

ELIZABETH CITY STATE UNIVERSITY
Purchase Authorization Procedures

Preamble

It is the goal of Elizabeth City State University to operate on the principle of budgetary allotments to the various departments. In order to make sure procurement rules, N.C. General Statutes (G.S.) and ECSU policies are adhered to, the following procedures must be followed.

1. Department Head Spending Authority

The Head Administrator of each area is responsible for expenditures from the allotted departmental budgets. The authority to make purchases for services and material from the allotted departmental budgets is given to the Purchasing Department by the signatures on the purchasing requisition and appears as follows: Departmental Head, fiscal Budget Officer and the Controller.

2. Grants and Contracts

Grants and Contracts expenditures must be authorized by the Principal Investigator, (owner of the grant). Grants and Contracts may require the approval of a second party before funds can be expended. It is the responsibility of the Principal Investigator to obtain all necessary authorizations for expending such funds. Requests not properly authorized will be returned by the Purchasing Department for necessary authorization.

3. Spending Limits and Requirements of Total Order

<u>Purchases</u>	<u>Requirements</u>
\$0 - \$5000	No Quotes Required (State Contract items must be purchased from State Contract)
\$5000 - \$20,000	Quotes (telephone, fax or written)
\$20,000 – 100,000	Bids (State IPS)
\$100,000 – +	Request submitted to NC P&C

4. Delegations/Exemptions

N.C. Division of Purchasing and Contract delegates two types of authority to agencies: general delegations, and special delegations.

a. General Delegation

When the dollar amount of the expenditure is under \$100,000 and it is not an established term contract, ECSU is authorized under a general delegation to acquire commodities and contractual services, by purchase, rent, and lease-purchase, and are subjected to the following rules.

- i. All commodities and contractual services covered by term contracts must be acquired from those contracts. In situations where a special type item or contractual service is needed for a particular application, the NC Division of Purchase and Contract should be consulted for appropriate action.
- ii. ECSU's Chancellor shall set forth in writing, procedures for making small purchases. The NC State Purchasing Officer may require copies of these written procedures be sent to the NC Division of Purchase and Contract. (Small Purchases = \$5000 or less)
- iii. For expenditures over \$5000 - \$100,000 specific rules that apply to the procurement process can be found in the attached policies.
- iv. ECSU Purchasing Office must monitor all types of purchases to make sure the benchmark of \$100,000 is not exceeded. This includes monthly, quarterly (scheduled buying) purchases and ECSU specific term contracts (items purchased repetitively).
- v. Agency quotation forms, general terms and conditions of purchase and purchase order forms are subject to the approval of the State Purchasing Officer.
- vi. ECSU Purchasing Office should monitor purchases under the general delegations to guard against abuse of the system and to insure that the dollar value received is commensurate with the dollar amount expended.
- vii. Awarding of contracts under the general delegations shall be the responsibility of the Chancellor or his designee

b. Conditions for Special Delegations

The State Purchasing Officer may authorize, by special delegation, any agency to purchase specific items, quantities, or contractual service without limitation based on the expenditure. Such delegation is normally confined, but not limited to, items, quantities, or services, which by their nature or circumstance serve no practical purpose. Such as perishable, transportation cost, local conditions or local availability. Some special delegations apply to all agencies and some are agency specific. All delegations shall be in writing and made a matter of record. Unless otherwise specified by the State Purchasing Officer, special delegations are subject to all of the following conditions:

- i. All commodities and contractual services covered by term contracts must be acquired from those contracts.
- ii. Competition must be solicited, where available.
- iii. ECSU Purchasing Department is required to issue its own solicitation documents. This shall also apply to a waiver, if time permits.
- iv. ECSU's terms and conditions on the solicitation document shall be applicable to the requirement.
- v. All transactions shall be documented. This included a record of all quotes received, written or verbal, written justification for award and written reasons for waiver.
- vi. All purchasing files must be retained for a period of five years. This includes purchase orders and all supporting documentation. (Example: all quotes, sole source waiver, justification for awards, copy of purchase order and any correspondences.)

- vii. Awarding of contracts under a special delegation shall be the responsibility of the Chancellor or his designee. However, the State Purchasing Officer may require that offers received under such delegations be sent to the NC Division of Purchase and Contract for determination of the successful company.
- viii. Any controversial matter arising from a special delegation must be brought to the attention of the State Purchasing Officer.
- ix. Specific delegation may be subject to additional conditions as determined by the State Purchasing Officer.
- x. NC Division of Purchasing and Contract shall periodically review its delegations to ascertain the availability of these items or services and their continued suitability for delegation.

c. List of Special Delegations

These delegations apply to ECSU:

- i. Repairs (Non-Construction): Purchasing authority for repairs handled by private sector personnel, regardless of cost, is delegated to the using agency, but competition must be sought where available. Where materials are being purchased for a repair and using agency personnel will perform the needed repair, the purchase of the materials must be handled in accordance with normal purchasing procedures outlined in this manual.
NOTE:
Where any structural changes are to be made in or to an agency-owned building, the proposed project should be handled in accordance with construction statutes and rules applicable ECSU's policies and procedures.
- ii. Feed: Authority to purchase feed, including special ingredients, is delegated to using agencies which are engaged in the feeding of animals, poultry and fish.
- iii. Animals, poultry and fish: Authority is delegated to purchase animals, poultry and fish.
- iv. Athletic Apparel: Authority to purchase athletic apparel is delegated to using agencies. In the purchase of athletic apparel there are certain considerations regarding the safety of the athlete which should remain within the control of the using agency officials.
- v. Aircraft: All purchases of goods and services shall be handled by the agency. This does not include the purchase of the aircraft itself, or those goods and services that are covered by a statewide or agency specific term contract.
- vi. Playground Equipment (Structures): Where the purchase of playground equipment is being handled as a commodity purchase (vs. a construction project), the authority to purchase such playground equipment and its installation is delegated to the using agency.
- vii. Ready-Mix Concrete: Where the purchase of ready-mix concrete is being handled as a commodity purchase (vs. a construction project), the authority to purchase such ready-mix concrete is delegated to the using agency.

- viii. Plants, Live: Authority to purchase trees, bushes, flowers, etc. (Not Seed) is delegated to using agencies.

d. Exemptions:

- i. Except as provided in (1), it is not mandatory for the items and services listed below to be purchased through P&C. However, where such purchases are made directly by ECSU, competition is required wherever possible.
1. purchase of liquor;
 2. perishable articles such as fresh meats, fresh fruit, fresh vegetables, fresh fish, poultry and eggs;
 3. published material produced by others, such as newspapers, magazines, pamphlets, manuscripts, and books. Also maps, charts, globes, film, filmstrips and recordings (including tapes).
 4. services provided by individuals by direct employment contracts with the state;
 5. public utility services (gas, water and electricity);
 6. services provided which are subject to published tariff rates as established by the State Utilities Commission;
 7. services which are merely incidental to the purchase of supplies, materials or equipment such as installation services;
 8. contracts for construction of and structural changes to public buildings;
 9. personal services: provided by a professional individual (person) on a temporary or occasional basis, including (by way of illustration, not limitation) those provided by a doctor, dentist, attorney, architect, professional engineer, scientist or performer of the fine arts and similar professions; the exemption applies only if the individual is using his/her professional skills to perform a professional task; a personal service may also be a consulting service;
 10. services provided directly by an agency of the state, federal or local government, or their employees when performing the service as a part of their normal governmental function.
- ii. In addition to products and services exempted by Statute, the SPO may exempt other products and services from purchase through P&C provided that the SPO makes findings:
1. that competition will not enhance the price that the State would receive for the product or service; and,
 2. that competition will not enhance the quality of the product or service that the State would receive.
- iii. Soliciting competition for bakery products and dairy products shall be handled by ECSU, regardless of the dollar value of the proposed contract, but awarded through P&C if over the ECSU's delegation.

ELIZABETH CITY STATE UNIVERSITY
Unauthorized Purchases

Preamble

It is the policy of Elizabeth City State University (ECSU) to be excellent stewards of the public funds entrusted to it. These funds, regardless of the origination, require that we make judicious decisions in managing the funds for the benefit of the University and ultimately, the citizens of the State of North Carolina. We commit, through our business practices, to seek competition and to engage the best procurement practices in the execution of our function.

An unauthorized purchase is any expenditure that does not conform to the procurement rules, regulations, statutes of the State of North Carolina and ECSU.

1. Purchase Commitments

The ECSU Purchasing Office has the exclusive responsibility for making all purchase contracts entered into for the University except rental or purchase of real property.

2. Personal Obligation

Purchases charged against University funds that are not made in accordance with university policy will be the personal responsibility of the individual placing the order. Thus, ECSU's Chancellor or Vice Chancellor for Business and Finance may disapprove any unauthorized purchases whether at the time of invoicing or awareness.

3. Penalties for Non-Compliance

Compliance with University and State Purchasing guidelines is crucial to the operations of the university. Employees who do not follow appropriate purchasing guidelines will be subject to the penalties listed below.

- A. First Offense** - The employee will be notified in writing (with a copy to the employee's supervisor) that s/he will be required to attend purchasing training. The employee may also be required to pay for the item purchased. Purchasing authority will be suspended until the employee under goes additional purchasing training.
- B. Second Offense** - The individual will be required to pay for the item purchased and the individual's purchasing authority maybe terminated. Any SPA employee, who violates this policy twice, shall be subject to disciplinary action as set forth in applicable provisions of ECSU and OSP policies governing SPA Discipline/Appeals/Grievances. Any EPA employee, who violates this policy twice, shall be subject to disciplinary action as provided by applicable provisions of ECSU and UNC policies governing EPA employees.

ELIZABETH CITY STATE UNIVERSITY
Purchase for Personal Use of Employees

Preamble

It is the policy of Elizabeth City State University, the Board of Governors, and also N.C. State Law, that no employee will dishonor the public's trust by making personal purchases using public funds. Nor use state owned property for personal use.

1. Personal Purchases are Prohibited

Any purchases made with public funds by a State Employee do not belong to that employee, but the purchased merchandise become property of the State of North Carolina. N.C. State laws and the University of North Carolinas' policies prohibits ECSUs' Purchasing Department from entering into any purchase agreement for employees. All materials purchased by the University remains property of the State of North Carolina until consumed or disposed of through surplus property procedures.

2. Personal Use of State Owned Property

- a. Personal use of State or University owned or leased equipment, supplies, or materials, on or off campus is prohibited. Examples of off campus locations: employee's residence, private shop, lab, office, etc.
- b. North Carolina G.S. 114-15.1 <http://www.ncleg.net/gascripts/statutes/statutelookup.pl?statute=114-15.1> requires state employees who have information or evidence of misuse of state property to report such information or evidence to their immediate supervisor within three days. The supervisor must then report the matter to the head of their institutional agency (or his designee), who in turn must report the matter within 10 days to the director of the State Bureau of Investigation (SBI). Misuse of state property includes attempted arson, arson, damage of, or misuse of, any state owned personal or real property.

3. Retail Sales

- a. Retail sales items, such as University Store items does not give employees working in this area the right to include personal items on departmental purchase requisitions. (see G.S. 66-58 <http://www.ncleg.net/gascripts/statutes/statutelookup.pl?statute=66-58> "Sale of Merchandise by governmental Units")

4. Penalties for Non-Compliance (Reference ECSU "Unauthorized Purchases" Policy)

ELIZABETH CITY STATE UNIVERSITY
Responsibility for Supplies and Equipment After Purchase

Preamble

It is the policy of Elizabeth City State University to hold each Department Head responsible for all supplies and equipment purchased by the University and placed in his/her department. Each Department Head should safeguard and be solely accountable for the merchandise entrusted in their care.

1. Department Head

The Department Head is accountable to the university's Chancellor for all supplies, materials, and equipment purchased in the department's name regardless of the source of funds. The responsibilities includes seeing that adequate precautions are made to insure such materials from theft and abuse and that records of location and identification are maintained on movable equipment. (Reference ECSU policy 400.1.54)

2. Principal Investigator

Grant or Contract Research Funds should be made payable to Elizabeth City State University and not the Principal Investigator nor a particular department. The Principal Investigator who uses the merchandise that these funds purchase is responsible to the Department Head and the Department Head is responsible to the Chancellor.

3. Penalties for Non-Compliance (Reference ECSU "Unauthorized Purchases" Policy)

ELIZABETH CITY STATE UNIVERSITY Specifications

Purpose

The primary purpose of a purchase specification is to provide a basis for obtaining a product or service that will satisfy a particular need at an economical cost. Specifications should be written to invite maximum reasonable competition. Specification should not be unduly restrictive. By nature, however, a specification sets limits and thereby eliminates, or potentially eliminates, items that are outside the boundaries drawn. Specifications should be written to encourage not discourage, competition, consistent with seeking overall economy for the purpose intended.

Specifications are used by the university to describe what it intends to purchase. They are used by vendors to prepare bids to supply the items or services requested. During the evaluation of bids, the specifications are used to determine each bidder's compliance with the requirements and ultimately to select the contracted vendor. For this reason they must be as generic as possible and express the university's minimum needs, without any unjustified bias toward a specific brand. After an item has been delivered or a service performed, the written specification to which the vendor bid is the key legal document in settling any dispute concerning the quality of the product or service received.

Two General Types of Specifications

There are two (2) general types of specifications. A standard specification is originated and developed by the Contracts and Standards Section of the NC Division of Purchase and Contracts. These types of specifications are comprehensive in nature and intended for repeated use.

