPEB liabilities must be reported on the financial statements. Ideally, such a plan would have sufficient assets to cover the projected liabilities. If plan assets exceed the net pension or OPEB liability, an asset should be booked for the excess. This is where such assets would be recorded.

142080 **Net Pension Asset** - Records the excess of pension plan assets over actuarial net pension liability. Currently, North Carolina has a net pension liability rather than asset so this account should not be used.

142090 **Net OPEB Asset** - Records the excess of OPEB plan assets over actuarial net OPEB liability. Currently, North Carolina has a net OPEB asset, which should be recorded in this account.

16XXXX-19XXXX Intangible Assets, Capital Assets, Infrastructure, Right to Use Assets and Accumulated Depreciation & Amortization

A capital asset is property, such as land, land improvements, easements, buildings, equipment, works of art and historical treasures, and infrastructure, with a cost greater than or equal to $5,000 ***and*** a useful life of two or more years. Capital assets are acquired for use in normal operations, are not for resale, must be capitalized and are entered into the College's capital assets inventory system. A physical inventory must be taken of inventoried assets at least once a year.

Capital outlay expenditures are recorded initially as expenses. The reclassification of capital items from expenditures to capital assets is usually done by periodic journal entry during year-end financial statement preparation.

It has been determined that the System Office will not direct community colleges to use specific numbers to setup general ledger accounts for ***GASBS 87*** and ***GASBS 96*** and Right to Use Assets Payments. Community colleges should set up accounts according to their local needs. The accounts should roll up properly to provide information to complete the ACFR and Financial Statements. Colleges should refer to ***GASBS 87*** and ***GASBS 96*** for further information.

Intangible Assets

Intangible Assets are identifiable, non-monetary assets without physical substance and should be considered to have an indefinite useful life if there are no legal, contractual, regulatory, technological, or other factors that limit the useful life of the asset. Intangible assets with indefinite useful lives should not be amortized. Intangible assets with useful lives limited by legal or contractual provisions should be amortized over their estimated useful lives.

161000 **Computer Software – In Development -** Records the cost of work performed to date on internally generated software whose application development costs are expected to exceed the $1,000,000 capitalization threshold for intangible assets. Computer Software in development should not be amortized.

162000 **Patents – In Development -** Records the cost of work performed to date on patents that are expected to exceed the $1,000,000 capitalization threshold for intangible assets. Patents in development should not be amortized.

171000 **Computer Software** – Records the cost of purchased or licensed software greater than $100,000, and internally generated software whose application development costs exceed $1,000,000. A modification or upgrade to existing internally generated computer software should be capitalized if the outlays associated with the modification equal or exceed $1,000,000 ***and*** the modification results in an increase in the software's functionality, or efficiency, or extends the software's estimated useful life. Assets costing below the thresholds, and all other internal modifications to existing software, should be expensed.

172000 **Patents –** Records the cost of obtaining the exclusive right granted by a government to manufacture, use, or sell an invention for a certain number of years.

173000 **Other Intangible Assets** - Records the costs of other intangible assets not provided for in any other intangible object code, such as copyrights, trademarks, and water, timber and mineral land use rights. Land use rights associated with property already owned should not be reported as intangible assets separate from the property.

17XXXX **Subscription (SBITA) Asset** – Records the value of the intangible asset for subscription-based IT arrangements for services under ***GASBS 96***. The value in this account should include all capitalizable costs application under GASBS 96.

Capital Assets

181000 **Office Furniture** - Records the cost of non-instructional furniture intended for use in college office spaces, such as desks, filing cabinets and bookshelves.

181100 **Office Equipment –** Records the costs of non-instructional office equipment such as adding machines, calculators, copiers, fax machines and printers.

182000 **Data Processing Equipment** - Records the costs of all computer hardware and peripheral devices. Include all taxes, delivery expenses, installation expenses, operating software, and all apparatus of any type necessary for the operation of the equipment.

183000 **Educational Equipment** - Records the costs of equipment purchased for and used in instruction. Include all taxes, delivery, and installation expenses.

183500 **Audio-Visual Materials** - Records the costs of audio-visual materials that were originally paid for from capital outlay funds that retain their original shape and appearance with use.

184000 **Motor Vehicles** - Records the costs of all motor vehicles intended for general use throughout the college. Motor vehicles intended exclusively for instruction should be recorded as educational equipment.

185000 **Other Equipment** - Records the costs of any other equipment that has not been provided for in any other capital asset object code.

18XXXX **Right to Use Lease Asset – Machinery & Equipment –** Records the value of the intangible Right to Use lease asset for leased machinery and equipment accounted for under ***GASBS 87, Leases***. The value in this account should include all capitalizable costs applicable under ***GASBS 87, Leases***.

186000 **Art, Literature and Artifacts, Exhaustible** – Records the costs of works of art, literature, textbooks, library and learning resource collections, and other artifacts, whether held as individual items or in a collection, whose useful lives are diminished by display, educational, or research applications.

186100 **Art, Literature and Artifacts, Inexhaustible –** Records the value of works of art, literature, textbooks, library and learning resource collections, and other artifacts, whether held as individual items or in a collection whose useful lives are never diminished.

187000 **Land** - Records the value of land owned by the college at the time of acquisition at purchase price plus costs that ready land for its intended use and produce permanent benefits, such as legal and recording fees. Donated land or land which is obtained by means other than purchase, is recorded at fair-market value based on appraisal at time of acquisition. Land is an inexhaustible capital asset and is not depreciated.

187500 **Improvements to Land** - Records the costs of permanent improvements made to land owned by the college such as retaining walls, excavation, fill, grading, utility installation, and the removal, relocation, or reconstruction of property of others, such as railroads and telephone and power lines. Land improvements are inexhaustible capital assets and are not depreciated.

187600 **Permanent Easements – Non-Depreciable –** Records the costs of legal rights or deed of grants given out in exchange for payment that do not expire and are never diminished.

188000 **Buildings** - Records the costs of buildings purchased or constructed at the purchase or contract price. Buildings acquired by other than purchase are recorded at appraised value at the time of acquisition.

Infrastructure

Infrastructure Assets are long-lived capital assets that are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Buildings should not be considered infrastructure assets, except those that are an ancillary part of a network of infrastructure assets, such as water pumping buildings associated with water systems.

189000 **Road Systems** – Records the value of roads designed for motor vehicle travel that are not part of the State Department of Transportation (DOT) or other road system. Road costs should include the costs of pavement, culverts, lighting systems, drainage systems, guardrails, markings, traffic control devices, signage, bridges, tunnels, and other buildings that are an ancillary part of the road system.

189001 **Bridges** – Records the value of any structure owned by the college that carries a road or path across a ravine or other obstacle that are not part of the State DOT or other road system.

189002 **Utility Systems** – Records the value of any water distribution systems, sanitary sewer collection systems, natural gas systems, electrical distribution systems, and telecommunication/fiber optics systems that are independent of a single building that are owned by the college.

189003 **Dams –** Records the value of any barrier owned by the college that impounds water or underground streams.

189004 **Exterior Lighting Systems –** Records the value of any pole lighting systems owned by the college that are not part of a State DOT or other road system.

189005 **Tunnels** – Records the value of any underground passageways that are completely enclosed except for openings for entrance and exit, commonly at each end, owned by the college that are not part of a State DOT or other road system.

189006 **Landscaping** – Records the value of shrubbery, trees, flowers and other gardening efforts that modify the visible features of an area of land. Exclude land improvements that produce permanent benefits.

189007 **Towers, Tanks, and Wells –** Records the value of any water towers, tanks, or wells that are owned by the college.

189008 **Fences –** Records the value of any barriers, railings, or other upright structure, typically of wood or wire, enclosing an area of ground to mark a boundary, or control access.

189009 **Parking Areas -** Records the value of any designated areas, including lots and decks, reserved for parking motor vehicles at the college.

189010 **Other Structures and Improvements –** Records the value of any other infrastructure items not provided for by other object codes, including sidewalks, curbs and gutters, irrigation systems, general signage, pedestrian bridges, paved paths, fountains, and swimming pools.

Accumulated Depreciation and Amortization

Accumulated depreciation represents the amount of a long-term asset's cost that has been allocated to depreciation expense since the time that the asset was acquired, as a result of usage or age. Accumulated Depreciation is a long-term contra asset account that records depreciation accumulated on property by periodic adjustments and is removed from the records via journal entry when property is disposed.

190000 **Furniture –** Records the offset to depreciation expense for furniture owned by the college.

190001 **Equipment –** Records the offset to depreciation expense for equipment owned by the college.

190002 **Motor Vehicles -** Records the offset to depreciation expense for motor vehicles owned by the college.

190003 **Art, Literature and Artifacts -** Records the offset to depreciation expense for exhaustible arts, literature and artifacts owned by the college.

190004 **Buildings** - Records the offset to depreciation expense for buildings owned by the college.

190005 **Road Systems -** Records the offset to depreciation expense for road systems owned by the college.

190006 **Bridges -** Records the offset to depreciation expense for bridges owned by the college.

190007 **Utility Systems -** Records the offset to depreciation expense for utility systems owned by the college.

190008 **Dams -** Records the offset to depreciation expense for dams owned by the college.

190009 **Exterior Lighting Systems -** Records the offset to depreciation expense for exterior lighting owned by the college.

190010 **Tunnels -** Records the offset to depreciation expense for equipment owned by the college.

190011 **Landscaping -** Records the offset to depreciation expense for equipment owned by the college.

190012 **Towers, Tanks, and Wells -** Records the offset to depreciation expense for equipment owned by the college.

190013 **Fences -** Records the offset to depreciation expense for equipment owned by the college.

190014 **Parking Areas -** Records the offset to depreciation expense for equipment owned by the college.

190015 **Other Structures and Improvements -** Records the offset to depreciation expense for equipment owned by the college.

190016 **Accumulated Amortization – Computer Software –** Records the cumulative amount of all amortization expense that has so far been charged against a computer software intangible asset. Amortization is used to indicate the gradual consumption of an intangible asset over time.

190017 **Accumulated Amortization – Patents** - Records the cumulative amount of all amortization expense that has so far been charged against a patent that is an intangible asset. Amortization is used to indicate the gradual consumption of an intangible asset over time.

190018 **Accumulated Amortization – Other Intangible Assets** - Records the cumulative amount of all amortization expense that has so far been charged against any other intangible asset not provided for by the other object codes. Amortization is used to indicate the gradual consumption of an intangible asset over time.

23XXXX Current Liabilities

231100 **Due to Vendors** - Records amounts owed to vendors in exchange for goods and/or services already received.

231110 **Vouchers Clearing Account –** Records the offset to payroll and accounts payable expenses prior to creating checks, electronic payments, and advices.

231200 **Due to County** - Records amounts owed to the county.

231300 **Due to Federal Agencies** - Records amounts owed to federal agencies.

231310 **FICA and Medicare Withholdings –** Records amounts owed by the college and withheld from employees' salaries that are remitted to the IRS for the Social Security and Medicare programs under the Federal Insurance Contributions Act.

231320 **EIC and Federal Withholdings –** Records amounts withheld from employees' salaries that are remitted to the IRS for the earned income credit and federal income taxes owed.

231400 **Due To State** - Records amounts due to a state agency, another community college, a university, or some other component unit of the state not specifically defined by other object codes.

231410 **Due To NCCCS -** Records amounts owed by the college to the System Office.

231420 **Sales and Use Tax Payable –** Records amounts owed for the consumable tax placed on retail sales, leases or rentals of most goods, and any taxable services in the state required. Use tax is used in relation to the sales tax and is applied when merchandise is purchased from outside of state lines for use or consumption.

231430 **Non-Resident Withholding** – Records amounts owed to the state or to the Internal Revenue Service on payments to foreign persons, including nonresident alien individuals, foreign entities, and governments.

231440 **State Withholdings –** Records amounts withheld from employees' salaries that are remitted to state departments of revenue for state income taxes owed.

231510 **Accrued Salaries and Wages** - Records the gross amount of the salaries or wages earned by college employees that have not been paid.

231520 **Accrued Payroll Contributions** - Records the amounts owed for payroll associated contributions to be paid by the college on accrued salaries recorded in account 231510.

231530 **Payroll Deductions and Contributions** - Records any amounts withheld from salaries and wages already paid to employees but not yet remitted to the appropriate agency. Employer contributions that match these deductions should also be included.

231540 **Insurance Held for Employees** – Records the employee portion of medical premiums received from employees to be applied to coverage during non-working periods.

231600 **Due to Other Fund Groups** - Records amounts owed to other funds within the college. Liabilities reported in this account should have offsetting receivable amounts recorded in object code 11560x in other funds. Use of the sub-object in position 13 is encouraged to account for each fund's payable and receivable separately.

231601 **Due to Other Funds – AR-** Records accounts receivable refund amounts due to students when refunds are processed in the accounts receivable module.

231700 **Other Current Payables** - Records the amounts owed for any current liability not provided for in other object codes.

231800 **Contracts Payable** – Records the amounts currently due on contracts, construction projects, or installment contracts on major equipment purchases. This account is used exclusively in the unexpended plant fund and is adjusted to reflect the correct liability for financial statement purposes.

231810 **Contracts Payable** - **Retainage –** Records the amount retained on construction contracts for the portion of the agreed upon contract price deliberately withheld until the work is substantially complete to assure that contractor or subcontractor will satisfy its obligations and complete a construction project.

232100 **Direct Borrowings-Current** - Records amounts owed for the principal due to a formal written promise to pay.

232200 **Obligations Under Capital Lease** - Records the current portion due for long-term asset lease agreements that are nearly equivalent to asset purchases.

233000 **Unexpended Grant Authorization** – Records a current liability for a grant that has not yet been spent. This account should be credited at the time an award is received and debited as money is earned and/or transferred to another fund. Use of the sub-object levels in positions 11-13 is encouraged to account for each grant separately.

234000 **Accumulated Leave Payable** – Records the current portion of unused leave at the end of the fiscal year. The debit entry is an appropriate salary expense account.

235000 **Funds Held for Others** – Records the current portion of the amounts held for students or others in agency funds.

237000 **Unearned Revenue** – Records a current liability for the amount of any receipts that have not yet been earned by the college.

238000 Pollution Remediation Payable – Current – Records a current liability for that portion owed by the college related to the current fiscal period for pollution remediation activities, such site assessments, site investigation, neutralization, containment, or removal and disposal of pollutants, work performed by an environmental regulatory authority dealing with the site, and any required monitoring of the remediation effort.

24XXXX Non-Current Liabilities

242000 Accounts Payable – Non-Current – Records the amounts owed for any long-term obligations to vendors related to future fiscal periods.

242010 Other Payables – Non-Current - Records the amounts owed for any long-term obligations not provided for in other object codes.

242050 Accumulated Leave Payable – Non-Current - Records the long-term portion of unused leave at the end of the fiscal year. The debit entry is an appropriate salary expense account.