The other type of specification is generated by ECSU. It is, by the nature of the commodity or pattern of user demand, not intended for repetitive use.

Sometimes, other types of specifications may be presented in the form of "brand name or equal", or in the form of "brand name only."

Determining Your Specifications

If you have experience with different varieties and models of a product, it is much easier to document your requirements in the form of specifications. If you do not have this experience, it is helpful to discuss your options with a purchasing agent and often times it is most helpful to have vendors demonstrate equipment for you. Although vendors obviously wish to sway your choice toward their equipment, a demonstration can be an enlightening experience which will make you much more knowledgeable of different products and their capabilities. They should be used wherever possible. If a brands specific requisition is submitted, it must be accompanied by a written justification explaining why the product is singularly able to meet the requirements.

Brand Specific Specifications

Brand specific specifications are not to be used unless the particular requirement can only be met by the exact specifications offered by a particular piece of equipment. These items are generally more expensive since they often contain additional features which are not needed. Generic specifications encourage competition. They should be used wherever possible. If a brand-specific requisition is submitted, it must be accompanied by a written justification explaining why the product is singularly able to meet the requirements.

ELIZABETH CITY STATE UNIVERSITY
Solicitation of Bids and Quotations

State Statutes

The Statutes of the State give explicit instructions on the solicitations of bids when the total purchase is \$35,000 and over. Please be sure you do not exceed the \$35,000 benchmark when scheduling monthly and quarterly purchases and indefinite quantity contracts which may be established for items purchased on a repetitive basis. Indefinite quantity contracts must have a stipulation that the expenditures on the contract cannot exceed this benchmark. If it is determined that the expenditures on an indefinite contract may exceed the benchmark for a one-year period, please notify the Purchasing Department which will in turn contact the NC Division of Purchase and Contract for handling.

Solicitation on Orders < \$35,000

Solicitation of bids and quotations on orders for less than \$35,000 and on certain specified items and services has been delegated by the State to the University. With this delegation comes the requirement to solicit, where possible, competitive bids whenever purchases are \$2,500 or more. All quotations, including sole source documentation, must be no older than (30) days.

Competitive Guidelines that ECSU must follow:

1. Purchases with a total dollar value of \$2,500 or less do not require written competition. However, the Purchasing Department will monitor these procurements to guard against abuse of the system and to ensure that the dollar value received is commensurate with the dollar amount expended.
2. Telephone or written competitive quotes are required, where available, for purchases valued from \$2,500 - \$5,000.
3. The Purchasing Department and the Requisitioning Department must work together to assure a written request for quotes for purchases that exceed \$5,000 but are less than \$35,000 is issued. Even in the case of a waiver of competition, if time permits, a written request for a quote should be sent out to the sole source vendor. A permanent copy of these written requests for quotes will be on file in the Purchasing Office.
4. The Purchasing Office must document all transactions over \$2,500. This includes a record of all quotes received, written and verbal, written justification for award to other than the lowest quote, and documentation for waiver and emergency purchases over \$2,500.
5. In all cases, applicable legal requirements, good purchasing practices, and all Procedures specified in the North Carolina Department of Administration – Division of Purchase and Contract Manual

must be followed, including obtaining reasonable and adequate competition over \$2,500 where available.

6. Purchases may not be divided into smaller orders of \$2,500 or less to avoid seeking competition, or into two or more orders under the \$35,000 benchmark to circumvent the necessity of the requisition being sent to the NC Division of Purchase and Contract.
7. All written request for quotes (See No. 3 Above) sent out by agencies must include standard terms and conditions applicable to the requirement. Included in the appendix of this manual is a copy of the General Contract Terms and Conditions used by the NC Division of Purchase and Contract. All ECSU requests for quotes must contain, as a minimum, the contents of these “Terms and Conditions”.
8. Quotes received that include conflicting or unacceptable terms and conditions will be rejected.
9. All ECSU written quote forms sent out should provide a space for a signature of an authorized company representative to certify that the quote was submitted competitively and without collusion. A statement to this effect should be included on the ECSU written quote form.
10. In securing quotes, advertisement is not required. All files are public record after the award of the contract and must be open to public inspection. (Exception – Information may be kept **confidential** where it involves trade secrets, fiscal reports, technical data or similar information of a private nature. It is the intent of this provision that the bidding process not be damaged or otherwise used by and among competitors as a means of obtaining information not otherwise normally available.)
11. Allow at least ten (10) calendar days for the return of written quotes. In certain cases, however, this requirement may be waived if justified.
12. All purchasing files, regardless of dollar value, must be retained for a period of five (5) years after their expiration. This includes purchase orders (term contract and non-term contract), quotes (verbal and written), waivers, and emergency purchases. All supporting documentation must be kept in the file during this retention period. (Examples: all quotes received, justification for going with other than the low quote or with sole source(s) if a waiver or an emergency purchase, copy of purchase order and any pertinent material or correspondence.
13. The ECSU form used for written quotes should clearly identify its purpose (Ex. Request for Quotes), ECSU’s name and FOB (Free On Board) destination address, a clear description of the item(s) needed, the return date, the State’s “Terms and Conditions”, a signature section for the company to fill out, a space for delivery time to be offered, and all other specific requirements applicable to the purchase. (Please See Pur Append No. 4: ECSU Requests for Quotation)

Specifications

Generic specifications encourage competition. Whenever possible, requisitions should be supported by a description of need, functional specifications, technical specifications, installation and training requirements, service requirements, and other criteria which will allow vendors to bid their products to suit the particular needs of the of the user. Do Not Quote Brand Specific Specifications unless the particular requirement can only be met by those exact specifications. Quoting brand specific specifications without reasonable justification deviates from State Statutes and shortchanges the University by unnecessarily restricting competition. If your requirement can only be met by a brand specific specification, a justification statement must accompany the Purchase Requisition.

Limited Competition

The Purchasing Department is responsible for ensuring that fair and equitable competition is achieved for all purchases delegated to the University. To accomplish this, items which can be obtained from the University Stores inventory, existing state contracts or negotiated pricing agreements must be obtained from these sources. Any deviation from these sources requires a justification with the requisition. Sole source and/or product specific requisitions for purchases over \$2,500 must be accompanied by a justification statement. While a requestor may designate a specific vendor to fill a requisition, the Purchasing Department will search for the most advantageous source, price and other source selection factors considered.

Formal Bid Procedures

For requisitions greater than or equal to \$10,000 but less than \$35,000, the Purchasing Department will use the University sealed formal bid procedure to obtain competitive bids. Requisitions totaling \$35,000 or more will be submitted through the Purchasing Department to be bid by the NC Division of Purchase and Contract.

Conditions When Competition Can Be Waived

Under certain conditions, and otherwise if deemed to be in the public interest, competition may be waived. Conditions permitting waiver include, but are not limited to, the following:

- 1) cases where performance or price competition are not available;
- 2) where a needed product or service is available from only one source or supply;
- 3) where emergency or pressing need is indicated;
- 4) where competition has been solicited but no satisfactory offers were received;
- 5) where standardization or compatibility is the overriding consideration;

- 6) where a donation predicated the source of supply;
- 7) where personal or particular professional services are required (this does not refer to legal counsel) Please See policies 400.1.23 and 400.1.24: Contractual and Services and Consultant Services;
- 8) where a particular medical product or service, or prosthetic appliance is needed;
- 9) where a product or service is needed for the blind or severely disabled and there are overriding considerations for its use;
- 10) where additional products or services are needed to complete an ongoing job or task
- 11) where products are brought for “over the counter” resale;
- 12) where a particular product or service is desired for educational, training, experimental, developmental or research work;
- 13) where equipment is already installed, connected and in service, and it is determined advantageous to purchase it;
- 14) where there is evidence of resale price maintenance or other control of prices, lawful or unlawful, or collusion on the part of companies which thwarts normal competitive procedures;
- 15) where the amount of the purchase is too small to justify soliciting competition or where a purchase is being made and a satisfactory price is available from a previous contract;
- 16) where the requirement is for an authorized cooperative project with another governmental unit(s) or a charitable nonprofit organization(s);
- 17) where a used item(s) is available on short notice and subject to prior sale.

Although competition may be waived for proper cause, competition is required wherever practicable. Where waiver is contemplated, and the expenditure is over the agency benchmark(\$35,000) and it is not covered by a delegation or printing authorization, the procurement must be sent to the NC Division of Purchase & Contract for handling.

ELIZABETH CITY STATE UNIVERSITY
Bids and Selection Information

Preamble

North Carolina General Statutes (G.S.) 143-129

<http://www.ncleg.net/gascripts/statutes/statutelookup.pl?statute=143-129> and (G.S.) 143-131 <http://www.ncleg.net/gascripts/statutes/statutelookup.pl?statute=143-131> gives specific instruction on formal and informal bids and the selection of the lowest responsible bidder. Bids over Elizabeth City State University's threshold of \$100,000.00 are considered formal bids and must be forwarded to N.C. Purchasing and Contract. Bids of \$5,000.00 – \$100,000.00 are considered informal bids and can be handled by ECSU's Purchasing Department for bid solicitation (Reference Policy 400.1.1). It is imperative that the bid process is followed correctly, because all information submitted in a successful bid is used by the Purchasing Department to prepare the purchase order. The purchase order form itself binds the vendor to meet the quantities, qualities, prices, and other conditions as proposed in the bid. Elizabeth City State University Purchasing Department is committed to seeking competition and providing the best procurement practices in the execution of our function.

1. Official Bids

If competition is received during bid solicitation, the requesting department will be contacted before an order is placed. If the lowest priced bid is not selected, a justification statement must be prepared by the user.

2. Solicitation

Solicitation of competitive bids or quotations is the responsibility of the Purchasing Department. Any quotations requested by departments are not considered official and are used for informational purposes only. Generally solicitation of quotations by departments should be done only in conjunction with obtaining technical information about an item. Any pricing information received must be protected and not released to anyone outside the University so as not to compromise the competitive bidding process.

3. Lead – Time

When issuing a requisition for materials, the requestor must consider the time it takes to solicit and evaluate bids, place the order, and finally effect delivery. Also, bear in mind that the lack/inadequacy of the requisition justifications and specifications may significantly delay the requisition beyond the normal processing time frame.

4. If Order is Priority

If there is a need to have a requisition handled as a "priority", please indicate that on the requisition with the rationale for the priority handling. This is particularly important for purchases greater than or equal to \$100,000, as State Purchasing and Contract agents have a high volume of work and must have some indicator to help them prioritize their work load.

ELIZABETH CITY STATE UNIVERSITY
Sole Source or Brand Specific Purchases

Preamble

Elizabeth City State University realizes that every desired purchase will not have competition that can be acquired, nor do all generic items fit every situation. For these reasons, sole source or brand specific purchases are permitted. This policy applies only to items that fit in these specific categories.

1. Justification

Some technical items have only one known source or a brand specific item that will satisfy the requirement. Justification for a purchase of this type of item without competitive bidding must accompany the purchase requisition. Please note that “cost” or “urgency” is not a valid single source justification. A justification form should be filled out, attached to the requisition and forwarded to the Purchasing Department for approval. (Sole Source/Brand Specific Justification Form is located on the ECSU Form & Document website www.ecsu.edu) This form includes the following information:

- a. Name and address of the suggested supplier;
- b. Technical specifications which make the product unique;
- c. Names and addresses of other vendors which make similar products,
- d. Details of the ways such products fails to meet required specifications;
- e. Any other information which supports the uniqueness of the requested item(s).

2. Supporting Documents

Copies of all correspondence including any vendor quotations received in the selection of the special product should also accompany the Purchase Requisition.

3. Approval

If the request is \$100,000 or more in cost, the request will be forwarded to the NC Division of Purchase and Contract for processing. If State Purchase and Contract concur in the justification for the uniqueness of the product, the request will be presented to the State Board of Award with the recommendation that the product be waived from the competitive bidding process.

4. Limited Use

This process is not frequently used since there is generally competition for almost any type of equipment or supplies used by the University. In many cases, even “brand specific” products may be purchased from more than one source.

ELIZABETH CITY STATE UNIVERSITY State Term Contracts

State Term Contracts

In an effort to use its large scale purchasing power to reduce statewide purchasing costs for common items, the state has vendors compete for state (term) contracts. To obtain the best prices for all state agencies, the contracted vendor is guaranteed all state purchases for specified items for a period of one to two years. Because these contracts are for a given period they are referred to as term contracts.

ECSU is obligated to Purchase

The first thing ECSU must do is to determine if the item or contractual service is available from one of the statewide term contracts established by the NC Division of Purchase and Contract. If so, then the order must be placed with the appropriate contractor listed. If more than one contractor is listed, then the one that will best satisfy your needs or the one that is identified as a HUB (Historically Underutilized Business) vendor should get the order.

After determining that the item or contractual service is not covered by a statewide term contract, the next step will be to determine if the item or contractual service is available from a term contract established by ECSU. If so, then the order is to be placed with the appropriate contractor in accordance with the terms of that contract.

Because we are a state agency, when we purchase equipment, supplies, or services with public funds, we must purchase these items from the appropriate State Contract vendors. In situations where an item on state Contract has unnecessary features or does not have the particular features needed, we may be able to purchase outside the state contract. In these circumstances, however, conclusive documentation in the form of a “justification memorandum” must be provided for consideration by the Purchasing Division and/or the State Purchase and Contract Division.