242080 Net Pension liability – Noncurrent – Records the noncurrent portion of the Net Pension Liability. This account is classified as a long-term liability for financial statement note disclosure. The Net Pension Liability: The portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. The account should only reflect the allocated portion of the net pension liability for that agency for cost-sharing plans (TSERS) and any net pension liability associated with single-employer plans administered by the agency. See ***GASBS 68, Accounting and Financial Reporting for Pensions***. Note: Because TSERS is so well funded, community colleges do not record a current portion.

242081 Deferred Outflows for OPEB – Records the deferred outflows defined by ***GASBS 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions***. The amounts reported in this account are amortized over time as OPEB expense. The account should only reflect the allocated portion of deferred outflows for that agency for cost-sharing plans and any deferred outflows associated with single-employer plans administered by the agency.

242090 Deferred Inflows for Pensions – Records deferred inflows as defined by ***GASBS 68, Accounting and Financial Reporting for Pensions***. The amounts reported in this account are amortized over time as pension expense. The account should only reflect the allocated portion of deferred inflows for that agency for cost-sharing plans (TSERS) and any deferred inflows associated with single-employer plans administered by the agency.

242091 Deferred Inflows for OPEB - Records deferred inflows defined by ***GASBS 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions***.. The amounts reported in this account are amortized over time as OPEB expense. The account should only reflect the allocated portion of deferred inflows for that agency for cost-sharing plans and any deferred inflows associated with single-employer plans administered by the agency.

242100 Direct Borrowings – Non-Current - Records amounts owed for the principal due on a formal written promise to pay related to future fiscal periods.

242200 Obligations Under Capital Lease – Non-Current - Records the portion due related to future fiscal periods for long-term asset lease agreements

242500 Funds Held for Others – Non-Current - Records the portion of the amounts held for students or others in agency funds related to future fiscal periods.

242900 Other Long-Term Liabilities – Records any other amounts owed related to future fiscal periods not provided for in other non-current object codes.

242910 Pollution Remediation Payable – Noncurrent - Records the amounts expected to be owed by the college related to future fiscal periods for pollution remediation activities, such site assessments, site investigation, neutralization, containment, or removal and disposal of pollutants, work performed by an environmental regulatory authority dealing with the site, and any required monitoring of the remediation effort.

3XXXXX Fund Equity/Balance

370100 Unrestricted Fund Balance – Records the difference between the assets and liabilities for all of the unrestricted funds at the college, exclusive of any reserved amounts or adjustments since the last year-end close process.

370110 Restricted Fund Balance - Records the restricted portion of fund balance via reclassification journal entries, usually at year end for financial statement purposes. In some cases, the entire fund balance of a fund group is restricted, as is usually the case with the NACUBO code of 2. In other cases, part of the fund balance may be restricted while the remainder is unrestricted.

370900 Donated Capital - Records the equity in assets that have been donated to the college.

379000 Restatement - Net Position – Records current year restatement adjustments. This account should be used in incidents determined to be valid and generally associated with auditor adjustments, new GASB statements and/or implementation guidance.

389000 Investment in Property - Institutional Funds – Records the equity in plant funds for institutional capital assets.

389100 Investment in Property - State Funds - Records the equity in plant funds for state capital assets.

389200 Investment in Property - County Funds - Records the equity in plant funds for county capital assets.

389300 Investment in Property (Federal Funds) - Records the equity in plant funds for federal capital assets.

4XXXXX Revenues

409990 Deposits to the State Treasurer – Records the offset to all state fund receipts to account for all state fund amounts required to be deposited daily to a state treasurer bank account under ***G.S. 147-86.10.***

42XXXX Curriculum Tuition

420000 In-State – Records all receipts at the current in-state tuition rate for students who meet the in-state resident eligibility requirements set forth in ***G. S. 115D-39***.

420100 Out-of-State - Records all receipts at the current out-of-state tuition for students who do not meet the in-state resident eligibility requirements set forth in ***G. S. 115D-39***.

4202XX Waivers – Records the reduction to curriculum tuition for students exempt from paying a charge that would otherwise be required for enrollment.

Note: ***G. S. 115D-39*** and ***G.S. 116-143.1 and G.S. 116-143.3*** provide certain circumstances under which students who do not qualify as resident students may be charged in-state tuition. The difference between the out-of-state and in-state tuition rates is not considered a tuition waiver.

43XXXX Non-Curriculum Fees

431000 Continuing Education – Records all receipts associated with the registration fee schedule for continuing education courses based on course, length, set by the State Board and consistent with actions taken by the General Assembly. Unless waived by law, colleges are required to charge students a registration fee, and students are required to pay a registration fee, or have a third-party pay on their behalf, to enroll in a continuing education course.

43101X Waivers – Records the reduction in continuing education fees for students exempt from paying a charge that would otherwise be required for enrollment.

440000 State Certification – Records revenues for the state funds deposited monthly by the System Office to the state disbursing account to be used for the purposes set forth in the annual state funds budget.

46XXXX Earned from Local Sources

461000 County Appropriations – Records revenues for funds provided by a county government for operating purposes. This is a non-exchange transaction and considered non-operating revenue for financial statement purposes.

462000 **Local Grants and Contracts** – Records revenues for funds received by county grant providers, or from county entities related to agreements with specific terms, where there is a promise to provide goods or services of an instructional, research or public service nature.

47XXXX Earned from Federal Sources

470000 **Federal Contracts and Grants** – Records the reclassification of the federal portion of certifications received from the System Office for financial statement reporting purposes. This properly presents the amount of federal funds received for federal programs that flow through the 112 (2-12) report.

48XXXX Earned from State Sources

480000 **State Contracts and Grants -** Records revenues for funds received by state grant providers, or from state entities related to agreements with specific terms, where there is a promise to provide goods or services of an instructional, research or public service nature.

49XXXX Other Revenues

491XXX Investment and Interest Income

4911XX **Interest Earned** - Records revenues for interest received from demand deposits available to the college in either institutional or county funds. This account is not used with state funds.

4912XX **Endowment Income -** Records revenues for income generated by endowment principle amounts for use according to the intent of the donor.

4913XX **Gain on Sale of Securities** – Records revenues for any net gains on the sale of tradable assets, such as stocks and bonds.

4914XX **Dividend Income –** Records revenues for payments made by a corporation to its shareholder members, usually paid in the form of cash, store credits, and shares in the company. Record endowment dividend income to 4912XX.

4915XX **STIF Interest Income -** Records revenues for the monthly interest earned in investments in the State Treasurer's Short Term Investment Fund.

492XXX Income from Students

492100 **Student Activity Fee –** Records revenues for the fee charged to students to support the cost of providing student activities, including the student government association, student clubs, enrichment and social activities, student identification cards, and athletics, as established by the local board of trustees. As of October 1, 2024, the cap on student activity fees and future hikes are linked to the Consumer Price Index. See **Numbered Memo CC24-044 Amendment to 1E SBCCC 700.2 – Student Activity Fees**. Student activity fees may not be charged to individuals who participate only in meetings/seminars organized by the college.

492110 **Campus Access and Parking (CAP) Fee –** Records revenues for the fee charged to students to use college parking facilities and campus grounds, as established by the local board of trustees, to support costs of acquiring, constructing, and maintaining the college's parking facilities, parking enforcement, and campus security. A seminar/meeting is defined as a small grouping of people primarily for discussion under the direction of a leader or resource person(s) and are generally one-time offerings. See the description for purpose code 291 and State Board Policy ***1E SBCCC 700.4*** for more information.

492120 **Instructional Technology Fee – Curriculum -** Records revenues for the fees charged to curriculum students to support student access to instructional technology. The instructional technology fee shall not exceed $48 per academic term for curriculum students and may not be charged to individuals who participate only in meetings/seminars organized by the college. A seminar/meeting is defined as a small grouping of people primarily for discussion under the direction of a leader or resource person(s) and are generally one-time offerings. See the description for purpose code 292 and State Board Policy ***1E SBCCC 700.3*** for more information.

492220 **Instructional Technology Fee – Non-Curriculum** - Records revenues for the fees charged to students to support student access to instructional technology. The instructional technology fee shall not exceed $5 per course for continuing education students and may not be charged to individuals who participate only in meetings/seminars organized by the college. A seminar/meeting is defined as a small grouping of people primarily for discussion under the direction of a leader or resource person(s) and are generally one-time offerings. See the description for purpose code 392 and State Board Policy ***1E SBCCC 700.3*** for more information.

493XXX Other Income

493100 **Other Operating Income** – Records revenue received as a direct result of the college's primary purpose for operations that does not meet the criteria for classification elsewhere.

493200 **Other Non-Operating Income** – Records revenue received that is unrelated to the college's primary purpose for operations that does not meet the criteria for classification elsewhere. Record any EBS Clearwire payments received as other non-operating income.

493350 **Reserved for Future Use –** *Do not use this object code*.

493351 **Noncapital Contributions** - Records the proportionate share of the State Health's Plan contribution to the Retiree Health Benefit Fund (RHBF) for employer participants.

4939XX **Commissions Earned** – Records revenues for percentages of the money received from a total paid to the agent responsible for the business. Use sub-objects to break down types of sales, if desired. Sales tax and sales returns may be broken out with sub-objects or recorded directly against income.

494100 **Gifts -** Records revenues for amounts donated or contributed to the college from non-governmental sources

494110 **Contracts and Grants –** Records revenues for amounts from non-governmental or private grant sources, or from private entities related to agreements with specific terms, where there is a promise to provide goods or services of an instructional, research or public service nature.

494111 **State Capital Aid** –Records revenues for the earned portion of state bond money and capital project funds provided by the System Office for the acquisition, renovation or construction of capital assets owned by the college.

494120 **Non-Governmental Contracts and Grants-Exchange Transactions -** Records revenues for amounts from non-governmental or private grant sources, or from private entities related to agreements with specific terms, where there is a promise to provide goods or services of an instructional, research or public service nature, and provides commercial value or direct benefit to the resource provider.

494200 **Insurance Recoveries –** Records revenues for payments from insurance companies for claims filed by the college.

494300 **Rent** – Records revenues for amounts received from renting college classrooms and facilities to other entities.

494400-49 Live Client Project Patron Fees – Curriculum - Records revenues and expenditures for live client project fees collected for curriculum programs within this range of object codes. Colleges may choose to separate patron fees collected from live project fees collected. See the description for purpose code 293-294 and State Board Policy ***1H SBCCC 300.1*** for more information.

494450-99 Patron Fees – Non-Curriculum - Records revenues and expenditures for live client project fees collected for non-curriculum programs within this range of object codes. Colleges may choose to separate patron fees collected from live project fees collected. See the description for purpose code 393-394 and State Board Policy ***1H SBCCC 300.1*** for more information.

494500-49 Live Projects – Curriculum - Records revenues and expenditures for live client project fees collected for curriculum programs within this range of object codes. Colleges may choose to separate live project fees collected from patron fees collected. See the description for purpose code 293-294 and State Board Policy ***1H SBCCC 300.1*** for more information.

494550-99 Live Projects – Non-Curriculum Records revenues and expenditures for live client project fees collected for non-curriculum programs within this range of object codes. Colleges may choose to separate live project fees collected from patron fees collected. See the description for purpose code 393-394 and State Board Policy ***1H SBCCC 300.1*** for more information.

494600 **Bad Debt Recoveries –** Records revenues for debts from student loans or accounts receivable recovered in whole or in part after it has been written off or classified as a bad debt.

494700 **Gain (Loss) Sale of Capital Assets –** Records a gain/revenue or loss/ expense for the difference between the book value of an asset and the amount of cash received, when removing the asset and its associated accumulated depreciation amounts from the general ledger. These amounts roll up into net non-operating revenues on the statement of revenues, expenditures, and changes in net position.

494800 **Fines and Penalties -** Records revenues for campus-imposed fines collected, such as library fines.

494801 **Parking and Traffic Fines** – Records revenues for campus parking and traffic fines collected pursuant ***to G.S. 115D-21***, in conjunction with expense object 539570. Such fines must be remitted to the Office of State Budget and Management, 20320 Mail Service Center, Raleigh, NC 27699-

0320 within 10 days after the end of the calendar month in which the fines were collected. Include the description of the payment as “FINES and PENALTIES COLLECTED FOR _______ (insert month and year)” with remittances.

NOTE: At the end of each fiscal year, revenues collected must equal expenses be, unless a college has received prior approval to offset receipts with collection costs. Colleges are permitted to deduct the actual costs of collecting fines and penalties, up to a maximum of 20% of the gross receipts. Actual costs of collecting fines and penalties applies to the recovery costs for collecting parking/traffic fines. Parking/traffic enforcement activities and parking lot repairs/upkeep are not recoverable through this deduction. System Office approval must be received in advance to cover the allowable collection expenses. Detailed information will be required to support the approval request, such as special fund reports, due diligence collection paperwork, and backup documentation for all collection costs paid out.

NOTE: Numbered Memo CC05-238 provided initial guidance. Numbered memos prior to 2008 are no longer available on the NCCC website. If you need a copy of this memo, please contact College Technical Resources to obtain a copy.

494900-24 Specific Fees – Curriculum - Records revenues within this range of object codes for fees charged to curriculum students to support other required academic costs for items that are in addition to normal supplies and materials the college typically provides for students. See the description for purpose code 291 and State Board Policies ***1E SBCCC 700.5*** and ***1E SBCCC 700.7***.

494925-49 Specific Fees – Non-Curriculum - Records revenues within this range of object codes for fees charged to non-curriculum students to support other required academic costs for items that are in addition to normal supplies and materials the college typically provides for students. See the description for purpose code 391 and State Board Policies ***1E SBCCC 700.5*** and ***1E SBCCC 700.7***.

495XXX Transfers From Other Funds

Record incoming inter-fund transfers in the following object codes according to the source fund of the transfer and whether the transfer is mandatory or non-mandatory.

495100 Mandatory Transfers from Unrestricted General Funds
495110 Non-Mandatory Transfers from Unrestricted General Funds
495200 Mandatory Transfers from Proprietary
495210 Non-Mandatory Transfers from Proprietary
495300 Mandatory Transfers from Restricted Funds
495310 Non-Mandatory Transfers from Restricted Funds
495400 Mandatory Transfers from Loan Funds

495410 Non-Mandatory Transfers from Loan Funds
495500 Mandatory Transfers from Endowment Funds
495510 Non-Mandatory Transfers from Endowment Funds
495600 Mandatory Transfers from Unexpended Plant Funds
495610 Non-Mandatory Transfers from Unexpended Plant Funds

496XXX Income from Student Loans

496000 Income from Student Loans – Principal – Records revenues for the repayments of principal amounts loaned by the college to students.

496500 Income from Student Loans – Interest - Records revenues for the interest payments on funds loaned by the college to students.

497XXX Other

497100 Additions to Permanent Endowments – Records any increases to gifts or grants that are restricted and held in perpetuity with only the income available for use.

497200 Additions to Term Endowments – Records any increases to gifts or grants where all or part of the principal may be expended only after the expiration of a stated period or occurrence of a specified event, depending on donor wishes.

5XXXXX Expenses

Personnel Compensation

511XXX - 516XXX Salaries

511100 **President** - Records the salary, including any local portion of the colleges' chief-executive officer, i.e., President or Interim President only. **(Only use with purpose 110).**

511200 **Full-time Senior Administrators** - Records the full-time salaries of employees who serve in a senior or executive capacity. Individuals charged to this object report directly to the president or to a senior or executive vice-president that reports directly to the president of the college and generally include the general administrative officer, chief business officer, chief academic officer, and chief student affairs officer. **(Only use with purpose 110).**

511210 **Part-time Senior Administrators** - Records the part-time salaries of employees who serve in a senior or executive capacity. Individuals charged to this object report directly to the president or to a senior or executive vice-president that reports directly to the president of the college and generally include the general administrative officer, chief business officer, chief academic officer, and chief student affairs officer. These individuals are normally employed less than 30 hours a week. **(Only use with purpose 110)**.

511240 **30 Hour Senior Administrators** - Records the salaries of senior administrators as defined in objects 511200 and 511210 that are employed on a continuous basis for a minimum of nine months per year, work a minimum of 30 hours a week, and contribute to the State's retirement system. **(Only use with purpose 110).**

511300 **Full-time Professional Staff -** Records the full-time salaries of employees who are responsible for significant activities at the college. These individuals will often, but not always, have some supervisory duties and will report to either a senior administrator or a higher-level staff person. This object may include job titles such as: Directors, Deans, Assistant/Associate Deans, Associate Vice-Presidents, Controller, Financial Aid Administrators, Coordinators, Recruiters and Retention Specialist, Registrar, Counselor, Personnel Officer, and Librarian. **(Do not use with purpose 220 and 310)**. ***NOTE: For Basic Skills directors' costs refer to purpose code descriptions for 321, 322, 323, 324, and 325.***

511310 **Part-time Professional Staff** - Records the part-time salaries of employees who are responsible for significant activities at the college. These individuals will often, but not always, have some supervisory duties and will report to either a senior administrator or a higher-level staff person. This object may include job titles such as: Directors, Deans, Assistant/Associate Deans, Associate Vice-Presidents, Controller, Financial Aid Administrators, Coordinators, Recruiters and Retention Specialist, Registrar, Counselor, Personnel Officer, and Librarian. **(Do not use with purpose 220 and 310).** ***NOTE: For Basic Skills directors refer to purpose code descriptions for 321, 322, 323, 324, and 325.***

511340 **30 Hour Professional Staff -** Records the salaries of professional staff as defined in objects 11300 and 11310 that are employed on a continuous basis for a minimum of nine months per year, work a minimum of 30 hours a week, and contribute to the State's retirement system. **(Do not use with purpose 220 and 310).**

512000 **Full-time Support** – Records the full-time salaries of employees who provide an infrastructure for the daily office operations of the college. Individuals in this category are generally clerical in nature with an emphasis on correspondence, information storage and retrieval, data entry and word processing (not to include computer operators or programmers), and other office work, such as Accounting Clerk, Financial Aid Clerks, Typist, Data Entry Operator, Bookstore Clerk, Library Clerk (not recognized as a Librarian), Secretaries, etc. **(Do not use with purpose 220, 310, 321, 322, 323, 324,520).**

512010 **Part-time Support** - Records the part-time salaries of employees who provide an infrastructure for the daily office operations of the college. Individuals in this category are generally clerical in nature with an emphasis on correspondence, information storage and retrieval, data entry and word processing (not to include computer operators or programmers), and other office work, such as Accounting Clerk, Financial Aid Clerks, Typist, Data Entry Operator, Bookstore Clerk, Library Clerk (not recognized as a Librarian), Secretaries, etc. **(Do not use with purpose 220, 310, 321, 322, 323, 324, 520).**

512040 **30 Hour Support** – Records the salaries of support personnel as defined in objects 12000 and 12010 that are employed on a continuous basis for a minimum of nine months per year, work a minimum of 30 hours a week and contribute to the State's retirement system. **(Do not use with purpose 220, 310, 321, 322, 323, 324, and 520).**

513000 **Full-time Faculty** - Records the full-time salaries of employees who perform professional activities in guiding and directing the learning experiences of students in an instructional situation. **(Only use with purpose 220, 310, 321, 322, 323, 361, 362, 363, 364, 365, 366, 367, and 368).**

513010 **Part-time Faculty** - Records the part-time salaries of employees who perform professional activities in guiding and directing the learning experiences of students in an instructional situation. **(Only use with purpose 220, 310, 321, 322, 323, 361, 362, 363, 364, 365, 366, 367, and 368).**

513020 **Full-time Teaching Assistant –** Records the full-time salaries of employees who assist full-time or part-time faculty in performing professional activities in guiding and directing the learning experiences of students in an instructional situation. **These individuals will be recorded as Technical/Paraprofessional, NOT Faculty, on the Staff Information Report.** ***NOTE:*** A Teaching Assistant that is a student will be coded to object 516020. **(Only use with purpose 220, 310, 321, 322, 323, 361, 362, 363, 364, 365, 366, 367, 368, and 410).**

513030 **Part-time Teaching Assistant –** Records the part-time salaries of employees who assist full-time/part-time faculty in performing professional activities in guiding and directing the learning experiences of students in an instructional situation**. These individuals will be recorded as Technical/Paraprofessional, NOT Faculty, in the Staff Information Report.** ***NOTE:*** A Teaching Assistant that is a student will be coded to object 516020. **(Only use with purpose 220, 310, 321, 322, 323, 361, 362, 363, 364, 365, 366, 367, 368, and 410).**

513040 **30 Hour Faculty** – Records the salaries of faculty personnel as defined in objects 13000 and 13010 that are employed on a continuous basis for a minimum of nine months per year, work a minimum of 30 hours a week, and contribute to the State’s retirement system. **These individuals will be recorded as Technical/Paraprofessional, NOT Faculty, in the Staff Information Report.** NOTE: A Teaching Assistant that is a student will be coded to object 516020. **(Only use with purpose 220, 310, 321, 322, 323, 361, 362, 363, 364, 365, 366, 367, 368, and 410).**

514000 **Full-time Service/Maintenance/Skilled Crafts -** Records the full-time salaries of employees whose duties are non-supervisory and contribute to the upkeep and care of buildings, facilities or grounds, and college property. This object may include, but is not confined to such job titles as: Cafeteria Gardener, Security Guard, Maintenance Worker, Mechanic, Electrician, Printer, etc. **(Only use county fund 21 and purposes 610 and 620.)**

514010 **Part-time Service/Maintenance/Skilled Crafts -** Records the part-time salaries of employees whose duties are non-supervisory and contribute to the upkeep and care of buildings, facilities or grounds, and college property. This object may include, but is not confined to such job titles as: Cafeteria Gardener, Security Guard, Maintenance Worker, Mechanic, Electrician, Printer, etc. **(Only use county fund 21 and purposes 610 and 620.)**

514040 **30 Hour Service/Maintenance/Skilled Crafts** - Records the salaries of employees whose duties are non-supervisory and contribute to the upkeep and care of buildings, facilities or grounds, and college property. This object may include, but is not confined to such job titles as: Cafeteria Gardener, Security Guard, Maintenance Worker, Mechanic, Electrician, Printer, etc. **(Only use county fund 21 and purposes 610 and 620.)**

514050 **Supervisory Service/Maintenance/Skilled Crafts** - Records the salaries of supervisory personnel of Service/Maintenance/Skilled Crafts personnel as defined in objects 514000 and 514010.

515000 **Full-time Technical/Paraprofessional –** Records the full-time salaries of employees whose duties require specialized knowledge or skills. These employees normally report to an administrative or professional staff person. Job titles may include, but are not confined to: System Administrator, Administrative Assistant, Accounting Technician, Financial Aid Technician, GED/Basic Skills Testers/Examiners, Library Assistant, Equipment Coordinator, etc**. (Do not use with purpose 220 and 310).**

515010 **Part-time Technical/Paraprofessional** - Records the part-time salaries of employees whose duties require specialized knowledge or skills. These employees normally report to an administrative or professional staff person. Job titles may include, but are not confined to: System Administrator, Administrative Assistant, Accounting Technician, Financial Aid Technician, GED/Basic Skills Testers/Examiners, Library Assistant, Equipment Coordinator, etc. **(Do not use with purpose 220 and 310).**

515040 **30 Hour Technical/Paraprofessional** – Records the salaries of technical/paraprofessional personnel as defined in objects 515000 and 515010 that are employed on a continuous basis for a minimum of nine months per year, work a minimum of 30 hours a week, and contribute to the State's retirement system. **(Do not use with purpose 220 and 310)**.

516020 **Student Salaries – Instruction** - Records the salaries of student employees who assist faculty with ***direct*** classroom instruction and/or activities (lab assistant, tutor, teaching assistant). **(Only use with purpose 220, 310, 321, 322, and 323).**

516030 **Student Salaries – Non-Instruction** - Records the salaries of student employees who perform ***duties outside the classroom in a non-instructional setting.*** **(Only use with purpose 110, 120, 130, 140, 311, 410, 421, 422, 430, 450, and 510).**

518XXX Employee Benefits

518100 **Social Security** - Records the cost for the employer's matching social security contributions (FICA and Medicare).

518200 **Retirement** - Records the cost for the employer's matching retirement contributions.

518250 **Pension Expense -** Records the change in net pension liability that is recognized immediately and the amortization of deferred inflows/outflows of resources related to pensions over time per ***GASBS 68 Accounting and Financial Reporting for Pensions***. The only transactions posted to this account should be the year-end accrual entries (13th month) for the allocated portion of total pension expense for that agency for cost-sharing plans (TSERS) and any pension expense associated with single-employer plans administered by the agency.

518300 **Medical Insurance** - Records the cost of the employer's contributions for employee health insurance.

518400 **Disability Salary Income** - Records the cost of employee's short-term disability benefits.

518500 **Unemployment Compensation** - Records the cost of unemployment compensation claims.

518600 **Worker's Compensation** - Records the cost of payments to injured employees as determined and awarded by the Industrial Commission and/or litigation.

518700 **Longevity Payments** - Records the cost of all longevity payments. Employee benefits, retirement, and social security will be charged to the appropriate line item.

518800 **Employee Assistance Program** – Records the costs of an employer provided employee assistance program that offers assessments, short term counseling and referrals. Costs must be prorated according to the employee’s salary funding source.

519XXX Contracted Services

519000 **Legal Services –** Records the costs of retaining and using attorneys to assist the college with matters of law.

519010 **Financial/Audit Services –** Records the costs for external accounting services.

519020 **Systems Implementation/Integration Services –** Records the costs for external professional resources to assist the college in implementing and streamlining automated systems.

519030 **Engineering Services –** Records the costs for external professional engineering services that apply scientific, economic, social, and practical knowledge in order to design, build, and maintain structures, machines, devices, systems, materials and processes on campus.

519040 **Administrative Services –** Records the costs for external professional management work involving fiscal, administrative, personnel, and related support functions for college operations.

519050 **Food Services Agreements –** Records the costs to vendors for making, transporting, and serving or dispensing prepared foods in a cafeteria, snack bar or vending area on campus.

519060 **Laundry Service Agreements –** Records the costs to vendors for any laundry services needed by the college.

519070 **Laboratory Services Agreements –** Records the costs to vendors for maintenance and upkeep of facilities used in instruction that provide controlled conditions in which scientific research, experiments, and measurement may be performed.

519080 **Janitorial Services Agreements –** Records the costs to vendors for cleaning services, such as floors, bathrooms, and windows, vacuuming, shampooing rugs, washing walls and dusting furniture on campus.

519090 **Waste Removal/Recycling Services Agreements -** Records the costs to vendors for the proper disposal of trash and recyclable materials.

519100 **Security Service Agreements** – Records the costs to vendors for safety measures to protect employees and students.

519110 **Pest Control Services Agreements** - Records the costs to vendors for regulation or management of insects and other rodents in campus facilities or on campus grounds.

519120 **Lawns and Grounds Services Agreements -** Records the costs to vendors for lawn and landscaping maintenance.

519130 **Miscellaneous Service Contracts –** Records the costs to external professionals or vendors not provided for by any other object code.

519140 **WAN Support Services** – Records contract personnel costs for analyzing, designing, implementing and/or supporting a wide area network.

519141 **Video Transmission Support Services** – Records contract personnel costs for analyzing, designing, implementing and/or supporting a video transmission system.

519142 **LAN Support Services** – Records the cost of services purchased from independent contractors, consultants, and other external organizations for analyzing, designing, implementing, and/or supporting a local area network. Charges to this object code are for labor only, such as contracted personnel to supplement agency LAN support staff. A vendor contract in which the vendor retains ownership is a managed LAN service contract and should be recorded under object 532334 - Managed LAN Service Charge.

519143 **Personal Computer and Printer Support Services** – Records contract personnel costs for personal computer (PC) and printer installation, configuration, and support, including supplemental staffing or seat management contract costs for PCs and printers. Record parts and labor for PC/printer repair in object 535109 – Repairs – Personal Computers and Printers. Record PC/printer maintenance agreement costs in object 535492 – Maintenance Agreement for Personal Computers and Printers.

519144 **Managed Server Support Services** – Records contract personnel costs to support server/database installations, configuration, and upgrades including supplemental staffing costs. This object code includes only technical support, not applications development. Record server repair costs (parts/labor) in object 535110 Repairs – Servers. Record server maintenance agreements in object 535495 Maintenance Agreements – Servers.

519145 **Mainframe Support Services –** Records contract personnel costs to support a mainframe including supplemental staffing. This object code includes only technical support, not applications development. Record mainframe maintenance agreement costs in object 535496 Maintenance Agreements – Mainframe Computers.

519146 **Application Development** – Records contract personnel/NC Office of Information Technology Services (ITS) costs for analyzing, designing, implementing and/or providing applications development/support for an application, system or system modification, including Web Development Mobile Apps and Legacy Client Server.

519147 **IT Project Management and Analysis Services** – Records contract personnel costs for Project Management services associated with deployment and management of IT projects/programs, including business analysts, enterprise architects, and enterprise security.

519148 **Other Information Technology Services** – Records other contract personnel costs for analyzing, designing, and/or implementing support for a system of system modification not classified elsewhere, including amounts paid to ITS or other outside vendors for supplemental programming data entry.

519200-29 Contracted Services (Personal) – Records the cost of ***non-instructional*** services performed by companies or individuals who are not employees of the college that cannot be classified elsewhere in this range of object codes, according to the specific need of the college.

519400 **Contracted Instruction –** Records the cost of all other ***instructional*** services performed by companies or individuals who are not employees of the college that provide specialized instruction and cannot be classified elsewhere. This object should not be used with Customized Training Program Projects purpose 361. Instructional salary objects should be considered before using this object. College should use this code only when individuals do not meet any of the criteria for being employees.

519600 **Personal Service Contract for Customized Training Industry Clients –** Records the cost of training performed by industry personnel who are employees of that industry. **(Only use with purposes 361, 364, and 365, vocational code 80)**.