A term contract is not an “Approved List” . It is a legally binding agreement between the State and the awarded vendor to buy and sell certain items at certain prices for a specific, period of time. It is not a list of “ceiling” or “approved” prices. At no time is it legal for agencies, school, etc., to purchase contract items from other sources at the same or lower prices.

Provisions do exist for the purchase of equipment that cannot be met by term contracts and for unusual quantities of term contract items when it has been determined by the NC Division of Purchase and Contract that this type of acquisition is in the best interest of the State.

Term Contracts are designed to serve the needs of all agencies, public schools, universities, community colleges, and certain non-state agencies. They are established through the competitive bidding procedure. When it is necessary to amend, modify or cancel all or parts of an active term contract, all state users of that contract will be notified.

ELIZABETH CITY STATE UNIVERSITY
Small Dollar Purchases

Preamble

Small purchases are recognized by Elizabeth City State University as items, print jobs or services costing \$5000 or less. Items appearing on a state contract must be purchased from that contract. If a contract does not exist, it is not required, but recommended that price checks are done to locate the best price.

1. Procedures

Small purchases are processed by using the standard requisition process. All levels of signatures are required. In situation where vendors do not accept purchase orders, the purchasing card (p-card) may be used.

Orders costing over \$5000 must have three price quotes accompanying requisition. It is unlawful to split orders to evade the purchasing process.

2. Special Notice

The small purchase order procedure used in the past is no longer applicable.

ELIZABETH CITY STATE UNIVERSITY
Blanket or Standing Purchase Orders

Preamble

Elizabeth City State University recognizes and accepts the purpose of a blanket or standing order is to eliminate multiple orders. Blanket orders can also help save time and speed up the purchasing process. This is recognized with quick turn around time for products or service.

1. Definition

A “blanket order” is a purchase order that has been issued to a vendor, against which purchases may be made. When repeated purchases of the same type of supply item are expected, multiple purchase requisitions may be eliminated by submitting one purchase request to establish a standing order. The purchase order can be used until the remaining funds on the order are exhausted. A new purchase order can be issued once the order reaches a zero balance.

2. Supplies Only

Standing orders are issued for supply type items only. Purchasing of equipment must be requested on a purchase requisition as the need arises.

3. Approval

Requests for standing orders are approved by the Director of Purchasing. The request can be made on a purchase requisition.

4. Competition

All standing orders are subject to the rules of competitive procurement. “Non - Competitive” standing order must be accompanied by conclusive documentation detailing the rationale for using a single source. (Please see ECSU “Sole Source or Brand Specific Purchases” Policy)

Estimated cost prior to the issuance of the purchase order results in each requesting department’s budget being encumbered in the amount of that cost as indicated on the purchase requisition. If a standing order is cancelled, the outstanding balance on the order will be liquidated, thus making the funds available for other purchases.

5. Encumbrances

Outstanding encumbrances on standing orders written against state appropriated funds reverts to the state account at the end of the fiscal year; therefore only sufficient funds to cover the anticipated purchases should be requested on the purchase requisition.

6. Description

A blanket order requisition should contain the following: Vendor name and address, type of commodity, requesting departments’ name, the estimate dollar amount and the appropriate signatures.

7. Shipping Instructions

Shipping releases against standing order are made by the requesting department. Explicit shipping instructions and the applicable purchase order number must be supplied to the vendor for each order of materials. Materials cannot be shipped against this order beyond the period indicated, nor can material be shipped in excess of the dollar amount, without authorization from the Purchasing Department.

ELIZABETH CITY STATE UNIVERSITY
Emergency or “Pressing Need” Purchases

General

The Secretary of the Department of Administration of the State of North Carolina has delegated to the various State agencies the authority to make emergency or “pressing need” purchases not to exceed \$35,000 without following the prescribed procedure for routine purchases. The Purchasing Department must report all emergency purchases greater than \$35,000 to the NC Division of Purchase and Contract with a written justification for handling the transactions as emergency.

If Emergency or Pressing Need Is > \$35,000

Emergency or “pressing need” purchases costing in excess of \$35,000 and not covered by a special delegation must receive verbal approval, if time permits, by the Division of Purchase and Contract before the purchases are made. The purchase of equipment, materials and supplies will be reported to the Division of Purchase and Contract Board of Award as a matter of record. As with all types of purchases, the ECSU Purchasing Department has the sole authority for entering into contracts to secure these materials or services.

Definitions

A pressing need is one arising from unforeseen causes including but not limited to delay by contractors, delay in transportation, breakdown in machinery, or unanticipated volume or work and can be rectified only by an immediate on-the-spot purchase (or rental) of equipment, supplies, materials, printing or contractual services; while *emergencies* are defined generally as situations which endanger lives, property or the continuation of a vital program and which can be rectified only by immediate on-the-spot purchases or rental of equipment, supplies, materials or services.

Notify the Purchasing Department

Emergency requests for purchases from commercial vendors or agencies should be brought to the Purchasing Department by messenger with an explanation of the reason for the emergency purchase. The Purchasing Division will solicit quotations by telephone, telegram or fax, if necessary; obtain the approval of the Division of Purchase and Contract, if required; and place the order. If the situation warrants, the Purchasing Division may assign a purchase order number to the transaction and authorize the requesting department to place the order by telephone and then submit the covering purchase requisition on a confirming basis.

Rare Procedure

This procedure will not be authorized except in those rare instances where it is impossible or impracticable for a department to bring a Purchase Requisition to the Purchasing Department prior to the placing of an order by the Purchasing Department.

ELIZABETH CITY STATE UNIVERSITY
Changes to Purchase Orders

Purchase Orders Are Binding

When a Purchase Order is written to a vendor by the Purchasing Department in response to an offer by the vendor and is based on acceptable terms and conditions, it becomes a binding order and cannot be broken by either party so long as both parties live up to the terms and conditions of the agreement. To break or cancel the order requires the consent of the other party.

Written Acceptance

When a Purchase Order is written to a vendor but it is not in accordance with the terms and conditions which were previously offered by the vendor, it does not become a binding order until the Purchase Order is acknowledged and accepted by the vendor in writing.

Penalty for Change

Changes to Purchase Orders already accepted by vendors must be requested by the Purchasing Department. Most vendors are willing to make reasonable changes to an order without penalty to the purchaser. Generally, only when a vendor may have expended funds for fabricating special equipment will a charge be made for changing or canceling an order.

Change Orders

Purchasing must issue a Purchase Order change whenever it is necessary to make a change in any existing purchase order to a vendor. Changes that result in a purchase order change include any increase or decrease in the number of items ordered; cancellation, liquidation, account number change (prior to invoicing); additional encumbrances and returns.

Do Not Liquidate An Encumbrance to Change A Purchase Order

Encumbrance liquidation requests should not be used for changes to purchase orders. Any account number change required after an invoice has been entered into the computer system, even if the check has not been printed, must be done in the Accounting Office. These types of changes cannot be completed through the Purchasing system.

ELIZABETH CITY STATE UNIVERSITY
Avoiding Conflicts of Interest Policy

Policy Statement

Elizabeth City State University's policy is *not to purchase* materials or services from State or University employees unless such a purchase is justified and approved by the Division of Purchase and Contract. In this way, ECSU attempts to protect its Purchasing Department and all other employees from becoming involved in a conflict of interest situation.

Processing Requests

A request to purchase materials or services from State or University personnel, or from companies in which any State or University employee may have a major interest, may be submitted in writing to the Division of Purchase and Contract, with a detailed justification supporting such a purchase request. All requests for services or materials as described above should be submitted to the ECSU Purchasing Department on a standard Purchase Requisition form with a justification memorandum attached. Similarly, if any instances are noted where this type of purchasing is done without Purchase & Contract approval, it will be reported to the Secretary of Administration for action as deemed appropriate.

ELIZABETH CITY STATE UNIVERSITY
Solicitation by Salesmen

Sales Agreements

Since State policy requires that supplies and materials be obtained from State Term contracts or by competitive bidding (except for small order requests), solicitation of business by salesmen is of little value to the salesmen. For the university, only the Purchasing Department has the authority to enter into a sales agreement with any salesman.

Salesmen Can Provide Information

Salesmen are encouraged to visit departments, however, to keep the departments informed of new items being introduced and to assist departments by providing information on various technical aspects of the products.

Goods On Consignment Are Not Permitted

It is not permissible for a department to receive materials on consignment, pending issuance of a confirming purchase order. Receipt of equipment for demonstration purposes is permissible provided no obligation is made to the vendor to purchase the equipment.

Expenses

All insurance for the safety of equipment on demonstration must be borne by the vendor. Shipping charges, both to and from the university, are the vendor's responsibility.

ELIZABETH CITY STATE UNIVERSITY
Product and Service Demonstrations by Vendors

Obtain Clearance

From time to time vendors request that they be allowed to demonstrate a new product line or a new service. The university does not prohibit this type of demonstration; but since space, either in a building or in a parking lot, must be provided, clearance must be obtained from the Office of Campus Police and the Chairman of the Department receiving the demonstration.

Expenses

The vendor will be responsible for all expenses incurred in the demonstration. The university will not accept any responsibility for the safety of the vendor's equipment beyond normal care and safety.

PLEASE SEE:

Policy 400.1.18: Evaluation of Equipment by Departments Purchasing
Policy 400.1.15: Solicitation by Salesmen

ELIZABETH CITY STATE UNIVERSITY
Correspondence with Vendors

Purchasing Department

Following the transmittal of a purchase order to a vendor, all correspondence, except expediting, in connection with the fulfillment of the order or contract is to be handled by the Purchasing Department.

Changes to Purchase Orders

“Terms and Conditions” on the back of the purchase order state that the “order is placed subject to shipment at prices, amounts and transportation rates not in excess of those indicated on the face of this order.” Additionally, the purchase order states that ECSU will not be responsible for goods or services in excess of the purchase order amount. In an effort to assure that the vendors and the University stay on solid ground, departments are encouraged to communicate with the Purchasing Department if a purchase order change is desired.

Expediting

To assist in expediting deliveries, departments are authorized to contact vendors concerning the status of orders in cases of emergencies and past-due deliveries. Care must be exercised that duplicate shipments are not made as a result of these inquiries. Copies of any correspondence should be sent to, the Purchasing Division for placement in the Purchase Order file.

Changes in Terms

It must be understood that in direct correspondence between department and vendor no terms and conditions of the order, including destination of shipment, can be changed; additional items cannot be added to the order nor can any part of the order be cancelled. Any changes in an issued Purchase Order must be made by the Purchasing Department and issued on a Purchase Order Change.

Complaints to Vendors

See Policy 400.1.36: “Complaints to Vendors”

ELIZABETH CITY STATE UNIVERSITY
Evaluation of Equipment by Departments

Request for Evaluation

From time to time vendors may request a department evaluate equipment, without obligation to purchase. This type of request is more frequent in those departments where students may be using the equipment. In research situations where performance to very close tolerances must be evaluated, the department may request a demonstration model to evaluate at no obligation to the University.

Loaned Equipment

The university does not accept equipment from any vendor "on loan" except that which has been requested for demonstration purposes and which meets the agreement guidelines of this policy statement. Loan equipment may also be accepted when specified as part of the terms and conditions of a maintenance order or purchase order issued by the university.

Agreement Guidelines

When a vendor offers equipment for evaluation and the department is willing to have the equipment installed for evaluation purposes, the department should work out the agreement using the following basic guidelines:

1. Equipment must be adequately identified and described, giving model and serial numbers.
2. All freight charges are to be paid by the vendor.
3. Insurance, if any, is the responsibility of the vendor. The university assumes no liability for the equipment. The university may agree to exercise normal operational care and to avoid abuse of the equipment.
4. At the end of the evaluation period, the department will be responsible for crating material (to be furnished by vendor) and shipping collect by a carrier of the vendor's choice. The Central Receiving Service can provide help with this task. The vendor may choose to pack and ship the equipment.

5. The evaluation of equipment for a vendor does not give the vendor permission to use the name of the university in any advertisements.

Agreement in Writing

After an agreement on the above five points has been reached in writing between the department and the vendor, the university department must submit a purchase requisition with the written agreement attached. Purchasing will review and process a “NO CHARGE” purchase order to the vendor along with terms and conditions.

No Obligation to Purchase

The demonstration of equipment to a department or to an individual in no way obligates the University to purchase or lease the equipment or service. Any purchase requests issued as a result of demonstrations will be handled in accordance with the normal purchasing regulations of the University and State.

Please See: Policy 400.1.15: Solicitation by Salesmen

Policy 400.1.16: Product and Service Demonstrations by Vendors

ELIZABETH CITY STATE UNIVERSITY
Receiving Purchased Items

Check for Missing or Damaged Items

When goods are received, the shipment must be signed for, and the order should be checked for missing items or damage. Notification of incompleteness or damaged material in an order delivered by Central Receiving should be given to Central Receiving (335-3460). If the materials were delivered directly from the vendor, any communication about missing items or damage is handled through the Purchasing Division. If damage is found, the container and packing material should be kept in the event an inspection is required.

Restrictions

It is contrary to State and university policy for Receiving Reports to be marked indicating receipt of ordered materials and to approve vendor invoices for payment before actual receipt of such billed material is received on campus. Disciplinary action will be taken against those found falsifying official University records.

ELIZABETH CITY STATE UNIVERSITY
Using Central Receiving

Central Receiving

Since most buildings on the campus are not accessible by common carrier vehicles, the University has incorporated the central receiving concept as a very important part of the Purchasing Cycle. When a purchase order is issued to a vendor by the Purchasing Department, shipping instructions are given on the order. Vendors are generally instructed to deliver the material to Central Receiving located in the back of the University Stores Building on Hollowell Drive. (335-3460).

Check – In

As soon as a common carrier delivers materials to Central Receiving, the Central Receiving clerk compares the Gold Copy of the purchase order (the Receiving Report) to the items received and the Packing Slip. The Central Receiving clerk then prepares to deliver the items to the Requisitioning Department. Items received in Central Receiving are manually logged in by purchase order number and description.

Delivery

Delivery from Central Receiving to the requesting department is completed by university employees using University vehicles. When the Central Receiving clerk delivers the items, the requisitioner is required to sign the manual log signifying the items described were actually delivered.

Direct Delivery

The Purchasing Director may elect to have certain materials delivered directly to the requesting departments because of the nature of the materials or because of the quantity of the materials involved. In these cases, the common carrier is responsible for the materials until delivered to the requesting department's loading dock or office.

PLEASE SEE:

Policy 400.1.19: Receiving Purchased Items

ELIZABETH CITY STATE UNIVERSITY
Return of Merchandise to Vendors

Vendor's Permission

No supplies or equipment should be returned to a vendor for any reason without obtaining the vendor's permission and shipping instructions.

Permission for Shipping from the Purchasing Office

Departments desiring to return materials to a vendor should notify the Purchasing Department explaining the reason for the desired return. The Purchasing Department will try to secure permission from the vendor for return of the materials and will obtain shipping instructions. The Purchasing Department will notify Central Receiving, and Central Receiving will pick up the materials from the returning department and ship them back to the vendor.

Costs of Return

The return of merchandise can be for a number of reasons: in-warranty or out-of warranty repairs, incorrect or defective materials, or over shipment. Financial responsibility for the costs of returns will depend on the reason for the return. Generally, when materials are returned as a result of an error by the vendor or because materials are defective, freight charges and other direct costs involved are the responsibility of the vendor; otherwise, the department for which the return is being made must bear the cost involved.

Restocking Charge

Most vendors will charge at least a 20% restocking charge when merchandise is returned as a result of an over-purchase or where the University erred in requesting the materials. If there is a restocking charge, the return of an item to a vendor is not economically feasible if the value of the item is less than \$20.

ELIZABETH CITY STATE UNIVERSITY
Contractual Services

Definition

A general service contract is defined as any agreement in which an independent contractor performs services requiring specialized knowledge, experience, expertise, or similar capabilities for a state agency for compensation from state funds. The services may include (by way of illustration, not limitation) services such as maintenance of buildings or equipment, auditing, film production, employee training and food services, provided that the service is not primarily for review, analysis, evaluation, or advice in formulating or implementing improvements in programs or services (in which case consultant services procedures apply). Most services such as janitorial services and security services are considered “general services” contracting. General services contracts are subject to obtaining competitive quotations and bids as outlined in Policy 400.1.6.

Rules Established by the NC Division of Purchase and Contract that ECSU Must Follow When Seeking to Obtain a Service Contract

1. A Purchase Requisition and attached memo justifying the need for the service and confirming that funds are available for such purpose shall be on file with the ECSU Purchasing Department.
2. After completing justification for the service, (evident by the approved Purchase Requisition), ECSU’s Purchasing Department shall prepare a complete task description, outlining in detail the services required. Specifications for all services expected to cost over \$2,500 must be issued in written form, via a Request for Proposal (RFP), Invitation for Bids (IFB), or Request for Quotation (RFQ).
3. Before seeking services from the private sector, the Purchasing Department and the Requisitioning Department shall investigate sources within state government, the State University system, and the Department of Community Colleges which may be able to provide the services. If it is determined that such resources are not available, the requirements can then be publicized to the private sector.
4. Certain categories of services (e.g., informational processing, auditing) require review and approval of the state agency (ies) responsible for related services for the state. Such review serves two purposes: 1) To determine whether the resources to perform the service already exist within state government and need not be duplicated; and 2) To ensure that specifications are appropriate. The NC Division of Purchase and Contract will assist agencies in obtaining reviews as required.

5. After completing Steps 1 – 4 above, ECSU may then begin soliciting proposals, bids, or quotations from as many sources as possible. The agency should also develop an “active” mailing list for each type of service. Assistance in developing and maintaining mailing lists is provided by the NC Division of Purchase and Contract.
6. Depending on the nature of services required, a pre-proposal conference, site visit, or other provision for questions from potential offerers may be included in the specifications. Any changes or additions to the specifications shall be issued as a written addendum.
7. After all proposals are received, the ECSU Purchasing Department shall carefully analyze the proposals to ascertain compliance with the task description, qualifications, terms and conditions. Before an award is recommended, the Purchasing Department should make a determination through references, financial statements, etc., that the recommended contractor is capable of performing the work in a satisfactory manner. This evaluation shall be documented for the procurement file. For contracts under the amount delegated to the agencies by statute (*\$35,000*), the Purchasing Department shall make the award and prepare a contract incorporating the Request for Proposal specifications, the contractor’s response, and ECSU’s standard terms and conditions.
8. For contracts over \$ 35,000, the ECSU Purchasing Department shall submit to the NC Division of Purchase and Contract a complete package documenting the procurement activity. This (*package*) shall contain, at a minimum, the justification memorandum, the RFP (Request for Proposal) as issued, a copy of the mailing list, any addenda, copies of all proposals received, the proposal evaluation, and a recommendation for award. Please note that the threshold requiring review by Purchase and Contract is determined by the total cost for the initial contract period, excluding any renewal options for additional time periods. Any such renewal option(s) must be detailed in the RFP and resulting tract, including possible price adjustments for renewal periods (based on indicators like the Consumer Price Index-CP1).
9. All agencies of the state shall make every effort to eliminate “sole source contracts” whenever possible. ECSU shall contact the NC Division of Purchase and Contract before initiating a sole source contract to ascertain whether other prospective contractors may be available. If a sole source contract is then judged to be the only feasible source of the services, a memorandum of justification and recommendation shall be submitted to the Division for review and approval prior to pursuing a contract.
10. ECSU must ensure that they do not enter into any service agreements without a legal contract signed by all pertinent parties. In no way should a party perform services for the

university without a copy of a signed contract regarding his/her services to be performed for ECSU in exchange for payment from ECSU.

11. Prior to ECSU's Chancellor signing any contractual agreements over \$5,000, the agreement will be reviewed by ECSU's Legal Counsel.
12. After the contract is signed and/or a purchase order is issued, the complete procurement file (with the exception of proprietary or confidential information) is available for public inspection.

Confidentiality

All information and documentation relative to the development of a contractual document (Request for Quotes, Request for Proposals, Waiver of Competition, Negotiation, etc.) for a proposed procurement or contract shall be deemed confidential in nature, except as deemed necessary by the purchase to develop a complete contractual document. Such material shall remain confidential until the award of contract.

This includes all information and documentation relative to the development of a specification until the adoption of that specification or an award of contract if developed for a specific procurement or contract, which ever is later.

During the period of evaluating offers and prior to the award, possession of offers and accompanying information shall be limited to those in using agencies who are responsible for participating in the evaluation and to persons in the North Carolina Division of Purchase and Contract. After award of the contract, the complete file shall be available to any interested person with the exception of trade secrets, subject to the following Rules:

- 1) To promote maximum competition and to protect the public competitive procedure from being used to obtain information which would normally not be available otherwise, agencies may maintain the confidentiality of certain types of information. Such information includes trade secrets, as determined by North Carolina law, and like information as the State Purchasing Officer may determine to insure the integrity of the public purchasing process. Trade secrets which the offeror does not wish disclosed shall be identified as follows: Each page shall be identified in boldface at the top and bottom as "CONFIDENTIAL". Cost information shall not be confidential.
- 2) Certain award information, as determined by the North Carolina State Purchasing Officer, may be deemed confidential due to the nature of the purchase (Example: law enforcement surveillance equipment.)

Notice of Award After contracts are awarded, ECSU will notify all successful companies in writing or electronically.

ELIZABETH CITY STATE UNIVERSITY
Consultant Services

Definition

A consultant service is work or task(s) performed by state employees or independent contractors processing specialized knowledge, experience, expertise and professional qualifications to investigate assigned problems or projects and to provide counsel, review, analysis or advice in formulating or implementing improvements in programs or services. This includes but is not limited to the organization, planning, directing, control, evaluation, and operation of a program, agency, or department. Consultant services may only be acquired in accordance with the requirements of North Carolina law.

Applicability of State Rules

- (1) The concept or need for a consultant service must be approved by the Governor or his/her designee prior to issuing a Request for Proposals (RFP) or seeking approval for a sole-source contract. This rule includes ECSU seeking legal counsel. The request for approval of the concept/need for a consultant services must include an endorsement from ECSU's Chancellor. This package shall be sent to the NC Division of Purchase and Contract for review and forwarding to the Governor's Office.
- (2) Before receiving authorization to seek consultant services, ECSU must submit written justification for its request for consultant services to the NC Div of Purchase and Contract.
- (3) Whenever possible, consultant services shall be obtained from other State agencies when the services available from other agencies substantially meet the reasonable specifications of the ECSU.
- (4) After approval of the concept/need is received, the NC Division of Purchase and Contract must review and approve the RFP before it is issued.
- (5) If ECSU receives approval to solicit proposals for consultant services, ECSU shall proceed in accordance with the requirements of the North Carolina Division of Purchase and Contract.

ELIZABETH CITY STATE UNIVERSITY
Purchases for Persons with Disabilities

Special Provisions for Disabled Persons

ECSU shall make special provisions for the purchase of goods and services, which provisions are necessary to meet the documented training, work, or independent living need of persons with disabilities according to the requirements of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act, as amended. These special provisions shall provide for the following:

- (1) the involvement of the individual in the choice of particular goods, service providers, and in the methods used to provide the goods and services;
- (2) the flexibility necessary to meet those varying needs of individuals that are related to their disabilities;
- (3) the purchase outside of certified sources of supply and the waiving of competition when a single source can provide multiple pieces of equipment, including adaptive equipment, that are more compatible with each other than they would be if they were purchased from multiple vendors;
- (4) give priority consideration to suppliers offering the earliest possible delivery date of goods or services especially when a time factor is crucial to the individual's ability to secure a job, and/or avoid residential placement in an institutional setting;
- (5) and, consider the convenience of the provider's location for the individual with the disability.

The following criteria shall also be considered:

- (1) cost effectiveness;
- (2) quality;
- (3) the provider's general reputation and performance capabilities;
- (4) substantial conformity with specifications and other conditions set forth for these purchases;
- (5) the suitability of the goods or services for the intended use;
- (6) the personal or other related services needed;

- (7) transportation charges;
- (8) and other factors pertinent to the purchase.

Special Considerations

Where articles are to be used for educational or training purposes by handicapped persons, or for test and evaluation or research purposes, special or overriding consideration may be given to the factor of suitability in the preparation of specifications, the evaluation of offers, for waiver of competition, and the award of contracts.

ELIZABETH CITY STATE UNIVERSITY
Purchases from Nonprofit Work Centers for the Blind and the Severely Disabled

Competition May Be Waived

ECSU may purchase goods and services directly from a non-profit work center for the blind and severely disabled as long as,

- (1) the purchase of goods does not exceed our general delegation of \$35,000, and
- (2) the goods and services are not available under a statewide term contract, and
- (3) the goods and services must be of suitable price and quality, as determined by ECSU User Departments and the ECSU Purchasing Department.

Competition is not required when making a purchase from a nonprofit work center for the blind and severely disabled. Nonprofit work centers for the blind and severely disabled may still submit offers for contracts.

ELIZABETH CITY STATE UNIVERSITY
Required Purchasing Preferences

Department of Correction Products

Elizabeth City State University shall give preference to Department of Correction's products in accordance with G.S. 148-70, all departments, institutions, and agencies of this State shall give preference to the Department of Correction's products in purchasing articles, products, and commodities which these departments, institutions, and agencies required and which are manufactured or produced within the State Prison System and offered for sale to them by the Department of Correction. This preference requirement also applies to all community colleges (except printing) and local school administrative units (except food and supplies for school food services and printing).

Products available from the private sector, including those on term contracts, shall be purchased only when it is determined that the Correction Enterprises product will not satisfy the requirement or will not be available when needed. Correction Enterprises is required to keep the price of products substantially in accord with that paid by governmental agencies for similar products of equivalent quality.

Correction Enterprises has a catalog available upon request entitled, "Product Information and Price List", which includes the products available and costs. Availability of the products will vary by product and season, therefore, it is recommended that you contact Correction Enterprises to determine if the product is available within the time frame needed.

(Statewide Toll Free Number (800) 241-0124; Raleigh Number (919) 662-4400; Fax Number (919) 662-4409).

North Carolina Products

Where quality and availability allow, specifications are to be based on products grown or manufactured in North Carolina. This special interest in North Carolina products is intended to encourage and promote their use, but is not exercised to the exclusion of other products or to prevent fair and open competition.

ELIZABETH CITY STATE UNIVERSITY
Conditional Purchases

Grants which are Predicated by a Purchase from the Grantor

When ECSU receives a grant, donation, or special discount based upon making a purchase, the proposed transaction shall be explained in writing and shall from the Grantor have prior approval of the NC State Purchasing Officer. Prior to approval, the NC State Purchasing Officer shall consider the conditions placed on the grant, donation, or special discount, and how they will affect the agency and the State, the cost of agreeing to such conditions, and the market conditions.