519700 **Personal Service Contract for Customized Training Industry Third Party** – Records the cost of training performed by individuals or companies who are not employees of the college and who are not employees of the industry for which the training is being conducted. **(Only use with purposes 361, 364, and 365, vocational code 80)**.

52XXXX Supplies and Materials

521000 **Custodial Supplies –** Records the cost of janitorial supplies, small utensils, mops, brooms, etc., including any associated freight costs.

521200 **Bedding and Textile Products –** Records the cost of bedding, sewing materials and woven fabrics supplies, including any associated freight costs.

521300 **Laundry Supplies –** Records the cost of supplies used in laundering clothes or other fabrics, including any associated freight costs.

521400 **Clothing and Uniforms –** Records the cost of clothing, uniforms, and personal protective equipment required by OSHA that is furnished to employees, including any associated freight costs.

522000 **Maintenance Supplies –** Records the cost of supplies and materials which are directly consumed for purposes of maintenance, including any associated freight costs.

523000 **Instructional Supplies –** Records the costs of classroom and laboratory supplies and materials which are directly consumed for purposes of instruction, including any associated freight costs. Record instructional data processing supplies to object code 523010.

523010 **Instructional Data Processing Supplies –** Records the costs of classroom and laboratory data processing supplies and materials which are directly consumed for purposes of instruction, including any associated freight costs. Record all other instructional supplies to object code 523000.

524000 **Repair Supplies –** Records the cost of supplies and materials used in the repair of facilities, equipment, and motor vehicles, including any associated freight costs.

525000 **Gasoline and Motor Vehicle Supplies –** Records the costs of gasoline, diesel oil, grease, motor oil, clutch and power brake fluids, and inexpensive accessories when purchased for the use of motor vehicles which are not directly used as instructional equipment, including any associated freight costs. ***NOTE:*** Motor fuel sold to a community college for use for community college purposes is exempt from the excise tax on motor fuel pursuant to ***G.S. 105-449.88(7).***

525100 **Diesel Fuel –** Records the cost of diesel fuel consumed but not directly related to instruction. NOTE: Motor fuel sold to a community college for use for community college purposes is exempt from the excise tax on motor fuel pursuant to ***G.S. 105-449.88(7).***

525200 Oil, Lubricants, Fluids – Records the cost of diesel oil, grease, motor oil, clutch and power brake fluids used in the regular maintenance of motor vehicles and equipment, not directly related to instructional equipment.

525300 Tires and Tubes – Records the cost of tires and tubes used, not directly related to instructional equipment.

525400 Motor Vehicle Replacement Parts – Records the costs of inexpensive accessories purchased for the use of motor vehicles, not directly related to instructional equipment.

525500 Other Fuels – Records the costs of any other fuels not provided for in any other object code. ***NOTE:*** Motor fuel sold to a community college for use for community college purposes is exempt from the excise tax on motor fuel pursuant to ***G.S. 105-449.88(7).***

526000 Office Supplies – Records the costs of stationery, envelopes, paper, pens, notebooks, calendars, forms, file folders and guides, ink, desk trays, staplers and other small items normally used in offices, including any associated freight costs. Record data processing office supplies costs in object code 526010.

526010 Data Processing Office Supplies – Records the costs of data processing supplies used in offices, including any associated freight costs. Record all other office supplies costs in object code 526000.

527000 Other Supplies – Records the cost of all other supplies and materials not provided for in any other object codes, including any associated freight costs. Printed certificates, diplomas, or degrees produced through print shops at the college may be paid for by state funds. If these certificates, diplomas, or degrees are ordered from a commercial print shop, the cost can be a part of the graduation fee charged to the student.

528000 Audio-Visual Supplies – Records the cost of records, films, charts, maps, instructional and tutorial software, and exhibits which retain their original shape and appearance with use, including any associated freight costs. **(Use with purposes 410, 930)**.

529000 Purchases for Resale – Records the cost of items to be resold, such as the operation of bookstores, snack bars, cafeterias, and dining halls, including any freight costs.

531XXX Travel

531110 **In-State Ground Transportation** – Records the cost of mileage for vehicles, tolls, parking, common carrier fares, limousine, and cab fares. All charges to this object code must be for transportation within North Carolina. Receipts must be provided for common carrier fares, tolls and parking, and mileage paid from state funds for local transportation must be supported, either by Form 300 – Daily Log for Local Travel or some other daily log.

531120 **In-State Air Transportatio**n – Records the cost of commercial airline tickets for travel within North Carolina. Also record the costs of air mileage expenses incurred when the employee travels on his/her private airplane within North Carolina.

531130 **In-State Other Transportation** – Records the cost of tips for handling baggage at common carrier terminals, when arriving or departing from the place of lodging, and business-related phone calls while the employee is working away from the duty station within North Carolina. Documentation must be provided for phone calls over $3.00 per day and identified as to point of origin and destination.

531140 **In-State Lodging** – Records the cost of commercial lodging within North Carolina. Receipts from the commercial establishment are required for lodging reimbursement.

531150 **In-State Meals** – Records the cost of meals and gratuities not to exceed the statutory limit within North Carolina.

531160 **In-State Miscellaneous Subsistence** – Records the cost of any other allowable in-state lodging and meals not provided for in any other in-state travel object code.

531190 **In-State Other Travel Expense** Records the cost of any other allowable in-state travel not provided for in any other in-state travel object code.

531210 **Out-of-State Ground Transportation** – Records the cost of mileage for vehicles, tolls, parking, common carrier fares, limousine, and cab fares. All charges to this object code must be for transportation outside North Carolina, but within the continental United States. Receipts must be provided for common carrier fares, tolls and parking, and mileage paid from state funds for local transportation must be supported, either by Form 300 – Daily Log for Local Travel or some other daily log.

531220 **Out-of-State Air Transportation** – Records the cost of commercial airline tickets for travel outside North Carolina, but within the continental United States. Also record the costs of air mileage expenses incurred when the employee travels on his/her private airplane outside North Carolina, but within the continental United States.

531230 Out-of-State Other Transportation – Records the cost of tips for handling baggage at common carrier terminals, when arriving or departing from the place of lodging, and business-related phone calls while the employee is working away from the duty station outside North Carolina, but within the continental United States. Receipts must be provided for phone calls over $5.00 per day and identified as to point of origin and destination.

531240 Out-of-State Lodging – Records the cost of commercial lodging outside North Carolina, but within the continental United States. Receipts from the commercial establishment are required for lodging reimbursement.

531250 Out-of-State Meals – Records the cost of meals and gratuities not to exceed the statutory limit outside North Carolina, but within the continental United States.

531300 Workshop/Conference Expense – Records the cost associated with organizing and conducting workshops or conferences.

531310 Out-of-Country Ground Transportation – Records the cost of mileage for vehicles, tolls, parking, common carrier fares, limousine, and cab fares. All charges to this object code must be for transportation outside the continental United States. Receipts must be provided for common carrier fares, tolls and parking, and mileage paid from state funds for local transportation must be supported, either by Form 300 – Daily Log for Local Travel or some other daily log.

531320 Out-of-Country Air Transportation – Records the cost of commercial airline tickets for travel outside the continental United States. Also record air mileage expenses incurred when the employee travels on his/her private airplane outside the continental United States.

531330 Out-of-Country Other Transportation – Records the cost of tips for handling baggage at common carrier terminals, when arriving or departing from the place of lodging, and business-related phone calls while the employee is working away from the duty station outside the continental United States. Receipts must be provided for tips over $5.00 per day and identified as to point of origin and destination.

531340 Out-of-Country Lodging – Records the cost of commercial lodging outside the continental United States. Receipts from the commercial establishment are required for lodging reimbursement.

531350 Out-of-Country Meals – Records the cost of meals and gratuities not to exceed the out-of-state statutory limit outside the continental United States.

531360 Out-of-Country Miscellaneous Subsistence – Records the cost of any other allowable out-of-country lodging and meals not provided for in any other out-of-country travel object code.

531410 Board/Non-Employee Transportation – Records the cost of all travel related expenditures for college board members or other non-employee individuals (including students) traveling on official business for the college. Include mileage for vehicles, tolls, parking, common carrier, limousine, and cab fares. All charges to this object code must be for approved trips. Receipts must be provided for common carrier fares, tolls, and parking.

531420 Board/Non-Employee Subsistence – Records the cost of lodging, meals, and gratuities for college board members or other non-employee individuals (including students) traveling on official business for the college. All charges to this object code must be for subsistence on approved trips. Receipts from the commercial establishment must be provided for lodging reimbursement.

531500 Registration Fees – Records the cost of registration fees paid for in-state, out-of-state, out-of-country and Board/Non-Employee conferences, workshops, and seminars. Registration receipts must be provided to be reimbursed.

532XXX Communication

532100 **Postage** - Records the costs of postage, stamps, and postal boxes for the college.

532200 **Telephone Service** - Records the costs of voice transmission, excluding both cellular phone charges and data transmission wide area network charges.

532300 **Telecommunications Data Transmission** - Records the recurring costs associated with electronic data communications/transmissions, such as fax machines.

532310 **Telecommunications Data Charges** – Records data transmissions costs and shared data charges, such as data transport charges for access circuits, point-to-point data service charges from ITS, and NCREN Gateway internet fees.

532320 **Video Transmission Charges** – Records the costs of video transmission charges, such as NCIH.

532330 **Internet Service Provider Charges** – Records dial-up or direct service link costs when the service is provided by a non-state entity (e.g., AOL, RoadRunner, GTE, and Earthlink).

532331 **Data Wiring Service Charges** – Records the costs for consultation, design, installation, or support for data transmission wiring that is not part of a capital improvement project.

532332 **Telephone Wiring Service Charges** – Records charges for consultation, design, installation, or support for telephone wiring that is not part of a capital improvement project.

532333 **Computer/Data Processing Services** – Records data processing charges for mainframe or Linux services. This account is to be used for services purchased from ITS or other outside vendors.

532334 **Managed LAN Service Charges** – Records the costs of managed local area network services purchased from ITS or other outside vendors. Managed LAN services include hardware, systems level software, monitoring, hot spare replacement in case of failure, and end of life replacement. In a managed LAN service contract, the vendor retains ownership of the hardware/software and provides the staffing necessary to maintain both the wired and wireless LAN infrastructure. Do not use this object code to record contracted personnel costs. Staff to supplement college LAN support staff should be recorded in object code 519142.

532335 **Managed WAN Service Charges –** Records the costs of managed wide area network services purchased from ITS and other outside vendors. Managed WAN services provide end-to-end support that includes hardware, systems level software, monitoring, hot spare replacement in case of failure and end of life replacement. In a managed WAN service contract, the vendor retains ownership of the hardware/software and provides the staffing necessary to maintain the WAN infrastructure. Do not use this object code to record contracted personnel costs. Staffing to supplement agency WAN support staff should be recorded in object code 519140 WAN Support Services.

532336 **Managed Desktop Service Charges –** Records the costs of end-to-end desktop life cycle management services, including deployment, break-fix, install, change and disposal of hardware, patch/software management, inventory management, end point security, backup management, service level management and service desk.

532337 **Managed Server Services –** Records the costs associated with Managed Hosting for Open Systems, like Unix, Windows, x86 Linux, and VM, associated disk and tape storage, and associated databases. Managed server service provides end-to-end support that may include full system administration, monitoring, back-up, OS, technical support, and hardware and software refresh, purchased from ITS or other outside vendors.

532400 **Teleconference Charges** – Records the costs of a business meeting, educational session, or seminar conducted among participants in different locations via telecommunications equipment.

532500 **Cellular Phone Services** – Records the costs of college business cellular phone service.

532510 **Email and Calendaring Services** – Records the costs of providing and hosting the email and calendaring software used by faculty, staff and students for conducting college communications, meetings and activities.

532520 **Non-taxable Cellular Phone Reimbursements** – Records the reimbursements to employees for the use of their personal cell phones for state business.

532600 **Authentication and Authorization Services –** Records the costs associated with identity and access management services that include authentication and authorization services. These services provide the ability to manage user accounts, validate users and grant rights to access services, information and resources based on a user's profile. This includes NCID, Active Directory, 2nd Factor, Novell directory services, etc.

532700 **Software Subscriptions –** Records the costs associated with on-demand software supplied by a vendor in which the software and associated data are centrally hosted in the cloud or off site. The software is maintained by the vendor, but can be accessed by licensed users, such as SaaS, Office 365, Innotas, SalesForce, etc.

532800 **Electronic Services** – Records the costs for electronic services, usually provided on a subscription fee basis, where the services are transaction-based and not licensed on a user basis, such as e-learning, quality assurance/application testing, SQA services, background verification services, DocuSign, etc.

533XXX Utilities

533100 **Heat -** Records the cost of fuels purchased for heating college facilities. Do not include fuel used in the instructional programs or for the operation of any vehicle.

533200 **Water** - Records the cost of water used by the college.

533300 **Electricity -** Records the cost of electricity used by the college. If electricity is used for heating and separate meters are not available, record the cost in this object code rather than in 533100.

533400 **Garbage/Sewage Disposal -** Records the cost of garbage and/or sewage disposal charged separately from other utilities.

534000 **Printing and Binding -** Records the cost of printing and reproduction with related binding operations performed by commercial printers or state agencies, such as books, catalogues, bulletins, leaflets, pamphlets, mimeographing, photo stating, blue printing, and photography. Printing of college letterhead on stationery is associated with supplies and materials expense.

535XXX Repairs and Maintenance

535100 **Repairs to Equipment -** Records the one-time or short-term costs of an agreement with a vendor to remediate a problem with a product or piece of equipment, other than the costs of service contracts or computer equipment repairs. For computer equipment repairs, see the appropriate objects listed below.

535105 **Repairs – Other Computer Equipment** – Records the one-time or short-term costs of an agreement with a vendor to remediate a problem with a product or piece of computer equipment not recorded in a more specific object, such as 535106, 535107, 535108, 535109, and 535110.

535106 **Repairs – WAN Equipment –** Records the one-time or short-term costs of an agreement with a vendor to remediate a problem with wide area network data processing equipment, including bundled software.

535107 **Repairs – Video Transmission Equipment -** Records the one-time or short-term costs of an agreement with a vendor to remediate a problem with video transmission equipment, including bundled software.

535108 **Repairs – LAN Equipment** – Records the one-time or short-term costs of an agreement with a vendor to remediate a problem with local area network equipment and devices not accounted for in more specific objects such as 535109 and 535110.

535109 **Repairs – Personal Computers and Printers –** Records the one-time or short-term costs of an agreement with a vendor to remediate a problem with general purpose desktop, laptop and hand held devices which are intended to be operated directly by an end-user with no intervening computer operator, and with devices that accept text and graphic output from a computer and transfers the information to paper.

535110 **Repairs – Servers** - Records the one-time or short-term costs of an agreement with a vendor to remediate a problem with computer programs that provide services to other computer programs and their users on the same or other computers, or with the computer that a server program runs on.

535120 **Repairs – Voice Communication Equipment -** Records the one-time or short-term costs of an agreement with a vendor to remediate a problem with voice-based communications equipment, including bundled software.

535200 **Repairs to Facilities** - Records the one-time or short-term costs of an agreement with a vendor to remediate a problem with facilities, when such costs are not involved with alterations and/or additions to buildings.

535300 **Motor Vehicle Repairs** - Records the one-time or short-term costs of an agreement with a vendor to remediate a problem with a motor vehicle.

535390 **Motor Vehicle Reimbursements** - Records the receipt of reimbursements for the use of college owned vehicles. Generally, this object code is used in county current funds to record reimbursements from state current funds, where transportation expenses were originally incurred.

535410 **Maintenance Agreement - Buildings** - Records the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for buildings.

535420 **Maintenance Agreement – Other Structures** - Records the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for other structures separate from main buildings on campus, such as storage sheds and garages.

535430 **Maintenance Agreement - Equipment** - Records the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for equipment.

535450 **Maintenance Agreement – Other Software** – Records the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for other software not recorded in a more specific object such as 535460, 535493, 535494, and 535497.

535460 **Maintenance Agreement- WAN Software** – Records the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for maintenance agreements related to wide area network software.

535470 **Maintenance Agreement – Other DP Equipment** – Records the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, on other data processing equipment not recorded in a more specific object such as 535480, 535490, 535491, 535492, 535495, and 535496.

535480 **Maintenance Agreement** – **WAN Equipment** – Records the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for wide area network data processing equipment, including bundled software.

535490 **Maintenance Agreement** – **Video Transmission Equipment** - Records the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for video transmission equipment, including bundled software.

535491 **Maintenance Agreement – LAN Equipment** – Records the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, on local area network equipment not recorded in a more specific object such as 535492, 535495, and 535496.

535492 **Maintenance Agreement – Personal Computers and Printers -** Records the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for general purpose desktop, laptop and hand held devices which are intended to be operated directly by an end-user with no intervening computer operator, and with devices that accept text and graphic output from a computer and transfers the information to paper.

535493 **Maintenance Agreement – Personal Computer Software** - Records the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, on application or system software loaded on a laptop or desktop computer.

535494 **Maintenance Agreement – Server Software** – Records the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, on all software loaded on network servers.

535495 **Maintenance Agreement - Servers -** Records the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for computer programs that provide services to other computer programs and their users on the same or other computers, or with the computer that a server program runs on.

535496 **Maintenance Agreement – Mainframe Computer -** Records the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for various data processing systems housed in a central data repository, including bulk data processing, process control, industry and consumer statistics, enterprise resource planning, and financial transaction processing.

535497 **Maintenance Agreement – Mainframe Software -** Records the costs of contracts between a vendor and the college specifying a level of ongoing support, often for one year or longer, for various data processing applications housed in a central data repository.

536000 **Freight -** Records the expenditures for the moving of goods, such as packing, palletizing, documentation and loading unloading charges. Transportation charges on goods purchased are part of the costs in the purchase price of those items.

537000 **Advertising -** Records the cost of direct advertising and publicity in newspapers, radio, video, internet, magazines, periodicals, outdoor advertising, and related items, including advertising for employment opportunities.

538000 **Data Processing -** Records the cost charged by another department, division, or outside entity for processing financial, statistical, engineering, and other information with the use of data processing equipment.

539XXX Other Current Services

539200 **Public Relations -** Records the cost of receptions held as part of the student orientation program, an open house or the dedication of a college, and other expenses, as authorized by the local board of trustees. Accurate and detailed records including receipts, invoices and other supporting documentation must be kept substantiating these expenses. State funds may not be used for these expenditures.

539300 **Tort Claims -** Records the cost of payments that have been determined and awarded by litigation because of wrongful acts or negligence of the college or its employees.

539400 **Magazine and Newspaper Subscriptions -** Records the cost of non-book library materials such as newspapers, documents, professional journals, technical and academic periodicals, and general interest periodicals.

539500 **Other Current Expenses -** Records the cost of other expenses not classified elsewhere. State funds may be used for commencement expenses, such as printing of programs, honorariums, cap and gown rental for platform guests, flowers, entertainment, and travel expenses of speakers, as a direct part of commencement.

539510 **Depreciation Expenses –** Records the portion of the cost of tangible capital assets that is deemed to have been consumed or expired, usually through age or usage, and has thus become an expense.

539520 **Electronic Processing Fee –** Records the cost of fees assessed for transactions for processing charges related to merchant cards used by students. The processing fees indicated on the bank's invoice must be prorated between tuition, student fees, books, and local college fees, according to the funding source where the credit card charges were applied. If a college chooses not to prorate the monthly credit card merchant fees between fund sources, all charges associated with this service must be paid with non-state funds. The processing charges may not be deducted from daily cash deposits.

539570 **Parking and Traffic Fines** – Records transactions to remit parking and traffic fines, tickets and penalties collected in accordance with ***G. S. 115D-21*** and deposited to revenue object 494801. These fines are to be transferred to the Office of State Budget and Management, 20320 Mail Service Center, Raleigh, NC 27699-0320, within 10 days after the end of the calendar month in which the fines were collected. Include the description of the payment as "FINES and PENALTIES COLLECTED FOR _______ (insert month and year)" with remittances.

NOTE: At the end of each fiscal year, revenues collected must equal expenses, unless a college has received prior approval to offset receipts with collection costs. Colleges are permitted to deduct the actual costs of collecting fines and penalties, up to a maximum of 20% of the gross receipts. Actual costs of collecting fines and penalties applies to the recovery costs for collecting parking/traffic fines. Parking/traffic enforcement activities and parking lot repairs/upkeep are not recoverable through this deduction. System Office approval must be received in advance to cover the allowable collection expenses. Detailed information will be required to support the approval request, such as special fund reports, due diligence collection paperwork, and backup documentation for all collection costs paid out. Numbered Memo CC05-238 provided initial guidance. Numbered memos prior to 2020 are no longer available on the NCCC website. If you need a copy of this memo, please contact College Technical Resources to obtain a copy.

539580 **Extraordinary Items –** Records a loss for transactions or other events that are not within the control of management and are both unusual in nature and infrequent in occurrence.

539590 **Special Items** – Records a loss for significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence.

539600 **Other Current Expenses -** Records the cost of other expenses not classified elsewhere.

539610 **Employee Moving Expenses –** Records the cost of allowable moving expenses as outlined in **Accounting Procedures Manual, Section 1, Item III. Moving and Relocation**.

539700 **Childcare -** Records the cost of childcare expenses associated with childcare allocations in purpose 530. Funds should be paid directly to the provider and form 1099 filed. In rare instances, a reimbursement may be made to the student for expenses substantiated by a receipt from a licensed and legal childcare provider.

539710 **CTE Direct Assistance to Students -** Records the cost of tuition, required fees, required books, required supplies, and childcare expenses that have been approved by the System Office's CTE Director for Direct Assistance to Students. Costs must be directly associated with the VOED program. Receipts or written documentation must be provided before reimbursements can be processed. Childcare expenses should be paid directly to the provider and form 1099 filed. In rare instances, a reimbursement may be made to the student for expenses substantiated by a receipt from a licensed and legal childcare provider. Expenditures must be coded to purpose 510 and vocational code 15.

539720 **Project Skill-Up Assistance to Students –** Records the cost of developing and implementing outreach and recruitment activities to individuals, communities, businesses, and/or agencies that have been adversely impacted by the changes in the tobacco industry; providing skills assessment and short-term occupational skills training to affected workers; and when applicable, provide financial assistance to students to assist in meeting their educational goals. The program goal is to help individuals in North Carolina affected by the changes in the tobacco industry to "update" their current skills and provide them with additional marketable skills reflective of fast-growing occupations and/or new industries within their local communities.

539730 **NC Back to Work Assistance to Students –** Records the cost of instruction, support, coaching, and targeted financial assistance, including assistance with tuition, registration fees, books, and certification costs, for students participating in the program to prepare North Carolinians facing long-term unemployment for new careers. These funds may not be used to purchase equipment.

539750 **Golden LEAF Scholars -** Records the cost of approved grant scholarship expenses awarded to students who demonstrate financial need and reside in a rural county that is tobacco dependent. Curriculum students may receive up to $2,250 per year. Continuing Workforce Education students may receive up to $1,000 per year. Current Golden LEAF scholars are eligible for additional funding if their total annual amount does not exceed these new limits.

539800 Employee Education Expenses (Taxable) - Records the cost of any employer provided education that is taxable to college employees when the total for the calendar year is greater than $5,250. Colleges may use State funds to pay tuition and registration fees for one course per semester for full-time community college faculty or staff members employed for a term of nine or more months.

539810 Other Employee Training Expenses (Non-Taxable) – Records the cost of any employer provided education that is not taxable to college employees for maintaining credentials and enhancing job skills, up to a total of $5,250 per calendar year through December 31, 2025 (unless extended by future legislation). ***FS-2024-22, June 2024 - FAQ: Educational Assistance Benefits***.**539900 Bad Debt Expenses -** Records the cost of returned checks and the allowance expense for uncollectable accounts.

54XXXX Fixed Charges & Right to Use Assets Payments

It has been determined that the System Office will not direct community colleges to use specific numbers to setup general ledger accounts for ***GASBS 87*** and ***GASBS 96*** and Right to Use Assets Payments Community colleges should set up accounts according to their local needs. The accounts should roll up properly to provide information to complete the ACFR and Financial Statements. Colleges should refer to ***GASBS 87*** and ***GASBS 96*** for further information.

541000 Rental of Property – Buildings/Offices - Records the fixed periodical payments for possession and use of buildings and offices executed under a lease agreement for a specified length of time.

541100 Rental of Land - Records the fixed periodical payments for possession and use of land executed under a lease agreement for a specified length of time.

541200 Rental of Other Facilities - Records the fixed periodical payments for possession and use of other facilities, such as conference rooms, classroom space, and residences, executed under a lease agreement for a specified length of time.

542100 Rental/Lease - Voice Communications Equipment – Records the costs of voice-based communications equipment including software and maintenance as set forth in a rental or lease agreement.

542200 Rental/Lease - Other Computer Equipment – Records the costs of rental or lease agreements on other data processing equipment not recorded in a more specific object, such as 542300, 542400, 542401, 542402, 542403, and 542404.

542300 Rental/Lease - WAN Equipment - Records the costs of rental or lease agreements of wide area network data processing equipment, including bundled software.

542400 Rental/Lease - Video Transmission Equipment – Records the costs of rental or lease agreements of video transmission equipment, including bundled software.

542401 Rental/Lease – LAN Equipment – Records the costs of rental or lease agreements of local area network equipment not recorded in a more specific object, such as 542402 and 542403.

542402 Rental/Lease – Personal Computers and Printers – Records the costs of rental or lease agreements of general purpose desktop, laptop and hand held devices which are intended to be operated directly by an end-user with no intervening computer operator, and with devices that accept text and graphic output from a computer and transfers the information to paper.

542403 Rental/Lease - Servers – Records the costs of rental or lease agreements of computer programs that provide services to other computer programs and their users on the same or other computers, or with the computer that a server program runs on.

542404 Rental/Lease – Mainframe Equipment – Records the costs of rental or lease agreements of various data processing systems housed in a central data repository, including bulk data processing, process control, industry and consumer statistics, enterprise resource planning, and financial transaction processing.

542405 Rental/Lease – Personal Computer Software – Records the costs of rental or lease agreements of application or system software loaded on a laptop or desktop computer.

542406 Rental/Lease – Server Software – Records the costs of rental or lease agreements of all software loaded on network servers.

542407 Rental/Lease – Mainframe Software – Records the costs of rental or lease agreements of various data processing applications housed in a central data repository.

543000 Lease/Rental of Other Equipment - Records the fixed periodical payments for possession and use of postage meter machines, copiers, and other machinery, executed under a lease agreement for a specified length of time.

543010 **Lease/Rental of Motor Vehicles -** Records the costs of rental or lease agreements of motor vehicles not used for instructional purposes, in county and institutional funds only.

544000 **Other Computer Software - Application** - Records the costs for program software that facilitates the management of business processes and addresses specific uses, such as word processing or financial analysis.

544010 **Software License Renewal** - Records the cost of permissions to use software on non-exclusive basis and subject to listed conditions, where the ownership of the software does not transfer to the buyer and its renewal is a rental fee.

544020 **Personal Computer Software Application** – Records the costs of program software that facilitates the management of business processes and addresses specific uses, such as word processing or financial analysis, and is loaded on a desktop or laptop.

544021 **Server Software** – Records the costs of commercial application off-the-shelf software installed on a server, including Database Software.

544022 **Mainframe Software - Application** – Records the costs of commercial application off-the-shelf software installed on a mainframe.

545XXX Insurance and Bonding

545000 **Property Insurance –** Records the cost of premiums paid to insure capital assets and real estate against damage or loss, as prescribed by ***G. S. 115D-32(a)(2)b.1*.**

545100 **Motor Vehicle Insurance –** Records the cost of premiums paid to insure motor vehicles against damage or loss.

545200 **Liability Insurance –** Records the cost of insurance coverage to protect against claims alleging that negligence or inappropriate action resulted in bodily injury or property damage, as prescribed by ***G. S. 115D-31.1*.**

545300 **Other Insurance –** Records all other insurance premiums paid not related to property, motor vehicles or liability.

545400 **Bonding Payments** – Records the cost of an insurance contract by which a bonding agency guarantees payment of a specific sum to the college in the event of a financial loss caused by a college employee.

546XXX Memberships and Dues

546100 **College Memberships and Dues -** Records the cost of college memberships in professional organizations. Membership dues paid by state funds to organizations should be kept to a minimum. Membership dues shall not be paid for an individual college employee or for the benefit of an individual college employee. Membership dues paid by state funds should be for the benefit of the college and not for an individual.

546200 **Accreditation Expense -** Records the cost of accreditation relative to the institutional accrediting agency by community colleges. These expenses shall be limited to payment of travel, subsistence, lodging, and honorarium expenses incurred by members of visiting committees, other bona fide representatives, and members of the staff of accrediting organizations. Payment is permitted only for those expenses which a college is customarily invoiced by an accrediting organization following a visit.

The college may pay from state funds the required annual dues of the institutional accrediting agency, and such college association membership dues as the board of trustees deems to benefit the college. This Rule applies to annual dues of correspondents and candidates for membership, as well as accredited members, in the institutional accrediting agency. The college may also pay from state funds the fees for accrediting individual programs offered by the college, where such an accreditation is an official prerequisite for the licensing of graduates of such programs, by legally designated professional or occupational licensing boards or agencies in the State of North Carolina. State funds may not be used to pay the accreditation costs of any other organizations or agencies.

547000 **Administrative/Indirect Costs -** Records expenditures paid with funds received under provisions for indirect or administrative costs.

548000 **Customized Training Industry Administrative Allowance -** Records the allotment to be used for administrative expenses associated with the operation of a customized training industry project. This object code is for budgeting only. Expenditures shall be coded to the appropriate expense object codes and budget transferred from 548000 to the appropriate expense object codes.