Donations from Private Sources

When a donation from a private source is predicated upon making the purchase or lease from a specific source, the purchase or lease may be made without prior approval of the NC State Purchasing Officer or Secretary. This only applies if the donations from the private source covers 100% of the purchase price.

ELIZABETH CITY STATE UNIVERSITY
Printing

ECSU can Handle Jobs Up to \$10,000

The State has delegated to ECSU the authority to handle printing contracts up to \$10,000. All printing contracts over this dollar limit shall be handled by the NC Division of Purchase and Contract. However, ECSU may send work directly to the Department of Corrections.

If the NC Div of P&C Handles Job

Requisitions must be sent to the NC Division of Purchase and Contract for all jobs which they handle—anything over \$10,000. Requisitions should be submitted to the NC Division of Purchase and Contract or to the Department of Correction well in advance of actual need.

For Printing Only Jobs < \$500 are Small Purchases

Expenditures up to \$2,500 are considered small purchases for printing purposes only. However, G.S. 148-70 does require the use of the Department of Correction will be used if it is capable of satisfying the printing requirement.

Requirements for All Jobs Handled at ECSU

All printing contracts handled by the University over \$2,500, which cannot be satisfied by the Department of Correction in accordance with G.S. 148-70, shall be handled as follows:

- (1) Competition must be solicited, where available; and
- (2) All transactions shall be documented. This includes a record of all quotes received, written and verbal, and written reason for award to other than low quote. Written reasons for waiver, emergency and pressing need transactions shall also be a matter of record; and
- (3) All purchasing files must be retained for a period of five years after expiration. This includes purchase orders, quotes (verbal and written), waivers, emergency and pressing need transactions. All supporting documentation must be kept in the file during this retention period (Examples: all quotes received, reason for contracting with other than low quote or with sole source as a waiver or-an-emergency or pressing need, copy of purchase order and any correspondence; and

(4) In addition, for printing contracts over \$5,000 but still within the limit for universities and institutions, the guidelines below shall be followed:

- (a) Solicitation documents shall be issued by the Purchasing Department. This shall also apply to a waiver, emergency, or pressing need, if time permits; and
- (b) The solicitation documents sent out shall include terms and conditions applicable to the requirement.

The award of contracts within the \$10,000 limit shall be the responsibility of the Chancellor.

ELIZABETH CITY STATE UNIVERSITY
Historically Underutilized Business Program (HUB)

HUB Purchases

The Minority, Women and Disabled Business Enterprise Goals Program was established to encourage increased participation by these groups in the State's procurement process. The program name changed from the Small Business Program to the historically underutilized business program (HUB) to better reflect the intent of this statewide program. ECSU shall report the amount of purchases made through these identified HUB's (women, minority, and disabled owned business, disabled business enterprises, and non-profit workshops for the blind and severely disabled) to the NC Division of Purchase and Contract.

ELIZABETH CITY STATE UNIVERSITY Obtaining Federal Surplus Property

General

NC Division of Purchase and Contract operates a Federal Surplus Property Office in Raleigh for use by State agencies in obtaining Federal Surplus Property. The warehouse is located at 1950 Old Garner Road. Federal Surplus Property is available to the University for a nominal service charge which is commensurate with its costs on all donated Federal Surplus Property. Delivery Costs will be billed as part of the service charge. No Cash Transactions are handled. All charges must be handled by checks drawn on ECSU. A wide assortment of supplies and equipment is regularly available, with many items having a definite and immediate application to the needs of university departments.

Eligibility

Federal surplus property is available to eligible organizations and is distributed on a fair and equitable basis with a reasonable time being given to allow for acceptance. The foremost and overriding objective of the State agency is to provide fair and equitable distribution of surplus property available to all eligible participants. To accomplish this objective, principal consideration will be given to written request showing relative needs, relative resources, and relative ability to fully utilize available property. If you are interested in applying for federal surplus, please contact the ECSU Purchasing Office to obtain a list of criteria considered in determining eligibility.

Authorization

Authorization to use the surplus facility is obtained from the ECSU Purchasing Department which prepares an agreement which the using department and budget officer must sign.

Special Permission

Only those items which have a known value to a department and which have an immediate application should be purchased. Motor vehicles and office machines may be acquired only with special permission from the requisitioning Department Head, the Budget Officer and the Director of Purchasing.

Utilization

The State Agency shall effect utilization reviews for compliance by donees with the terms, conditions, reservations and restrictions imposed by the Federal and State Government for any item of property having a unit cost of five thousand (\$5,000) or more and any passenger motor vehicle.

ELIZABETH CITY STATE UNIVERSITY
University Surplus Property

Inventory Control

Decals are not to be removed from controlled equipment when they are removed from an office. Please complete the Change in Disposition form, sign it, and send it to the Purchasing Department to be authorized by the Fixed Assets Officer. Request a copy of the completed form, with the Fixed Assets Officer's signature, for your files.

Radioactivity Decontamination

No tool, instrument, vessel, storage cabinet, refrigerator, etc., used with radioactive materials may be moved to another department or the Surplus Property Warehouse, or considered for trade-in, until it has been fully decontaminated and cleared by the ECSU Safety Officer.

Fixed Assets Officer

The Fixed Assets Officer is authorized to dispose of or transfer obsolete and surplus University property. Departments having surplus property should contact the Fixed Assets Officer for disposal instructions.

Surplus Property Warehouse

University departments may contact the Fixed Assets Officer to determine the best way of disposing of surplus items. Either the Fixed Assets Officer will have someone pick up the item(s) or, the Fixed Assets Officer will meet you at the warehouse to drop off your surplus item(s). Please be sure to retain a receipt for the items transferred to Surplus Property with your signed copy of the Change in Disposition Form. The warehouse is located in the back garage of the fenced-in area of the Thomas – Jenkins Building.

Direct Transfer

Property which is surplus to one department may be transferred directly to another department (omitting transfer to the Surplus Property Warehouse). Any item bearing an ECSU decal number is on record in the Fixed Assets Office. Each Department assigned assets should receive a semi-annual statement listing all assets assigned to them and the assets related acquisition costs. Office machines are also recorded on an inventory list maintained by Purchasing Department. Although items may be transferred instead of taking them to the Surplus Warehouse, "Change in Disposition Forms" must be

on file and approved in the Fixed Assets Office indicating a transfer of the surplus property from one department to another.

Review Of Fixed Assets Statements

Additionally, semi-annual fixed assets statements must be checked to assure that the items removed from an office and transferred to Surplus Property are no longer assigned to a department. If an item is on a semi-annual fixed assets statement after the item has been removed from an office, please contact the Fixed Assets Officer.

Higher Value as Trade-In

Some used equipment (such as office machines and scientific equipment) has a trade-in value higher than its resale value on the purchase of new equipment of the same type. When used equipment is to be traded in, identify it on a Purchase Requisition by model number, serial number, description, and ECSU Decal Number, if present. A vendor may not remove equipment prior to authorization from the ECSU Purchasing Department. The ECSU Fixed Assets Officer should contact the NC Division of Purchase and Contract for guidance prior to committing to a trade-in.

Department Acquisition

University departments may acquire equipment turned in to the North Carolina Division of Purchase and Contract Surplus Property Office. Departments interested in items on the list should contact the Purchasing Department.

State Owned Property

All sales of State-owned surplus equipment (generally on a sealed bid basis, to the general public) are handled by the North Carolina Department of Administration, Purchase and Contract Division. The Materials Management and Distribution Division requests the State Purchase and Contract Division to dispose of any property which becomes surplus to the University.

Inspect and Reserve Items

Departments interested in Surplus Property items should have someone inspect the material to be sure it is suitable for their needs. Since the sale is on a first-come, first-served *no return* basis, the Director of the Purchasing Department should be advised of interest and asked to hold the desired items until arrangements are made for transportation. Transportation cost, if any, will be charged to the department to which a transfer is made.

First Priority to Other State Agencies

In the disposition of State surplus property, the State Surplus Property Office gives first priority to transfer to other agencies of the State. Second Priority is given to transfer political subdivisions and qualified non-profit organizations within the State.

Public Sales

When not transferred, State Surplus property is generally offered for public sale, usually by sealed bid, with public advertisement of the sale at least seven days in advance of the opening bids.

State Surplus Sales and Transfers are First Come First Served

Monthly Billing

At the end of each month, the Director of the Purchasing Department submits an invoice to the University Accounting Department for all transfers made during the previous month. The Purchasing Department distributes departmental file copies of the invoice and supporting delivery or charge tickets.

ELIZABETH CITY STATE UNIVERSITY
Buying Used Equipment

General

Although it is generally considered to be in the best interest of the University to purchase only new equipment, used equipment may be procured in special cases where it is determined to be most advantageous for the intended purpose. Departments should research new equipment prices, seek out multiple sources and quotes for the used equipment, and compare warranty provisions with that of new equipment before proposing such an acquisition.

Approval

When a department has a special need for a particular used item, the proposed rationale for the purchase should be discussed with the Director of Purchasing. A purchase requisition should then be submitted, including in the description block: the model number, serial number, condition, age, current new acquisition costs, proposed used cost, and warranty information. The requisition must be accompanied by a signed justification memorandum detailing the rationale which supports the purchase.

Competitive Purchases

Based upon the rationale for the purchase, the market for the specified equipment, and the availability of multiple sources, the University Purchasing Department will determine whether the purchase can be approved as a single source purchase or whether it must be competed among multiple sources. In cases where demonstrator equipment is offered at reduced prices under “new” warranty conditions, other known vendors must be offered an opportunity to quote on similar equipment.

PLEASE SEE:

Policy 400.1.30: Obtaining Federal Surplus Property

Policy 400.1.31: University Surplus Property

ELIZABETH CITY STATE UNIVERSITY
Rental and Lease Equipmentnt

General

In industry, renting and leasing, rather than purchasing, expensive equipment is a common practice. The State does not generally lease or rent equipment, although there is no specific rule prohibiting this practice. If equipment is to be required on a continuing basis, it is generally more economical to purchase it.

Rental/Lease Agreements

It may be desirable to rent equipment for a short duration for a specific requirement. Rental agreements are similar to lease agreements, except that rental agreements are normally for an indefinite period and can be terminated by the renter after giving notice, usually thirty days, in advance. The initial cost of some equipment, such as computers, is so great that when this type of equipment is required, it may be more economical to rent on a continuing but indefinite basis. Also, new, updated versions of this type of equipment are constantly placed on the market, making it unwise to invest large sums in equipment which may soon be obsolete. Rental and lease contracts do not include any intent for ownership.

Rental Lease Agreements for Commodities

Contracts for the rental or lease of commodities shall be handled under the same Rules applying to the outright purchase of commodities.

Lease/Purchase Agreements

Lease/Purchase agreements (installment buying agreements) are entered into with the intent of ownership by the State/Agency. Lease/Purchase agreements are for a definite period of time, usually one to three years, and cannot be cancelled without significant financial penalties.

The same Rules applying to outright purchases shall be applied for lease-purchases.

Requisitions

Departmental Rental/Lease or Lease/Purchase requests should be submitted to the Purchasing Department on a Purchasing Requisition with a memorandum justifying the need for renting/leasing or installment buying rather than an outright purchase, a copy of the agreement, and any other available communication concerning the request.

ELIZABETH CITY STATE UNIVERSITY
Delayed Receiving/Payment for Special Acceptance Considerations

General Considerations

It is occasionally in the best interest of the university and the State to delay prompt payment of outstanding invoices. These situations typically involve larger dollar amount procurements where final receiving and approval for payment, i.e., “contractual acceptance”, is contingent upon satisfactory delivery and installation by the vendor.

Departmental Authorization

Final approval and acceptance of these types of orders will be authorized by the requesting department using criteria which have been predetermined and agreed to by the vendor, the end user, and the ECSU Purchasing Department.

Departmental Contract

Once criteria have been established, the requesting department must designate a contact person who is responsible for the final acceptance of the order. This person must request that the Purchasing Department place a “ withhold payment flag” on the purchase order when it is issued and remove the flag once all receiving criteria have been met. The flag will prevent final payment of invoices posted against the order until the department contact requests removal.

Examples of Use

This procedure should not be used when ordering any of the following:

- a. Term contract items
- b. Standing or Maintenance Orders
- c. Catalog, stock, or off the shelf items
- d. Regular items below \$5,000.

Some representative examples of procurements in which a withhold payment flag may be useful are:

- a. Specialized or customized scientific equipment such as Lasers or Electron Microscopes that require extensive installation, set up, and calibration which must be performed by factory trained and authorized representatives to protect warranty considerations.

- b. Modification to facilities or renovation projects, such as new carpet installation.

ELIZABETH CITY STATE UNIVERSITY
Miscellaneous Purchases
(Subscriptions and Periodicals, Draperies/Window Treatments,
Decorations, Flowers and Greeting Cards)

1. **Preamble**

In an effort to facilitate the purchase of Subscriptions and Periodicals, Draperies and Window Treatments, Decorations, Flowers and greeting Cards Elizabeth City State University (ECSU) provides specific policies that must be followed.

2. **Participation**

- a. All university departments and Sponsored Activities when approved by sponsoring/granting agency.