549000 **Other Fixed Charges** - Records the cost of other fixed charges not classified elsewhere.

551XXX- 554XXX Capitalized Equipment

It has been determined that the System Office will not direct community colleges to use specific numbers to setup general ledger accounts for ***GASBS 87*** and ***GASBS 96*** and Right to Use Assets Payments. Community colleges should set up accounts according to their local needs. The accounts should roll up properly to provide information to complete the ACFR and Financial Statements. Colleges should refer to ***GASBS 87*** and ***GASBS 96*** for further information.

551000 **Office Equipment -** Records expenditures for non-instructional office equipment, such as adding machines, calculators, copiers, fax machines and printers, that have an extended useful life and costs $5,000 or more.

551100 **Office Furniture** - Records the expenditures on office furniture, such as chairs, desks, filing cabinets, shelves that have an extended useful life and costs $5,000 or more.

551500 **Lease/Purchase of Office Equipment** - Records the payments made under lease/purchase agreements for office equipment that has an extended useful life and costs $5,000 or more, since the rights and risks of ownership are transferred to the lessee.

551900 **Other Equipment** – Records the expenditures for tractors, drag lines, caterpillars, lawn mowers, other maintenance and housekeeping equipment, and all other equipment not classified elsewhere, that have an extended useful life and costs $5,000 or more. Also record the 5 percent service charge assessed on items sold through the State Surplus Property Agency.

552000 **Other Data Processing Equipment** - Records the expenditures for other non-instructional data processing equipment that has an extended useful life and costs $5,000 or more, including all computers and peripheral equipment, terminals, operating software, and other devices not used for classroom instruction. This object code may also include certain furnishings, such as specialized cabinets and racks, used in conjunction with data processing equipment that have no value in other areas. Where applicable, use a more specific object such as 552020, 552040, 552070, 552071, 552072, and 552073.

552020 **WAN Equipment** – Records the expenditures for wide area network data processing equipment, including bundled software, that has an extended useful life and costs $5,000 or more.

552030 **Voice Communications Equipment** – Records expenditures for voice-based communications equipment, including bundled software, that has an extended useful life and costs $5,000 or more.

552040 **Video Transmission Equipment** – Records expenditures for video transmission equipment, including bundled software, that has an extended useful life and costs $5,000 or more.

552050 **Other Computer Software (Operational)** – Records expenditures for operational software not recorded in a more specific object such as 552060, 552074, and 552075, that has an extended useful life and costs $5,000 or more. Application software expenditures should be recorded to current object 544000 – Other Computer Software-Application.

552060 **WAN Software (Operational)** – Records expenditures for operational wide area network software purchased separately from wide area network equipment, and that has an extended useful life and costs $5,000 or more.

552070 **LAN Equipment** – Records the expenditures for local area network equipment not recorded in a more specific object such as 552071, 552072, and 552073, that has an extended useful life and costs $5,000 or more.

552071 **Non-Instructional Personal Computers and Printers** – Records the expenditures for non-instructional desktop, laptop and hand held devices which are intended to be operated directly by an end-user with no intervening computer operator, and with devices that accept text and graphic output from a computer and transfers the information to paper, that have an extended useful life and costs $5,000 or more.

552072 **Servers** – Records the expenditures for computer programs that provide services to other computer programs and their users on the same or other computers, or with the computer that a server program runs on, that have an extended useful life and costs $5,000 or more.

552073 **Mainframes** – Records the expenditures for various data processing systems housed in a central data repository that have an extended useful life and costs $5,000 or more, including bulk data processing, process control, industry and consumer statistics, enterprise resource planning, and financial transaction processing.

552074 **Personal Computer Software (Operational)** - Records the expenditures for commercial off-the-shelf non-instructional operational software loaded on a laptop or desktop personal computer, that has an extended useful life and costs $5,000 or more.

552075 **Server Software (Operational) –** Records the expenditures for commercial off-the-shelf operational software installed on a server that has an extended useful life and costs $5,000 or more. Application server software should be recorded to current object 544021 – Server Software-Application.

552076 **Mainframe Software (Operational)** – Records the expenditures for commercial off-the-shelf operational software installed on a mainframe that has an extended useful life and costs $5,000 or more. Application mainframe software should be recorded to current object 544022 – Mainframe Software-Application.

552077 **IT Security Equipment –** Records the expenditure for IT Security Equipment, such as firewalls, VPN boxes, IPS boxes etc., that have an extended useful life and cost $5,000 or more.

552078 **IT Security Software –** Records the expenditures for IT Security Software, such as licenses for filtering, malware, antivirus, Botnet, etc., that have an extended useful life and cost $5,000 or more.

552500 **Lease/Purchase of Data Processing Equipment** – Records the costs of payments made under lease/purchase agreements for data processing equipment and software that have an extended useful life and costs $5,000 or more, since the rights and risks of ownership are transferred to the lessee.

553000 **Educational Equipment -** Records expenditures for equipment used in instructional programs, that has an extended useful life and costs $5,000 or more.

553010 **Other Educational Data Processing Equipment** - Records expenditures for other instructional data processing equipment that has an extended useful life and costs $5,000 or more, including all computers and peripheral equipment, terminals, and other devices used for classroom instruction. This object code may also include certain furnishings, such as specialized cabinets and racks, used in conjunction with data processing equipment that have no value in other areas.

553011 **Educational Personal Computers and Printers** Records the expenditures for instructional desktop, laptop and hand held devices which are intended to be operated directly by an end-user with no intervening computer operator, and with devices that accept text and graphic output from a computer and transfers the information to paper, that have an extended useful life and costs $5,000 or more.

553012 **Educational Personal Computer Software (Operational)** - Records the costs of commercial off-the-shelf instructional operational software that has an extended useful life and cost $5,000 or more and is loaded on a laptop or desktop personal computer.

553400 **Lease/Purchase of Educational Equipment** - Records the payments made under lease/purchase agreements for educational equipment that has an extended useful life and costs $5,000 or more, since the rights and risks of ownership are transferred to the lessee.

553500 **Educational Equipment (Small Business)** - Records the expenditures for Small Business educational equipment that has an extended useful life and costs $5,000 or more. This object code is restricted to those expenses charged against the separately budgeted amount approved by the State Board of Community Colleges.

553700 **Educational Equipment (CTE)** - Records the expenditures for CTE Grant (formerly VOED Vocational Education-Basic Grant) educational equipment that has an extended useful life and costs $5,000 or more. This object code and vocational code 16 are restricted for those expenses approved and charged against the separately budgeted Basic Grant allotment approved by the State Board of Community Colleges. Departmental approval is required, and these funds must be included in the local application in activity 7.

553800 **Educational Equipment (Special Allotment)** - Records the expenditures for the Special Allotments educational equipment that have an extended useful life and costs $5,000 or more for Marine Technology at Cape Fear CC and the Manufacturing Solutions Center at Catawba Valley CC. This object code is restricted to those expenses approved and charged against the separately budgeted Special Allotments approved by the State Board of Community Colleges, and departmental approval is required.

553900 **Educational Equipment (Priority Programs/CIP) -** Records the expenditures for Priority Program educational equipment that has an extended useful life and costs $5,000 or more. This object code is restricted for those expenses approved and charged against the separately budgeted Priority Program/CIP approved by the State Board of Community Colleges, and departmental approval is required.

554000 **Motor Vehicles** – Records the costs of motor vehicles that are not used as instructional equipment.

554100 **Boats** - Records the cost of vessels propelled on water by oars, sails, or an engine that are typically small enough to be carried aboard a larger ship or can be lifted out of the water.

554200 **Trailers –** Records the cost of a transport vehicle, usually two-wheeled, that is towed by another motor vehicle.

554300 **Other Motorized Vehicles** – Records the costs of other self-propelled wheeled vehicles where propulsion is provided by an engine or motor, not provided for in other object codes.

555XXX Other Equipment

555100 **Non-Capitalized Equipment** - Records the expenses for all equipment items that are not consumable, have an extended useful life, and cost less than $5,000, not designated elsewhere. This object code can be used with most purpose codes

555200 **Non-Capitalized Equipment – High Risk** - Records the costs of all equipment costing less than $5,000 that are designated as high risk. High Risk Items include, but are not limited to, personal computers, laptop computers, tablets, guns, and portable projectors. This object code can be used with most purpose codes.

556XXX Books

556100 **Books** - Records the costs of library books and book-like materials. Book-like materials include electronic resources such as e-book leases and subscriptions to e-book collections.

557XXX–559XXX Acquisitions

557000 **Land** - Records the costs of land and interest in land.

558000 **Building** - Records the costs of buildings, additions, and fixtures and equipment which are permanently attached to or form a part of buildings and structures, such as elevators, plumbing, electrical systems, heating systems, and air-conditioning systems when acquired under contract.

559000 **Other Capital Outlay** – Records the costs of roads, including the pavement of drives and parking facilities, bridges, landscaping, sewerage, towers, tanks, wells, fences, and all other capital outlay not otherwise classified.

559500 **Retirement of Indebtedness** - Records, as an expense, the amount of a debt associated with a capital project as it is retired. This account is associated with Unexpended Plant Funds.

559600 **Interest Expense** - Records the interest expense of debts associated with capital projects. This account is associated with Unexpended Plant Funds.

559650 **Interest Expense – Non-operating –** Records any other interest expense of debts that are not related to the primary purpose of college operations.

56XXXX **Student Loan, Scholarship, and Award Related Expenses**

560000 **Student Loan and Scholarship Related Expenses** - Records the various expenses associated with student loans, in particular NDSL and FNL.

560100 **Student Financial Aid Restatement** – Records the reclassification of tuition and registration fee waivers. This account is used for financial statement reporting purposes only.

57XXXX Disposal of Plant Facilities

570000 **Disposal of Plant Facilities** - Records the disposal of plant facilities and equipment.

571000 **Capital Asset Write-downs** – Records the reduction of the carrying value of a capital asset that has been impaired, and its service utility has declined significantly and unexpectedly. This account is used for financial statement reporting purposes as prescribed by ***GASBS 42***.

58XXXX Transfers To Other Funds

Record outgoing inter-fund transfers in the following object codes according to the recipient fund of the transfer and whether the transfer is mandatory or non-mandatory.

581100 Mandatory Transfers To General Unrestricted Funds
582100 Non-Mandatory Transfers To General Unrestricted Funds
581200 Mandatory Transfers To Proprietary Funds
582200 Non-Mandatory Transfers To Proprietary Funds
581300 Mandatory Transfers To Restricted Funds
582300 Non-Mandatory Transfers To Restricted Funds
581400 Mandatory Transfers To Loan Funds
582400 Non-Mandatory Transfers To Loan Funds
581500 Mandatory Transfers To Endowment Funds
582500 Non-Mandatory Transfers To Endowment Funds
581600 Mandatory Transfers To Unexpended Plant Funds
582600 Non-Mandatory Transfers To Unexpended Plant Funds

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
Object Codes - Revenues
FY 2025-26

409990	Deposits to the State Treasurer
42XXXX	Curriculum Tuition
420000	In-State
420100	Out-of-State
4202XX	Waivers
43XXXX	Non-Curriculum Fees
431000	Continuing Education
43101X	Waivers
440000	State Certification
46XXXX	Earned from Local Sources
461000	County Appropriations
462000	Local Grants and Contracts
47XXXX	Earned from Federal Sources
470000	Federal Contracts and Grants
48XXXX	Earned from State Sources
480000	State Contracts and Grants
49XXXX	Other Revenues
491XXX	Investment and Interest Income
4911XX	Interest Earned
4912XX	Endowment Income
4913XX	Gain on Sale of Securities
4914XX	Dividend Income
4915XX	STIF Interest Income
492XXX	Income from Students
492100	Student Activity Fee
492110	Campus Access and Parking (CAP) Fee
492120	Instructional Technology Fee-Curriculum
492220	Instructional Technology Fee-Non-Curriculum
493XXX	Other Income
493100	Other Operating Income
493200	Other Non-Operating Income
493350	Reserved for Future Use
493351	Noncapital Contributions
4939XX	Commissions Earned
494100	Gifts
494110	Contracts and Grants
494111	State Capital Aid
494120	Non-Governmental Contracts and Grants-Exchange Transactions
494200	Insurance Recoveries
494300	Rent
494400-49	Live Client Project Patron Fees-Curriculum
494450-99	Patron Fees-Non-Curriculum
494500-49	Live Projects - Curriculum
494550-99	Live Projects - Non-Curriculum
494600	Bad Debt Recoveries
494700	Gain (Loss) Sale of Capital Assets
494800	Fines and Penalties
484801	Parking and Traffic Fines
494900-24	Specific Fees-Curriculum
494925-49	Specific Fees-Non-Curriculum
495XXX	Transfers from Other Funds
495100	Mandatory Transfers from Unrestricted General Funds
495110	Non-Mandatory Transfers from Unrestricted General Funds
495200	Mandatory Transfers from Unrestricted Proprietary
495210	Non-Mandatory Transfers from Unrestricted Proprietary
495300	Mandatory Transfers from Restricted Funds
495310	Non-Mandatory Transfers from Restricted Funds
495400	Mandatory Transfers from Loan Funds
495410	Non-Mandatory Transfers from Loan Funds
495500	Mandatory Transfers from Endowment Funds
495510	Non-Mandatory Transfers from Endowment Funds
495600	Mandatory Transfers from Unexpended Plant Funds
495610	Non-Mandatory Transfers from Unexpended Plant Funds
496XXX	Income from Student Loans
496000	Income from Student Loans-Principal
496500	Income from Student Loans-Interest
497XXX	Other
497100	Additions to Permanent Endowments
497200	Additions to Term Endowments

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
Object Codes - Expenses
FY 2025-26

511XXX-516XXX - Salaries

511100	President
511200	Full-time Senior Administrators
511210	Part-time Senior Administrators
511240	30 Hour Senior Administrators
511300	Full-time Professional Staff
511310	Part-time Professional Staff
511340	30 Hour Professional Staff
512000	Full-time Support
512010	Part-time Support
512040	30 Hour Support
513000	Full-time Faculty
513010	Part-time Faculty
513020	Full-time Teaching Assistant
513030	Part-time Teaching Assistant
513040	30 Hour Faculty
514000	Full-time Service/Maintence/Skilled Crafts
514010	Part-time Service/Maintence/Skilled Crafts
514040	30 Hour Service/Maintence/Skilled Crafts
514050	Supervisory Service/Maintenance/Skilled Crafts
515000	Full-time Technical/Paraprofessional
515010	Part-time Technical/Paraprofessional
515040	30 Hour Technical/Paraprofessional
516020	Student Salaries-Instruction
516030	Student Salaries-Non-Instruction

518XXX - Employee Benefits

518100	Social Security
518200	Retirement
518250	Pension Expense
518300	Medical Insurance
518400	Disabilty Salary Income
518500	Unemployment Compensation
518600	Worker's Compensation
518700	Longevity Payments
518800	Employee Assistance Program

519XXX - Contracted Services

519000	Legal Services
519010	Financial/Audit Services

519XXX - Contracted Services (contracted)

519020	Systems Implementation/Integration Services
519030	Engineering Services
519040	Administrative Services
519050	Food Services Agreements
519060	Laundry Service Agreements
519070	Laboratory Services Agreements
519080	Janitorial Services Agreements
519090	Waste Removal/Recycling Services
519100	Security Service Agreements
519110	Pest Control Services Agreements
519120	Lawns and Grounds Services Agreement
519130	Miscellaneous Service Contracts
519140	WAN Support Services
519141	Video Transmission Support Services
519142	LAN Support Services
519143	Personal Computer and Printer Support Services
519144	Managed Server Support Services
519145	Mainframe Support Services
519146	Application Development
519147	IT Project Management and Analysis Services
519148	Other Information Technology Services
519200-29	Contracted Services (Personal)
519400	Contracted Instruction
519600	Personal Service Contract for Customized Training Industry Clients
519700	Personal Service Contract for Customized Training Industry Third Party

52XXXX - Supplies and Materials

521000	Custodial Supplies
521200	Bedding and Textile Products
521300	Laundry Supplies
521400	Clothing and Uniforms
522000	Maintenance Supplies
523000	Instructional Supplies
523010	Instructional Data Processing Supplies
524000	Repair Supplies
525000	Gasoline
525100	Diesel Fuel
525200	Oil, Lubricants, Fluids
525300	Tires and Tubes

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
Object Codes - Expenses (continued)
FY 2025-26

52XXXX - Supplies and Materials

525400	Motor Vehicle Replacement Parts
525500	Other Fuels
526000	Office Supplies
526010	Data Processing Office Supply
527000	Other Supplies
527100	Graduation Expense
528000	Audio-Visual Supplies
529000	Purchases for Resale

531XXX - Travel

531110	In-State Ground Transportation
531120	In-State Air Transportation
531130	In-State Other Transportation
531140	In-State Lodging
531150	In-State Meals
531160	In-State Miscellaneous Subsistence
531190	In-State Other Travel Expenses
531210	Out-of-State Ground Transport
531220	Out-of-State Air Transport
531230	Out-of-State Other Transport
531240	Out-of-State Lodging
531250	Out-of-State Meals
531260	Out-of-State Miscellaneous Subsistence
531290	Out-of-State Other Travel Expenses
531300	Workshop/Conference Expenses
531310	Out-of-Country Ground Transport
531320	Out-of-Country Air Transport
531330	Out-of-Country Other Transportation
531340	Out-of-Country Lodging
531350	Out-of-Country Meals
531360	Out-of-Country Miscellaneous Subsistence
531410	Board/Non-employee Transportation
531420	Board/Non-employee Subsistence
531430	Participant Travel
531500	Registration Fees

532XXX - Communication

532100	Postage
532200	Telephone Service

532XXX - Communications (continued)

532300	Telecommunications Data Transmission
532310	Telecommunications Data Charges
532320	Video Transmission Charges
532330	Internet Service Provider Charges
532331	Data Wiring Service Charges
532332	Telephone Wiring Service Charges
532333	Computer/Data Processing Services
532334	Managed LAN Service Charges
532335	Managed WAN Service Charges
532336	Managed Desktop Service Charges
532337	Managed Server Services
532400	Teleconference Charges
532500	Cellular Phone Services
532501	Email & Calendaring Service
532600	Authentication and Authorization Services
532700	Software Subscriptions
532800	Electronic Services

533XXX - Utilities

533100	Heat
533200	Water
533300	Electricity
533400	Garbage/Sewage Disposal

534000	**Printing and Binding**

535XXX - Repairs and Maintenance

535100	Repairs to Equipment
535105	Repairs-Other Computer Equipment
535100	Equipment Repairs
535105	Repairs-Other Computer Equip
535106	Repairs-WAN Equipment
535107	Repairs-Video Transmission Equipment
535108	Repairs-LAN Equipment
535109	Repairs-Personal Computers & Printers
535110	Repairs-Servers
535120	Repairs to Facilities
535300	Motor Vehicle Repairs
535390	Motor Vehicle Reimbursements

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
Object Codes - Expenses (continued)
FY 2025-26

535XXX - Repairs and Maintenance (continued)

535400	Service Contracts
535410	Maintenance Agreement - Buildings
535420	Maintenance Agreement-Other Structures
535430	Maintenance Agreement - Equipment
535440	Maintenance Agreement - Data Processing Equipment
535450	Maintenance Agreement -Other Software
535460	Maintenance Agreement-WAN Software
535470	Maintenance Agreement -Other Data Processing Equipment
535480	Maintenance Agreement - WAN Equip
535490	Maintenance Agreement-Video Transmission Equipment
535491	Maintenance Agreement-LAN Equipment
535492	Maintenance Agreement-Personal Computers & Printers
535493	Maintenance Agreement-Personal Computer Software
535494	Maintenance Agreement-Server Software
535495	Maintenance Agreement-Servers
535496	Maintenance Agreement-Mainframe Computers
535497	Maintenance Agreement-Mainframe Software
536000	Freight
537000	Advertising
538000	Data Processing

539XXX- Other Current Services

539200	Public Relations
539300	Tort Claims
539400	Magazine and Newspaper Subscriptions
539500	Other Current Expenses
539505	Refund to Grantor
539510	Depreciation Expenses
539520	Electronic Processing Fee
539570	Parking and Traffic Fines
539580	Extraordinary Items
539590	Special Items
539600	Other Current Expenses
539610	Employee Moving Expense
539700	Childcare
539710	CTR Direct Assistance to Students
539720	Project Skill-Up Assistance to Students

539XXX- Other Current Services (continued)

539750	Golden LEAF Scholars
539800	Employee Education Expenses (Non-Taxable)
539900	Bad Debt Expenses

54XXXX - Fixed Charges & Right to Use Assets Payments

541100	Rental Property-Bldgs/Offices
541200	Rental of Land
542000	Rental of Other Facilities
542100	Rental/Lease of DP Equipment
542200	Rental/Lease-Voice Communication Equipment
542300	Rental/Lease-Other Computer Equipment
542400	Rental/Lease-WAN Equipment
542401	Rental/Lease-Video Transmission Equipment
542402	Rental/Lease-LAN Equipment
542403	Rental/Lease-Personal Computers & Printers
542404	Rental/Lease-Servers
542405	Rental/Lease-Mainframe Equipment
542406	Rental/Lease-Personal Computer Software
542407	Rental/Lease-Server Software
543000	Lease/Rental of Other Equipment
543010	Lease/Rental of Motor Vehicles
544000	Other Computer Software- Applications
544010	Software License Renewal
544020	Personal Computer Software-Applications
544021	Server Software-Applications
544022	Mainframe Software-Applications

545XXX - Insurance and Bonding

545000	Property Insurance
545100	Motor Vehicle Insurance
545200	Liability Insurance
545300	Other Insurance
545400	Bonding Payments

546XXX - Memberships and Dues

546100	College Memberships & Dues
546200	Accreditation Expense

546XXX - Memberships and Dues (continued)

548000	Customized Training Industry Administrative Allowance
549000	Other Fixed Charges

551XXX - 554XXX - Capitalized Equipment

551000	Office Equipment
551100	Office Furniture
551500	Lease/Purchase Office Equipment
551900	Other Equipment
552000	Other Data Processing Equipment
552020	WAN Equipment
552030	Voice Communications Equipment
552040	Video Transmission Equipment Purchase
552050	Other Computer Software (Operational)
552060	WAN Software (Operational)
552070	LAN Equipment
552071	Non-Instruct Computer & Printer Equipment
552072	Servers
552073	Mainframes
552074	Personal Computer Software-Operational
552075	Server Software Purchases-Operational
552076	Mainframe Software-Operational
552077	IT Security Equipment
552078	IT Security Software
552500	Lease/Purchase of Data Processing Equipment
553000	Educational Equipment
553010	Other Educational Data Processing Equipment
553011	Educational Personal Computers & Printers
553012	Educational Personal Computer Software (Operational)
553400	Lease/Purchase Educational Equipment
553500	Educational Equipment (Small Business)
553700	Educational Equipment (Perkins Grant)
553800	Educational Equipment (Special Allotment)
553900	Educational Equipment (PP/CIP)
554000	Motor Vehicles
554100	Boats
554200	Trailers
554300	Other Motorized Vehicles

555XXX - Other Equipment

555100	Non-Capitalized Equipment
555200	Non-Capitalized Equipment-High Risk

556XXX - Books

556100	Books

557XXX - 559XXX - Acquisitions

557000	Land
558000	Buildings
559000	Other Capital Outlay
559500	Retirement of Indebtedness
559600	Interest Expense
559650	Interest Expense - Nonoperating

56XXXX - Student Loan, Scholarship, and Award Related Expenses

560000	Student Loan/Scholarship Expenses
560100	Student Financial Aid Restatement

57XXXX - Disposal of Plant Facilities

570000	Disposal of Plant Facilities
571000	Capital Asset Write-downs

58XXXX - Transfers to Other Funds

581100	Mandatory Transfers To General Unrestricted Funds
582100	Non-Mandatory Transfers To General Unrestricted Funds
581200	Mandatory Transfers To Proprietary Funds
582200	Non-Mandatory Transfers To Proprietary Funds
581300	Mandatory Transfers To Restricted Funds
582300	Non-Mandatory Transfers To Restricted Funds
581400	Mandatory Transfers To Loan Funds
582400	Non-Mandatory Transfers To Loan Funds
581500	Mandatory Transfers To Endowment Funds
582500	Non-Mandatory Transfers To Endowment Funds
581600	Mandatory Transfers To Unexpended Plant Funds
582600	Non-Mandatory Transfers To Unexpended Plant Funds

VIII. Unit Codes (Positions 13-18)

The Unit is used with expense accounts to organize the expenses into logical and otherwise undefined groups according to the needs of the college. Unit codes are required by the System Office for customized training projects and NC Community College State Board approved grants processed through the 112 (2-12). This allows these funds to be reported separately.

IX. Purpose Codes No Longer Used (effective July 1, 2025)

135 Non-State Funded Pandemic Bonus
320 Basic Skills Plus
358 Tobacco Trust Fund (Project Skill-Up)
362 Small Business Centers (COVID 19)
366 Marketing and Outreach for Apprenticeships
367 ApprenticeshipNC Coordinators
368 Enhancing Online Learning (COVID 19)
374 Pilot Digital Literacy Training for Career and College Readiness Program, Phase 1
432 Moodle Hosting Services
450 Technology – HB275
457 Finish Line Grants Administration (EANS I & II)
511 College Career Counselors & Academic Advisors (COVID 19)
512 Virtual Student Tutoring (COVID 19)
513 Personal Protective Equipment & COVID 19 Testing - Current Operating (COVID 19)
514 Support Online Testing (COVID 19)
540 Hurricane Florence Emergency Grant
550 Golden Leaf COVID 19 Scholarship
551 COVID 19 Governor's Emergency Education Relief Scholarships (GEER)
552 Student Support Services (Longleaf Commitment) (GEER)
553 Longleaf Complete (GEER)
555 Summer Accelerator Grant Program (GEER)
557 Finish Line Grants (GEER II)
558 Workforce Resilience Grant Program (GEER II)
559 Finish Line Grants III-Wraparound Services (EANS II)
680 Innovation Quarters (Forsyth Technical Community College)
921 Equipment Acquisition Reserve Fund
922 Equipment - HB275
941 Personal Protective Equipment (COVID 19)
942 Health Care & First Responder Program Equipment (COVID 19)
943 Personal Protective Equipment & COVID 19 Testing - Equipment (COVID 19)

X. Document History

Date published	Description
August 2014	1. Added Purpose Code 365 – Business and Industry Support – Instructional 2. Renamed Purpose Code 364 – Business and Industry Support – Administrative 3. Added Purpose Code 357 – Project Skill Up (Calendar Year 2014) 4. Renamed purpose code 358 – Project Skill Up (Calendar Year 2015) 5. Deleted vocational codes 61 and 62 that were previously used with Accelerating Opportunity funds
September 2014	1. Added vocational code 41 – Military Training/CBE 2. Added vocational code 42 – Oil & Natural Gas Feasibility Study 3. Added vocational code 65 – Job-Driven National Emergency
January 2015	1. Added vocational code 78 – CTE Leadership NC Works Career Pathways
March 2015	1. Added object code 124090 - Deferred Outflows for Pensions 2. Added object code 242080 – Net Pension Liability - Noncurrent 3. Added object code 242090 – Deferred Inflows for Pensions 4. Added object code 518250 – Pension Expense 5. Added object code 379000- Restatement-Net Position These accounts are needed for 13th month accrual entries
September 2015	1. Added vocational code 61 – Office Administration Alignment Project 2. Added vocational code 62 – CBE Incubator Project 3. Removed vocational code 60 – NC Back to Work 4. Removed vocational code 69 – Ready for College 5. Removed vocational code 70 – CRC Performance Incentive Grant 6. Removed vocational code 72 – Basic Skills Grant (Post & Min) 7. Removed vocational code 79 – GATE 8. Removed vocational code 95 – College Access Challenge Grant
March 2016	1. Added vocational code 79 – NC Career Coach 2. This document was updated for ADA compliance. The font family was converted from serif to sans serif. The online version will be in grayscale.
April 2016	1. Added vocational code 46 – CCC&TI Truck Driver Training
August 2016	1. Added vocational code 48 – Taste of Industry 2. Added vocational code 63 – Accounting & Finance Alignment Project 3. Added vocational code 64 – Local Government Finance Officer 4. Added vocational code 66 – Career & College Ready Alignment Partnership

	5. Removed vocational code 38 – Voed Teaching Excellence 6. Removed vocational code 41 – Military Training/CBE 7. Removed vocational code 42 – Oils & Natural Gas Feasibility 8. Removed vocational code 44 – Bio Equipment Grant 9. Removed vocational code 56 – Voed Professional Development 10. Removed vocational code 74 – ABE CASAS 11. Removed vocational code 75 – ABE Ideal/Path/Family Literacy 12. Removed vocational code 77 – ABE Innovations/Transitions 13. Removed vocational code 88 – Project Skill-Up Equipment 14. Removed object code 437000 – GED Fees
March 2018	1. Updated purpose code 220 – Transitional programs 2. Updated purpose code 320 – Basic Skills Plus 3. Updated purpose code 321 – Adult Basic Education/English Language Acquisition 4. Updated purpose code 322 – Adult Secondary Education 5. Updated purpose code 323 – Integrated English Literacy and Civics Education 6. Updated purpose code 324 – High School Equivalency Testing 7. Updated purpose code 325 – Basic Skills Administration 8. Updated vocational codes 10-19 – Carl D. Perkins CTE 9. Updated vocational code 15 – Services and Activities/Direct Assistance 10. Added vocational code 30 – CIP-ESAP 11. Added vocational code 49 – Short Term Workforce 12. Added vocational code 57 – NC CBE-State Board Reserve Funds 13. Updated object code 511300 – Full-time Professional Staff 14. Updated object code 511310 – Part-time Professional Staff 15. Updated object code 511340 – 30 Hour Professional Staff
October 2018	1. Added purpose code 540, Hurricane Florence Emergency Grant 2. Added vocational code 28, Improving Career & Technical Education Grant 3. Added vocational code 29, RISE 4. Added vocational code 30, Employability Skills Alignment Project 5. Edited vocational code 31, VLC, to be VLC – State Appropriation 6. Removed vocational code 48, Taste of Industry 7. Added vocational code 50, Performance Based Funding – Bonuses 8. Added vocational code 56, CCRG Alignment 9. Removed vocational code 63, Acc & Fin Alignment Project (AFAP) 10. Removed vocational code 64, Local Gov Finance Officer 11. Removed vocational code 65, Job Driven National Emergency 12. Added vocational code 68, Viticulture & Enology 13. Added vocational code 69, Anspach Advanced Manufacturing School 14. Added vocational code 70, Transportation Technology Center 15. Added vocational code 75, Title II, Sec 225 Expanding Services 16. Added vocational code 77, Advanced Postsecondary/Apprenticeship 17. Added vocational code 84, Recidivism Project