3. **Subscriptions and Periodicals**

- a. All subscription purchases from university-administered funds must be mailed to a University business address. (Please see: Policy 400.1.23: Contractual Services)

4. **Draperies and Window Treatments**

- a. **Fund Source**-Draperies and window treatments needed for acoustical and/or light purposes may be charged to State Funds. Draperies and window treatments to be used primarily for aesthetic purposes may not be charged to State Funds.
- b. **Approval**-The purchase of draperies and window treatments is subject to the approval of Facilities Management's Planning Area, which will give advice on the best fabric and types of installation.
- c. **Maintenance Responsibility**-Maintenance and replacement of draperies and window treatments are the responsibility of the requesting department.
- d. **Assistance**-For more information contact Facilities Management.

5. **Flowers**

- a. Cut flowers, flower arrangements, and live or artificial flowers and shrub planters desired for aesthetic value for activities which serve the public image of the University may be purchased from State appropriated funds or trust funds. Purchases of flower arrangements in other cases may only be made against trust funds.

6. **Decorations and Greetings Cards**

- a. Christmas decorations or other seasonal decorations may not be charged to State funds. Unless a department has trust funds, which may be authorized for such uses, decorations and greeting cards are the responsibility of the individual making or authorizing the purchase.

7. **Other Decorations**

- a. State funds may not be used for the purchase of items having aesthetic value only, such as pictures, wall hangings, decorative lamps and other decorations.

ELIZABETH CITY STATE UNIVERSITY
Complaints to Vendors

When a vendor is not living up to the terms and conditions of a particular purchase order or a vendor's product does not meet the specified standards and warranty provisions, the vendor should be notified as soon as possible. Efforts should be made to work directly with the vendor to resolve such issues. Records of such efforts and the vendor's response should be maintained in the event that a formal complaint is required. If a problem remains unresolved, the Purchasing Department should be notified in writing of the details. The Purchasing Director should be contacted for assistance in informal efforts to resolve problems with vendors or for information concerning contractual obligations for a specific product or service.

If problems continue to exist without resolution, the Purchasing Department can file a formal complaint with the vendor through the NC Division of Purchase and Contract.

ELIZABETH CITY STATE UNIVERSITY
Maintenance and Service Contracts

Maintenance Service Contracts

For some types of equipment, such as specialized scientific apparatus, it is often most economical to arrange for a service or maintenance contract with the manufacturer or service agency. The costs of service on this equipment must be borne by the using department and usually involves a service call charge, labor, and parts charges each time repair or maintenance is required. While parts and supplies are usually not covered in the service contract, the savings on service calls and labor charges can make the lump sum payment for a service contract very reasonable. Maintenance Service contracts can also be established for computer software and electronic on-line data subscriptions. The initial purchase of software often requires the establishment of a software “license” which usually includes a written agreement.

Purchase Requisitions Renewals

A service or maintenance contract is initiated by submitting a Purchase Requisition to the Purchasing Department. Expendable parts are not usually covered under a maintenance agreement, and a separate confirming Purchase Requisition must be issued and submitted to the Purchasing Department for charges not covered by a contract. The continuation of established maintenance service contracts to subsequent years may be accomplished by submitting a new requisition to the Purchasing Department 60 days prior to the expiration of an existing contract. Each renewal requisition must clearly make reference to the existing purchase order number established for the original agreement/contract. A new written agreement need not be included with the requisition if the previous written agreement on file in the Purchasing Department has been subject to legal review and has not been changed by the vendor. When the written agreement is included with the requisition, it must be signed by the department before it is sent to the Purchasing Department.

Legal Review

All written contracts/agreements in excess of \$5,000 must be reviewed by the University’s legal counsel prior to the issuance of a purchase order. Upon any subsequent renewal of a maintenance service contract, legal review of the written agreement is not required unless changes were made to the agreement by the vendor.

Contract Term

Maintenance Service contracts can be established for a period of twelve months or less. Contracts may be renewed at the end of an initial contract period.

Purchasing Authority

All contracts are subject to the University's applicable delegation of \$35,000. Any agreements exceeding \$35,000 must be routed to the State Division of Purchase and Contract for approval by the Board of Award.

Competition

Usually, maintenance service for equipment or software is purchased from the original manufacturer or supplier. If the user wants to contract for maintenance or service from a vendor other than the original manufacturer or supplier, competition for the service is encouraged, unless a case for single source (other than the original manufacturer or supplier) acquisition can be justified in writing and approved by the appropriate purchasing authority.

Service Requests

Once equipment is covered by a maintenance contract, service may be requested by the using department directly from the manufacturer or service agency.

ELIZABETH CITY STATE UNIVERSITY
Ethyl Alcohol Regulations

Permitted Uses

The procurement and use of tax-free ethyl alcohol is authorized by a special permit granted to the university by the U.S. Treasury Department, Internal Revenue Service. The permit outlines the authorized uses in the following manner:

1. Preserving specimen of anatomy, biology, and natural history;
2. General reagent work in chemical laboratories;
3. Research and laboratory work in research laboratories;
4. Patient care and laboratory uses incidental to the care of patients at the Infirmary.

Handling

The handling of tax-free alcohol is controlled as to use as follow:

1. Tax-free alcohol must never be sold.
2. Tax-free alcohol must be used on the premises named in the permit (Elizabeth City State University).
3. Tax-free alcohol must never be used in the manufacture of food flavors, flavoring extract, food products, or beverages.
4. Tax-free alcohol cannot be loaned to another person or institution, even if such person or institution is also authorized to use tax-free alcohol.
5. Tax-free alcohol cannot be sold or issued to doctors for use in private practice even if these services are performed in the infirmary.
6. Research laboratories authorized to use tax-free alcohol in pure research must discontinue using tax-free alcohol when the research program is completed or discontinued.
7. Tax-free alcohol must not be used as a cleaning agent in repair work and machine shops.

Audits

The Director of Purchasing is designated by the Board of Trustees as the curator of all tax-free ethyl alcohol used at Elizabeth City State University. All alcohol releases should be checked at least annually by federal auditors for strict compliance to the permit as well as for quantities used. The auditors not only check the issuance records to ascertain correctness but may also check the supplies of the using department.

Careful Storage

Ethyl alcohol is requisitioned to purchase orders. The regulations state that we release only the quantity that is expected to be used over a short duration of time. Any unused alcohol should be secured so that only authorized persons will have access.

ELIZABETH CITY STATE UNIVERSITY
Purchase of Radiation Producing Equipment

General

Various types of equipment produce radiation by design or incidental to the primary purpose of the device. Design and performance standards have been imposed on manufacturers through the "Radiation Control for Health and Safety Act," administered by the Center for Devices and Radiological Health, FDA, U.S. Department of Health and Human Services. The purpose of the Act is to protect the public from unnecessary exposure to radiation from "electronic product radiation." The Act applies to products which emit x-rays, ultraviolet, infrared or microwave radiation, and to lasers and ultrasonic equipment.

Surveillance

Because the degree of hazard is dependent on method or location of installation and in some cases, may change with the age of the equipment, the Safety Office reviews Purchase Requisitions for radiation-producing equipment to insure proper installation and periodic surveillance.

Placing an Order

Purchase requisitions for radiation producing equipment should be sent directly to the Safety Office. The Safety Office will review the purchase requisitions, noting the location where the equipment is to be installed, and will determine if shielding or other special requirements are necessary. A brief description of how the equipment will be used and any special safety precautions or operating procedures will help in expediting the review.

Equipment Installation

Radiation producing equipment must be installed by the vendor or other qualified persons; in some cases these installers must be registered with the State Radiation Protection Agency. The using department should notify the Safety Office on arrival of the equipment so that appropriate surveys and reports required by State and Federal agencies can be completed. The Safety Office will review operating procedures before use.

Periodic Reviews

The Safety Office will make periodic surveys of equipment as appropriate.

Assistance

For assistance or information concerning radiation-producing equipment, call the Safety Office at 335-3549.

ELIZABETH CITY STATE UNIVERSITY
Purchase of Office, Lounge and Institutional Furniture

State Contracts

The State maintains contracts for almost all types of furniture required for offices and lounge areas, and university requirements must generally be met from these contracts.

Purchase Authorizations

Adding or replacing furniture requires the submission of a completed purchase requisition to the Purchasing Department.

Lead Time

It requires approximately 60 days to affect delivery after placing an order for furniture. Therefore, furniture needs should be anticipated as far in advance as possible.

Assembly

Facilities Management should be contacted for assistance in assembling furniture.

Warranties

Departments should keep good records of purchase orders for furniture, particularly those involving term contracts. Some of these items have warranties up to ten years, but in order to be valid, the respective purchase order must be presented.

ELIZABETH CITY STATE UNIVERSITY
Meals and Lodging for Guests

Guests

Persons who are invited to the university to participate in a program sponsored by a department, or for other approved reasons, may be provided meals and lodging paid for by the sponsoring department, as long as a stipend is not being received by the invitee in which these expenses are included. Departments should be sure, in advance, that funds are allocated for paying such expenses.

Other Costs

On occasions when a guest is accompanied by a representative of the host department, the cost of the representative's meals also may be borne by the department. Charges for alcoholic beverages are not permitted against State funds.

Requests for Payment

Upon request, the university dining hall or lodging facility will bill a department for services provided to guests rather than requiring payment in cash. Requests for payment should be made by using the Check Request form. The Check Request form should be accompanied by a copy of the invoice or bill. A brief description or explanation of the charges should be written on the Check Request form.

Purchase Requisition

When university facilities are unavailable to guests, it is permissible to utilize commercial eating and/or lodging establishments on a charge basis. To cover charges of such nature, a purchase requisition must be prepared and submitted to the Purchasing Department, giving a brief explanation of the event.

ELIZABETH CITY STATE UNIVERSITY
Trade-In Allowances

General

Trading-in used property for credit against the purchase of a new item often times provides a greater financial return to the state than selling such items through Surplus Property. While state regulations address trade-ins as “replacements” for like items, dissimilar items—e.g. a piano for a harp—may be used as trade-ins if the requisitioning department can document that such a transaction would provide more value to the state than selling the item(s) through surplus.

Authorization

The NC State Surplus Property Officer or State Auxiliary Services Director must approve each trade-in of used property.

Required Documentation

In order to support the approval request, the department must submit a purchase requisition along with a description of the item to be traded-in. This description should include the make, model, original acquisition date, original costs, ECSU decal number, serial number, and original purchase order number (if available). If the item to be traded-in is not a “replacement” or like item, the department must attach a signed justification letter stating the reasons why the department believes that a trade-in would result in greater financial return to the state than a sale through surplus.

Acquisition Process

The appropriate purchasing procedure for a trade-in is based upon the acquisition value of the new equipment (without the trade-in credit). Because the transaction requires the State Property Officer’s approval, no trade-ins can be done under the small order procedure. If the acquisition value requires obtaining competitive quotes/bids, the Purchasing Department will see quotes/bids both with, and without, the application of the trade-in allowance. This will give you the flexibility to purchase without a trade-in, should you or the State Surplus Property Officer determine that the trade-in allowance offered is insufficient for the item(s) involved.

Please See: Policy 400.1.31: University Surplus Property

ELIZABETH CITY STATE UNIVERSITY
Repair of In-Warranty Equipment

Manufacturer Warranty

Most equipment is warranted by the manufacturer for a period of time against faulty parts or workmanship. Such equipment is generally supplied with a warranty card which is to be completed by the requisitioning department and returned to the manufacturer as soon as the equipment is received. Unless this warranty card is returned promptly, some manufacturers will not recognize their liability for the repair or replacement of the equipment.

Warranty Service

A request for in-warranty service for all types of equipment should be submitted to the Purchasing Office on a purchase requisition.

Warranty Period

Most office machines and micro-computers carry a one year warranty. Some warranties are on site and others are taken care of by being returned to the vendor. Computer equipment that is not purchased on state contract usually has a 90 day warranty. Copiers also usually carry a 90 day warranty.

Routine Maintenance

If routine maintenance (service needs that are not normally covered by warranty) will be required for equipment while under warranty, the possibility of a service contract should be discussed with the vendor's representative. A purchase requisition for this type of service should be submitted to the Purchasing Department as soon as the equipment is installed.

ELIZABETH CITY STATE UNIVERSITY
Repair of Out-of-Warranty Equipment

Service Calls

Request for out-of-warranty service to be performed and not covered by a maintenance contract must be made by a purchase requisition submitted for approval, to the Purchasing Department. If the needed repair is an emergency, the Purchasing Department may assign a purchase order number to the telephoned service request and authorize the requesting Department to contact the service agency before a confirming purchase requisition is submitted to the Purchasing Department.

Return for Service

A department with out-of-warranty equipment which must be returned to the manufacturer or supplier for repair must send a purchase requisition to the Purchasing Department describing the nature of the repair and indicating the name of the supplier and the purchase order number from the original purchase, if available. The department will also furnish shipping instructions and an estimated cost from the vendor.

Shipping

The equipment to be returned for service will be picked up by Central Receiving and returned to the company in accordance with the shipping instructions. Central Receiving will charge UPS shipping charges to the requesting department using the account number appearing on the purchase requisition which authorized the repair. The Central Receiving Clerk will forward these charges to the State Funds Accountant on a weekly basis. Incoming freight charges will be paid by the company and added to the repair invoice.

Please see: Policy 400.1.377: Maintenance and Service Contracts

ELIZABETH CITY STATE UNIVERSITY
Foreign Source Purchases

Lead Time

Estimated delivery times for international orders must take into consideration the time required to comply with U.S. & Foreign trade regulations, to transact business through U.S. & foreign customs agents, and to arrange for long distance shipment of goods.