	18. Edited vocational code 94, Minority Male Mentoring, to be Minority Male Success Initiative 19. Added vocational code 96, Hurricane Matthew 20. Added object code 124091, Deferred Outflows for OPEB 21. Added object code 142090, Net OPEB Asset 22. Added object code 539740, Hurricane Florence Emergency Grant Expense
March 2019	1. Replaced Purpose code 367, *BioNetwork* with *ApprenticeshipNC Coordinators* 2. Replaced Vocational code 30, *Employability Skills Alignment Project* with *College Specific Grants* 3. Updated Object code 519600, *Personal Service Contract for Customized Training Industry Clients*, to reflect that it may also be used with purpose codes 364 and 365, vocational code 80. 4. Updated Object code 519700, *Personal Service Contract for Customized Training Industry Third Party*, to reflect that it may also be used with purpose codes 364 and 365, vocational code 80
June 2021	1. Section IV, *Purpose Codes*, has been updated: • Purpose code, 367, *ApprenticeshipNC* • Purpose code, 374, *Pilot Digital Literacy Training for Career and College Readiness Programs, Phase II, funding by Title II AEFLA* • COVID-19 General Ledger Codes were added as a separate section for Users' ease. See COVID-19 General Ledger Codes. 2. Section V, *Vocational Codes*, has been updated: • Vocational codes 11 – 19 descriptions are updated reflective upon programmatic changes to align with categorical allocations within college budgets. • Other Vocational codes, and several new codes have been added. 3. Section VI, *Object Codes*, has been updated: • Object code, 242081, *Deferred Outflows for OPEB* – has been updated to record the deferred outflows defined by GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. • Object code, 242091, *Deferred Inflows for OPEB* – has been updated to record deferred inflows defined by GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. • Object code, 493351, *Noncapital Contributions*, has been added as a result of contributions to the Retiree Health Benefit Fund (RHBF) which will result in net reductions to the employer portion of noncurrent Net OPEB Liability. 4. Section IX, *Purpose Codes No Longer Used* was updated and should not be used: • Purpose code, 324*, High School Equivalency (HSE) Testing* was added

<table>
<tr><td></td><td>• Purpose code, 357, Basic Skills-Project Skill-Up (Calendar Year 2014) was added
• Purpose code, 358, Basic Skills-Project Skill-Up (Calendar Year 2015) was added</td></tr>
<tr><td>June 2022</td><td>1. Section IV, Purpose Codes, has been updated:
• The following purpose codes have been added:
o 135 - Non-State Funded Pandemic Bonus,
o 366 – Marketing and Outreach for Apprenticeships,
o 432 – Moodle Hosting Services,
o 525 – Intellectual and Developmental Disabilities Pilot Program,
o 552 – Student Support Services (Longleaf Commitment,
o 553 – Longleaf Complete
o 554 - Short-Term Workforce Development Grant Program,
o 555 – Summer Accelerator Grant Program

2. Section V, VOC Codes, has been updated:
• The following VOC codes have been added:
o 32 - Adult Learner Pilot Project,
o 48 – FTCC – Botanical Lab (SFRF) and
o 52 – Pandemic Bonus
• The following VOC codes have been changed for purpose and use:
o VOC Code 51 has been changed to NR Budget Stabilization (SFRF) and
o VOC Code 77 has been changed to Title II, Pre-Apprenticeship Implementation
• These listed VOC codes are no longer available and are indicated as vacant: 57, 61, 62, 66 and 72</td></tr>
<tr><td>August 2024</td><td>• Section IV Purpose Codes and Section VII Object Codes information is updated for Right to Use Assets as required by GASB Statements 87 and 96.
• Section IV Purpose Codes – COVID is updated to include only purpose codes that have current funding and are remaining to be available.
• Section IX Purpose Codes No Longer Used listing is updated for codes no longer available as funding sources have ending.</td></tr>
</table>

Accounting Procedures Manual and Reference Guide

Section 3: General Statute Citation Index

Division of Business and Finance
Version 2025.01
Effective September 2025

What's New?

September 2025

This document has been reviewed and updated for legislative links to current North Carolina General Statutes. Users are encouraged to review the current NC General Statutes to ensure most recent laws are being followed.

TABLE OF CONTENTS

I. Student Tuition & Fees

A. Curriculum Tuition

- G.S. 115D-5(a). The State Board is authorized to regulate tuition.
- G.S. 115D-5(b). Part-time tuition rates are authorized.
- G.S. 115D-39. The State Board shall fix and regulate all tuition and fees charged to students and establishes that tuition and registration fees are considered State funds.
- G.S.115D-39.1. Tuition surcharge.
- G.S. 116-143.1. Provisions for determining resident status for tuition purposes.
- G.S. 116-143.3. Tuition of armed services personnel and their dependents.

B. Continuing Education Fees

- G.S. 115D-5(a). The State Board is authorized to regulate tuition.
- G.S. 115D-5(b). Registration fees for extension courses are authorized.
- G.S. 115D-5(g). Recreation extension courses may not be supported with State funds and must be self-supporting.
- G.S. 115D-5(h). Real estate continuing education courses may not be supported with State funds and must be self-supporting.

C. Over-realized Receipts

- G.S. 115D-31(e). Over-realized receipts shall transfer to Enrollment Growth Reserve and shall not revert.

D. Adult High School Equivalency Fees

- G.S. 115D-5(s). The Board is authorized to establish, retain, and budget adult high school equivalency diploma testing fees and fees for retesting.

E. Deposit of State funds

- G.S. 115D-58.9. Daily deposits of State moneys or otherwise required to be deposited with the State Treasurer shall be deposited pursuant to the rules of the State Treasurer pursuant to G.S. 147-77.

F. Self-Supporting

- G.S. 115D-5(f). New program approval from the State Board is not required for self-supporting programs.
- G.S. 115D-5(g). Recreation extension courses may not be supported with State funds and must be self-supporting.

G. Waivers

- G.S. 115D-5(b). List of authorized tuition and registration fee waivers.

H. Use of State funds for employee tuition and registration fees

- G.S. 115D-5(b1). Community colleges may use State funds to pay tuition and registration fees for one course per semester for full-time community college faculty or staff members employed for a nine-, ten-, eleven-, or twelve-month term.

II. Salaries and Benefits

A. General

- G.S. 115D-5(a). All community college employees are exempt from State Personnel Act; all college faculty must meet credential requirements of its accrediting agency for all community colleges programs.

B. Salaries

- G.S. 115D-5(a). The State Board may only establish salary cap on State-funded portion of president's salary.
- G.S. 115D-28. Certain personnel information open to inspection is listed; including current salary information.

C. Retirement

- G.S. 115D-22. Colleges are included in the definition of "public school" and college employees are included in the definition of "teacher" for the purposes of administering G.S. Chapter 135 (TSERS).
- G.S. 115D-25. May purchase non-forfeitable annuity or retirement income contract and take commensurate payroll deduction with employee's permission.

D. Workers' Compensation

- G.S. 115D-23. G.S. Chapter 97 (Workers' Compensation Act), applies to all community college employees. The State is responsible for workers' compensation obligations for employees supported in whole or in part by State funds. The Community College's Board of Trustees is responsible for workers' compensation for employees who are paid entirely from local or institutional funds. Community colleges may purchase workers' compensation insurance.

E. Benefits

- G.S. 115D-25.1. Dependent care assistance programs under IRS Code Section 129; colleges may take commensurate payroll deduction with employee's permission.
- G.S. 115D-25.2. Flexible compensation plans under IRS Code Section125; colleges may take commensurate payroll deduction with employee's permission.
- G.S. 115D-25.3. A voluntary shared leave program is allowed for community college employees.

F. General

- G.S. 115D-9(a). The expenditure of any State funds is subject to the terms of the State Budget Act unless specifically otherwise provided.
- G.S. 115D-9(b-g). The expenditure of State funds for any capital improvements shall be subject to the prior approval of the State Board of Community Colleges and the Governor.
- G.S. 115D-31(a)(2). Use of State funds for current operating expenses, including general administration, instructional services, and support services.
- G.S. 115D-31(b1). Budget flexibility.
- G.S. 115D-31.3. Performance-based funding.
- G.S. 115D-32(a)(2). County responsible for providing funds for current operating expenses associated with plant operation, maintenance, and support services.
- G.S. 115D-32(b). Community College may supplement State funds with local and institutional funds.
- G.S. 115D-32(c). Community College may apply institutional funds in accordance with G.S. 115D-54(b)(3) approved for purposes as determined by the Board of Trustees.

G. Foundations

- G.S. 115D-20(9). To encourage Foundations, a college may assign employees to assist and make available office space, equipment, supplies, and related resources.

H. Boards of Trustees

- G.S. 115D-17. Trustees may not receive compensation, but shall be reimbursed for official travel, meals, and lodging. Reimbursement from State funds shall not exceed amounts permitted in G.S. 138-5.

I. Donations

- G.S. 115D-20(5). Authorizes trustees to receive and accept donations.

J. Bookstore/Vending

- G.S. 115D-2(8). Definition of vending facilities.
- G.S. 115D-5(a1). Allowable and prohibited uses of bookstore profits.

K. Traffic Fines and Penalties

- G.S. 115D-21. Colleges may issue fines of up to $100 for violation of rules, regulations, or ordinances with respect to the use of the streets, roads, alleys, driveways, and parking areas. Colleges may charge parking fines of up to $25.

L. Campus Security

- G.S. 115D-21.1. Colleges may establish a campus law enforcement agency.

M. Insurance

- G.S. 115D-24. Governmental immunity shall be deemed to have been waived by the act of obtaining liability insurance.
- G.S. 115D-31.1. Colleges may use State funds to pay for liability insurance premiums.

Note: G.S. 126-85. is the whistleblower statute that is applicable to community college employees, and Chapter 126 - Article 14 covers all of the relevant state laws governing an employee reporting protected activity.

III. Property/Capital Improvements

A. Capital Improvement Projects

- G.S. 115D-5(a). State Board authorized to approve sites and capital improvement projects.
- G.S. 115D-9. State Board construction delegation.
- G.S. 115D-9(a). Expenditure of any State funds for any capital improvements subject to prior State Board approval.
- G.S. 115D-9(d). Community Colleges must use standard State Construction Office (SCO) design and construction contracts.
- G.S. 115D-14. Title to real and personal property.
- G.S. 115D-15. Easements may be granted with prior approval from System Office.
- G.S. 115D-20(3). Trustee authority to purchase land, easement, or right-of-way, upon approval of the State Board. Trustee condemnation authority, as provided by G.S. 40A.
- G.S. 115D-32(a)(1). County responsible for providing funds for CI projects.

B. Sites, MCCs, OCCs

- G.S. 115D-5(o). State Board shall not approve any additional multi-campus centers without identified recurring sources of funding. All multi-campus centers shall receive funding under the same formula.
- G.S. 115D-32(a)(2). Counties must support utilities of satellite campuses.

C. Equipment

- G.S. 115D-5(l). State Board shall approve lease purchase and installment purchase contracts.
- G.S. 115D-14. State-funded equipment titled to State Board.
- G.S. 115D-15. Equipment titled to State Board may be transferred to another community college at no cost and without DOA, Surplus Property approval.
- G.S. 115D-20(11). Board of Trustees authorized to enter into lease purchase and installment purchase contracts for equipment.
- G.S. 115D-31(a)(1). State funds for furniture and equipment for administrative and instructional purposes, library books.
- G.S. 115D-31(c). Authorization for equipment and library book carryforward.

- G.S. 115D-31(d). Equipment Reserve Fund carryforward authorization.
- G.S. 115D-32(a)(1). County responsible for providing funds for vehicles (non-instructional), equipment not provided for administrative and instructional purposes.

D. Disposal of Property

- G.S. 115D-14. If community college ceases to operate, title to locally funded property vests with the county.
- G.S. 115D-15(a). State Board approval necessary to prior to disposal of real property; State Board approval is not necessary prior to disposal of personal property titled to Board of Trustees; Proceeds of any sale or lease of equipment titled to State Board may be transferred to another community college at no cost and without DOA, Surplus Property approval; G.S. 160A, Article 12 applies to the disposal or sale of any real or personal property; personal property may also be disposed of through DOA.
- G.S. 115D-15(b). Proceeds from the sale or lease of donated property may be used according to the terms of the donation.
- G.S. 115D-15.1. Transfer of property for the purposes of financing.
- G.S. 115D-31(a)(1). State funds for capital improvements must be matched.

E. Operation and Maintenance of Plant

- G.S. 115D-20(10). Board of Trustees authorized to enter into guaranteed energy savings contracts pursuant to G.S. 143, Article 3B, Part 2.
- G.S. 115D-20(10a). Board of Trustees authorized to enter into loan agreements under the Energy Improvement Loan Program pursuant to G.S. 143, Article 36, Part 3.
- G.S. 115D-20(14). Board of Trustees duties include complying with the design and construction requirements regarding energy efficiency and water use under G.S. 143, Article 8C.

F. Use of Community College Resources by Private Entity

- G.S. 115D-20(12). Board of Trustees authorized to permit use of college personnel or facilities in support of private business enterprise located on a college campus or in service area for purposes set out in G.S. 66-58(c)(3a) and G.S. 68-58(c)(3d).

G. Public/Private Partnerships

- G.S. 115D-20(13). Board of Trustees authorized to enter into public/private partnership when all of certain conditions are met.

IV. Local Funds

- G.S. 115D-1. Authorize the levying of local taxes and the issuing of local bonds to support community colleges.
- G.S. 115D-2(6). Definition of tax-levying authority.

V. Document History

March 2016	In addition to some basic updates for style, this document was updated for ADA compliance
March 2022	This document has been updated for legislative links to current North Carolina General Statutes. Users should always review current N C General Statutes to ensure most recent laws are being followed.
August 2024	This document has been reviewed and updated for legislative links to current North Carolina General Statutes. Users should always review current N C General Statutes to ensure most recent laws are being followed.