Customs and Tariff

All goods shipped into the U.S. from other countries are subject to U.S. customs and tariff regulations.

Special Approval and Licensing

Certain incoming foreign products, such as agricultural products or drugs, may be subject to special approvals and/or licensing provisions. For such items, the using department must contact the appropriate federal agency (U.S. Department of Agriculture, Food & Drug Administration, etc.) to determine the required approval process. The U.S. Department of Commerce may also be contacted for assistance in determining which products require special approvals.

Special Exemption from Customs Charges

Items which can be documented as not available from U.S. suppliers can sometimes be exempted from customs charges. The department can request such exemption from the U.S. Department of Commerce (DOC) by submitting a completed DOC form ITA338P. The department must obtain approval from the Department of Commerce before submitting the purchase requisition form to the Purchasing Department. Because the exemption approval process can take up to 60 days or more, you should submit your application to the Department of Commerce as early as possible.

Submitting Your Requisition

Because of the need to use a customs broker to obtain goods from foreign sources, the small order procedure cannot be used even when goods are obtained at no charge to the University. Foreign source purchases must be requested on the standard requisition form. Although encumbrances and

final debiting of your university budgeted account(s) for the requisition are calculated in U.S. dollars, actual payment is made in appropriate foreign currency at the current exchange rate at the time of payment.

Requisitions for Customs Services Rendered

After the goods are received from the designated source, the broker will bill the University separately for the customs duties, reporting fees, and other administrative costs related to processing the order through U.S. Customs. When the University Purchasing Office receives the brokerage services invoice, the using department will be contacted and asked to submit a separate requisition for payment of these services.

ELIZABETH CITY STATE UNIVERSITY
Zero Dollar Purchase Orders

Automated Tracking of POs

The university's automated purchasing system can only track orders which have numbers assigned by the Purchasing Department. Also, in order to provide accounting for all equipment owned by the University, the Purchasing Department must route a copy of the purchase order to the Accounting Department for any equipment items obtained as gifts. Because of these reasons, zero dollar purchase orders are used to document/ track shipments of goods provided free of charge. The most common uses of this type of purchase order are for tracking shipments of goods received as gifts from corporations and other business entities or for documenting the terms of a contractual agreement for equipment demonstration models provided at no obligation to the University.

Requisition Needed

Even though no expenses are anticipated, each requisition for a zero dollar purchase order must cite an account number. Requisitions for evaluation of equipment provided at no obligation to the University must also be accompanied by a signed agreement which conforms to Policy 400.1.18, Evaluation of Equipment by Departments. Please note that although coordination with the Accounting Department is not required for equipment items which are not owned by the University (demonstration models), a purchase order is needed to document the contractual agreement and shipment of the item(s).

Please See: Policy 400.1.18: Evaluation of Equipment by Departments

ELIZABETH CITY STATE UNIVERSITY
Fixed Assets (FA)

Criteria

There is a statewide fixed asset capitalization threshold of \$5,000 for financial statement presentation. Only assets costing \$5,000 or more will be capitalized or added to the total fixed assets of the university at the end of the fiscal year. ECSU classifies assets costing between \$500 and \$4,999 as inventoried fixed assets and maintains control over assets fitting within this classification.

Two TYPES of FIXED ASSETS

Inventoried

Inventoried fixed assets are those costing between \$500 - \$4,999. These assets may have a useful life of more than one year, but do not meet the capitalization threshold of \$5,000. The ECSU Fixed Assets Officer will maintain a list of such assets for internal control purposes. The purchase price for these assets will be expensed on a yearly basis.

Capitalized

A capitalized fixed asset is tangible property, such as land, buildings and equipment, with a cost of \$5,000 or more and a useful life of more than one year. Fixed Assets are acquired for use in normal operations and are not for resale. These assets are long-term in nature and may be subject to depreciation, depending on which funds were used to purchase the asset.

Fixed Assets Data on File

Computerized data is maintained on all university owned property with a purchase cost of \$500 or more. Every item of University owned property meeting the above criteria is assigned a fixed asset decal number and entered on a computerized fixed assets system.

General Fund Fixed Assets

Assets purchased with governmental funds are recorded in the General Fixed Assets Account Group. Depreciation of general fixed assets should not be recorded in the accounts of governmental funds. Library books are recorded as one asset per library. The books continue to accumulate as one asset as of July 1 of each year. Each year the new additions and retirements will be netted out at year end. The net amount will be added as a component to the asset entered on July 1 of the previous year.

Assets purchased with proprietary funds are recorded in their respective fund group.

Proprietary Fund Fixed Assets

Depreciation of fixed assets accounted for in a proprietary fund should be recorded in the accounts of that fund. Depreciation is also recognized in those trust funds where expenses, net income, and/or capital maintenance are measured. Straight-line depreciation and units of output are the primary methods used to record depreciation expense.

Recorded Value on ECSU's Books

In accordance with GAAP, fixed assets should be recorded at historical cost or estimated historical costs. If purchasing a new asset, the cost is the amount paid for the asset. If it is a donated asset, the cost is the fair market value on the date donated. (The fair market value is the estimated amount of the asset for which it would be exchanged between a willing buyer and seller when neither are forced into the exchange. Both parties should have knowledge of all the facts and consider it an equitable exchange.) If using "In House" resources such as labor, materials, and supplies from Facilities Management, these costs should be included as part of the cost of the asset.

Capitalized Carrying Costs

The amount capitalized includes the purchase price or cost of construction plus any other charges incurred to place the asset in its intended location and condition for use. Examples of other charges include: legal and title fees; appraisal and negotiation fees; surveying fees; other closing cost; damage payments; land-preparation costs; demolition costs; architect and accounting fees; insurance premiums during the construction phase; transportation charges, and any costs or payments required to place the asset in its intended state of operation. If using in-house resources such as labor, materials, and supplies from Facilities Management, include the costs of the resources as part of the cost of the asset. Capitalize the costs as if outside sources were used.

Additions

Additions increase the physical size or operating capabilities of an asset through expansion or extension. Additions do not involve renovations. A new wing to a building is an example of an addition. Additions are considered separate assets. The addition is capitalized if its cost exceeds \$5,000. Additions valued below \$5,000 are expensed (like other inventoried assets) and are neither capitalized nor depreciated (if applicable) for financial presentation purposes. The difference between additions and maintenance costs is that additions add future benefits while maintenance costs are incurred to keep the original asset in its normal operation condition.

Maintenance Costs

If costs are incurred to keep the asset in its normal operating condition and the life of the asset is not extended, do not capitalize the costs. Maintenance Costs should be expensed, or written off with the year's expenses. For example, engines in some of the university's Motor Fleet are rebuilt after several seasons. This was an expected cost at the time of purchase. It does not extend the life of the asset longer than originally intended, so the costs are expensed.

Asset Reconciliation

Fixed assets should be reconciled monthly by the Fixed Assets Officer and the Accounting Department. The Capitalized assets recorded on the fixed assets system should be balanced to the assets recorded on the general ledger. Any differences must be researched and resolved. The reconciliation must be documented and remain on file in accordance with record retention policies.

Missing Assets

If any assets (inventoried or capitalized) are missing during the Physical Inventory, a Missing Asset Form should be completed to document the reason for the missing asset. This form is reviewed by the responsible supervisor and or Department Head, the Vice-Chancellor with jurisdiction over the Department, the Fixed Assets Officer, and the Vice-Chancellor for Business and Finance. The Vice-Chancellor for Business and Finance will provide a Summarized Listing of all Missing Assets to the Chancellor at least semi-annually. The Office of the State Controller will periodically review items classified as missing assets. Every effort must be made to find the asset. All efforts must be documented and reviewed by the managers listed above.

Stolen Assets

If any asset is stolen, a theft report must be completed by the Campus Police Department. Please see the section following on Stolen Assets.

Change in Management

The NC State Controller's Office recommends that a physical inventory of capitalized assets and inventory items be taken each time there is a change in Department Heads and/or Managers that have responsibility for the assets. When the physical inventory is taken, the out-going and incoming department head or manager should sign the inventory sheets indicating both parties know where the assets are located and that the count is accurate. The signed inventory lists will be kept on file in both the Purchasing Department and the Responsible Department.

Renovations & Improvements

Renovation and Improvement Costs are incurred to restore or improve buildings or other assets. These costs involve the substitution of old parts for new ones and increase the economic benefits to be derived from the asset.

ELIZABETH CITY STATE UNIVERSITY
Fixed Assets- Buildings

Definition

Buildings are structures that are permanent in nature. They will exist for more than one year and, depending on the funding used for the purchase, may be subject to depreciation (proprietary funds).

Valuation

Buildings are valued at the purchase price or construction cost. Cost should include all charges applicable to the building (i.e. broker's fees, architect's fees, interest on construction, etc.). Permanently attached fixtures to the building (i.e. heating and ventilation systems) should be included in the cost of the building. Buildings valued at \$5,000 or above should be capitalized. Building valued below \$5,000 should be expensed. Buildings valued above \$500 will be listed in the Fixed Assets Automated System. Building valued between \$500 \$4,999 will classified as Inventoried Buildings and Buildings costing \$5,000 or more will be classified as Capitalized Buildings.

Donated Buildings

If a building is donated, it should be recorded in the Fixed Assets System and, if its costs meet the \$5,000 threshold, capitalized in the Financial Records System at the appraised fair market value at the time of the donation. The Fair Market Value is defined as the estimated amount of the asset for which it would be exchanged between a willing buyer and seller when neither are forced into the exchange.

Leased Buildings

Buildings that are leased follow the same policy as other fixed assets. The type of lease as well as the \$500/\$5,000 thresholds dictate whether a building is both recorded in the Fixed Assets System and Capitalized in the Financial Records.

Using In-House Resources

If you are using in-house resources from Facilities Management such as labor, materials, and supplies to construct or add on to a building, the costs should be included as part of the cost of the asset. Capitalize the costs as if outside sources were used. You must determine if the building meets the \$500 inventory threshold or the \$5,000 capitalized threshold. Remember to include the cost of the In-House resources in the total cost of the building.

Additional Construction

If an addition is constructed, it is added to the fixed asset system as a separate asset. If the additional construction exceeds the \$500/\$5,000 threshold it should be assigned its own Fixed Asset Number.

Renovation and Improvement Costs

Renovation and Improvement Costs are incurred to restore or improve buildings or other capitalized assets acquired in a run down condition. Property to be renovated and improved is usually purchased at a discounted price. The reason for the lower price is that considerable money will need to be spent to renovate/improve the asset before it can be put into service. The renovation/improvement costs incurred are added to the Fixed Assets System as a separate asset if the cost meets the \$500/\$5,000 threshold. Normally the costs take place over an extended period or time. Care must be taken to distinguish between maintenance costs and renovation/improvement costs over the period. *(Please see Policy 400.1.65)*

Maintenance Expenses

Maintenance expenses are incurred to keep assets in normal operating condition. Maintenance expenses are incurred to help maintain the original use of the building and do not extend the life of the building beyond the expected useful life at acquisition. Maintenance costs are expensed and not capitalized. The costs are charged to Repairs and Maintenance -- Expenditure Code 3500.

(Please See Policy 400.1.66)

Long-Term Construction

The long-term construction costs of buildings are paid with Capital Improvement Funds. Costs are accumulated and expended from the Capitol Improvement Budget while the building is under construction. Annually, the project to date expenditures (on the accrual basis) in the Capitol Improvement funds, less items capitalized, are recorded in the Construction in Progress Account. Some of the Construction in Progress costs would include architect fees, plumbing and electrical contracts, contractor fees, etc. A capitalized cost may include the heating system which cost in excess of \$5,000 and is in place when we begin to move in the building, the long term accumulated costs are reclassified from Construction in Progress to our Fixed Asset Building Account.

State Acceptance

After a building is inspected by the State Construction Office, ECSU will receive a Letter of Acceptance from the State Construction Office. After receipt of the letter and when the building is ready for occupancy, the building is considered complete. ECSU should reclassify the amount from the Construction in Progress account to the Fixed Asset Building account and issue the building a fixed asset decal number which will be recorded and kept on file in the Purchasing Office. This should be done whether or not the total Budget Code accounting for the asset has been closed. Upon completion, ECSU should send a Building Update Form to the State Property Office, including such information as total costs, square footage, acquisition date, etc. Beginning July 1, 1996, ECSU should reconcile its records annually.

Separation of Costs

Separate costs of the parts of the building that will probably be replaced before the end of the life of the building (such as roofs, plumbing, electrical, etc.) Enter the separate parts as individual assets and assign each separate part and individual decal number. When the "part" needs replacing, the amount to be written off is then readily available. In most cases, the costs can be broken down into general construction, heating and air conditioning, electrical and plumbing. The general construction costs will be one asset, with the remaining costs being separate assets. If major renovation takes place on a building, the original cost (less depreciation if applicable) of the part of the building being removed is eliminated from the accounts. The cost of removal of the renovation should be expensed. The remaining costs of adding the renovation should be a separate asset.

Space Utilization

University space in buildings is allocated through the Space Allocation Committees established by the Chancellor and chaired by the Director of Planning and Institutional Studies. Space additions, deletions, and/or changes are communicated to the departments. Data are updated to accurately reflect the conditions assignment and usage of facilities owned or controlled by the University. This data is used internally and reported to UNC General Administration (NC Commission on Higher Education Facilities) for use in publications and surveys concerning the University.

Identifying Buildings for Records

Buildings do not need to be tagged. The legal description must be recorded in the asset record to identify it as being State property.

Year Ending Inventory

All buildings are to be included and reviewed in the university's annual inventory. The inventory should ensure that buildings are accurately recorded in our records.

ELIZABETH CITY STATE UNIVERSITY
Fixed Assets- Land

Definition

Land is the real estate held by the State. Land can be purchased or otherwise acquired, i.e. inherited or donated. All land is entered on the university's Fixed Assets System, when the State (ECSU) takes ownership of the property and the \$500/\$5,000 threshold is met. Land valued from \$500 - \$4,999 is expensed or written off at the fiscal year end. Land costing \$5,000 or more is capitalized. Since land is considered not to have a limited useful life and its salvage value is unlikely to be less than its acquisition cost, land is not depreciated.

Purchased Land

Purchased land should be entered at its cost. The cost includes its purchase price and any other charges necessary to purchase the land. The other charges include costs such as site preparation expenditures, professional fees, and legal claims directly attributable to the land acquisition. If land and buildings are acquired as a single parcel, the value of the land should be determined separately from the building and recorded in the land account. If land and building are acquired together with the intent to *raze* the building, the cost of razing the building should be inventoried/capitalized as part of the cost of the land if it meets the \$500/\$5,000 threshold. (*Raze means to level to the ground or demolish*)

Donated Land

Donated land should be capitalized at the appraised market value at the time of donation.

ELIZABETH CITY STATE UNIVERSITY
Fixed Assets Equipment

Definition

Equipment, for the purpose of our fixed assets system, is defined as an item with an acquisition cost of \$500.00 or more. The cost of equipment includes tax, installation charges, and freight. These charges should be added together to determine the acquisition costs. Equipment costing between \$500 - \$4,999 is classified as an inventoried piece of equipment and the cost of this type of equipment should be expensed or written off at the end of the fiscal year. Equipment costing \$5,000 or more is capitalized equipment and the cost of this type of equipment should be added to ECSU's General Fixed Asset Account or Proprietary Fund depending on which funds were used to purchase the asset. Equipment generally has all the following characteristics:

- An acquisition cost of \$500 or more -- Inventoried Equipment
- An acquisition cost of \$5,000 or more -- Capitalized Equipment
- A life span of one year or more
- Non-expendable material
- Non Consumable

Computerized Data on File

Computerized data is maintained for all University owned equipment with a purchase cost of \$500 or more and an useful life of more than one year. Every item of University owned property meeting the above criteria is assigned a University Fixed Assets decal number and entered on a computerized fixed assets system.

Each equipment entry on the inventory listing contains the following:

1. Assigned University Fixed Assets decal number
2. Complete description (manufacturer's name, serial number, model number)

3. Commodity classification number
4. Date of purchase or acquisition
5. Acquisition method (purchase, donation)
6. Valuation method (cost, assigned value)
7. Fund from which equipment was purchased (departmental or grant)
8. Purchase cost or acquisition value should be a separate asset.
9. Trade-in value of any equipment traded in on purchase
10. Purchase Order Number
11. Check Number
12. Check Date
13. Equipment mobility/immobility (moveable, fixed)
14. Condition of equipment at time of acquisition (new, good, fair)
15. University Fixed Assets tag affixed to equipment (yes or no)
16. Department to which equipment is assigned
17. Location of equipment (building & room number)
18. Depreciable Life (if applicable)
19. Book Value (if applicable)

The Chief Fiscal Officer has the custodial and supervisory duties of the Fixed Assets System. He/She assigns both supervisor and clerical positions to control the assets. The management and control of the assets is largely centered around the Fixed Assets Officer and the Accountant. The objectives of the Fixed Assets Officer and Accountant are:

1. To substantiate depreciation and use charges included in the computation of indirect (overhead) rates for Federal Grants & Contracts;
2. To document equipment location and book values in the event of fire, loss or theft;
3. To classify equipment on hand in accordance with the State Classification Code;
4. To maintain printouts of movable equipment classification codes for analyses of equipment availability;
5. To maintain printouts of equipment for which each department is responsible;
6. To improve the security of the University's equipment;
7. To reconcile equipment purchases and control with the University's general ledger on a monthly basis; and
8. To ensure equipment purchased by ECSU is properly in place and accounted for.

ELIZABETH CITY STATE UNIVERSITY
Fixed Assets- Equipment Inventory

Equipment Changes

In those cases if the location of an inventoried item permanently changes or the item becomes obsolete, the department head is required to complete a "Notice of Disposal or Change in Location of Fixed Assets" form and send it to the Fixed Assets Officer. When assistance is needed to move University equipment and/or furniture, a copy of the "Notice of disposal or Change in Location of Fixed Assets" will be forwarded to Facilities Management.

Missing or Lost Equipment

If equipment cannot be located, a memorandum must be forwarded to the Fixed Assets Officer, giving the manufacturer's name, model number, serial number, University Decal Number, and the date the equipment was lost. After a review by the Fixed Assets Officer, either during the annual physical inventory or one performed specifically for the items reported missing, the equipment will be placed on a Lost or Missing List. A search for the missing equipment will be conducted for a year. If the equipment has not been located after one year of being placed on the "Missing or Lost List", the equipment will be retired as lost. (Please see Policy 400.1.68) The person responsible for the missing asset will be required to document all the efforts made to find the missing or lost asset.

Stolen Equipment

If equipment is stolen the ECSU Campus Police Department should be notified immediately. The Campus Police Department is located in the Thomas-Jenkins Building on University Drive.

Cannibalized Equipment

If equipment becomes irreparable, but certain parts can be used to maintain other similar pieces of equipment, the irreparable item can be cannibalized. A memorandum must be forwarded to the Fixed Assets Officer giving the manufacturer's name, model number, serial number, ECSU Decal number, and the date the equipment is planned to be cannibalized. Please Note--A memorandum to the Fixed Assets Officer expressing plans to use the irreparable equipment and a

"Notice of Disposal or Change in Location of Fixed Assets" must be on file prior to cannibalization.

Semi-Annual Listings

The Fixed Assets Officer will forward each department head a semi-annual listing of all the equipment assigned to each respective department. The department head should assure that each semi-annual statement accurately reflects the items on hand in his or her department. Any items that are on hand, but do not appear on your semi-annual listing, should be documented. A copy of the item(s) on hand, but not listed should be kept in the department's files and be sent to the Fixed Assets Officer.

Annual Listing

Twice a year, an equipment inventory list will be forwarded by the Fixed Assets Officer to each University Department for physical inventory verification, updating, and certification by department heads.

Physical Inventory

At least annually, a physical inventory of capitalized fixed assets should be taken to verify that capitalized assets (assets costing \$5,000 or more) are physically located at the University and are properly recorded in the fixed assets or proprietary accounts. A physical inventory of inventoried assets (assets costing between \$500 - \$4,999) should be taken at the same time to ensure these items have been tracked properly and expensed.

Spot Inspections

The Fixed Assets Officer may perform spot inspections of departmental equipment throughout the year as time permits.

**ELIZABETH CITY STATE UNIVERSITY
Fixed Assets- Equipment Location Changes**

Changes Within ECSU

Complete a Notice of disposal/ Change in Location Form

Prior to changing the assigned location of any equipment on Campus, a Notice of Disposal or Change in Location of Fixed Assets (Movable Equipment and/or Furniture) must be completed. The Form should be prepared by the person using the equipment (User) documenting the Fixed Asset ECSU decal number, the description of the equipment, the reason for the relocation, the current building and room number and the reassigned building and room number. The form must be signed by the user, the Department head (person receiving the semiannual asset statement), and the Fixed Asset Officer.

Review Location Changes

Once the Fixed Assets Officer has approved all location changes, the Fixed Assets Officer will enter the location changes in the Fixed Assets System. A copy of the Approved Notice of Disposal or Change in Location of Fixed Assets will be returned to the Department Head and the User indicating inventory records have been adjusted. The Department head should assure any location changes are accurately reflected on the semiannual Fixed Assets Statements.

State Property & Federal Property

Equipment which has been purchased with university administered State or Trust Funds belongs to the State of North Carolina. Equipment bought with Federal funds becomes State property when title passes to the University. A university employee, upon leaving the university, may not take state or federally owned equipment to a new place of employment without obtaining advance approvals.

Transfer of State-Owned Equipment Between State Agencies

Prior Approval

The transfer of any State-owned equipment to another North Carolina State supported institution or agency requires prior written approval from the Director of the NC Auxiliary Services Department of Surplus Property as well as on-campus approvals from the appropriate department head, Fixed Assets Officer, and Vice Chancellor for Business and Finance. The sale

will be based, where possible, on previous sales of similar products in the open market. If assets are to be transferred to another department due to legislative action, approval does not have to be obtained from the NC Department of Surplus Property.

If an item is transferred, the NC Department of State Surplus will notify the original agency as to which agency received the item.

Transfers Outside the University System Approval from the NC Department of Administration

State owned equipment cannot be transferred to an institution outside the University of North Carolina system without prior approval from the State of North Carolina Department of Administration. To obtain such approval, a detailed letter of justification must be submitted to the Fixed Assets section of the Purchasing Department. This letter must be supported by approvals from the department head, the Vice-Chancellor of the department, the Vice-Chancellor for Business and Finance, and the Office of Contracts and Grants (if the equipment was originally purchased in whole or part with Contracts and Grants funds). Except for equipment originally purchased with Federal funds, reimbursement will be required from the receiving institution or organization.

Federal Agency Approval

In addition to the foregoing approvals for transfers outside the University of North Carolina system, the State Department of Administration also requires a request of approval from the Federal agency which originally provided funds for the equipment involved, and which is continuing sponsorship of the research project at the receiving institution. The agency request should be addressed to the Fixed Assets section of the Purchasing Department, and must attest to the relevancy and necessity of the equipment transfer for continuing research.

Transfer of Federally Owned Equipment

Prior Approval

If equipment is still owned and controlled by a federal agency, such equipment may be transferred with the concurrence of the appropriate department head, the Vice Chancellor of the department, the Office of Contracts and Grants, the Accounting Office of Sponsored Programs, the Vice-Chancellor for Business and Finance, the Fixed Assets Officer, and approval if the Federal Agency. Approval is not required from the State Department of Administration.

Lead Time

When a transfer of property outside the University of North Carolina System is contemplated, the associated request should be initiated as soon as possible, and not later than 60 days prior to the planned transfer or shipment date of the equipment. A request for transfer of equipment within the system should be initiated 30 days prior to the planned transfer or shipping date.

Transfer Requests

All transfer requests must contain a description of the contemplated equipment transfer with a list including:

- (a) a description of the equipment along with the manufacturer's name, model and number;
- (b) the ECSU Fixed Assets (blue) Decal Number;
- (c) the source of funds used to acquire the property; and (d) the reimbursement amount (if any).

Some Items Generally Not Allowed

General purpose equipment, such as desks, tables, file cabinets, office-type calculators; typewriters, lamps, bookcases, reproduction equipment, and similar items will generally not be transferred.

Shipping Charges

Unless special arrangements are made with the sponsoring agency, all shipping costs are to be borne by the receiving institution. Copies of shipping documents will be forwarded to the appropriate equipment control section at the receiving institution.

**ELIZABETH CITY STATE UNIVERSITY
Fixed Assets- Relocation of University Property**

Personal Use is Prohibited

Personal use of State or university owned/leased equipment, supplies or materials is prohibited whether on or off campus. All equipment, supplies or materials acquired by the State at the University are considered to be State/university owned.

Off-Campus Use Must be Approved

Anytime faculty or staff members or other authorized persons take University owned/ leased property to residence or to another location for business purposes, it is necessary for a contractual agreement to be executed granting permission for this property to be moved to an off-campus location. This contractual agreement shall indicate the period of time the property is to be off campus, the location, a description of the specific items involved, the replacement cost value of the items, and the requirement that all-risk insurance is to be placed by the individual user if the department does not carry continuous coverage on these pieces of equipment. The required coverage can be secured through the Purchasing Office, or may be covered by the individual's homeowner's policy. Blank contracts are available from the Purchasing Department.

The Purchasing Department has the responsibility for the following:

- (1) Reviewing the contractual agreement to be certain that it contains all the necessary elements listed above for insurance purposes.
- (2) Maintaining a copy of the agreement, thus assuring these pieces of equipment are protected by the same coverage as afforded by the State Insurance Department when the equipment is located on campus.

PERMISSION FOR REMOVAL OF UNIVERSITY OWNED PROPERTY CAN BE GRANTED ONLY FOR UNIVERSITY BUSINESS AND NOT FOR PERSONAL USE

ELIZABETH CITY STATE UNIVERSITY
Acquisition/Disposal of Property

The Vice Chancellor for Business and Finance sends written notification to the Fixed Assets Officer when property has been acquired by purchase through lease, or property has been sold, or an existing lease is not required.

The Fixed Assets Officer is then responsible for (1) properly recording purchased or sold property in the Fixed Assets System, (2) arranging for insurance coverage on purchased property or canceling it in the case of disposed property and (3) record or delete characteristics in the Fixed Assets Records on all owned or leased properties.

ELIZABETH CITY STATE UNIVERSITY

Tagging Assets

Objective

Maintaining a positive identification of assets is the primary purpose of tagging. Tagging is important to:

- (1) Provide an accurate method of identifying individual assets,
- (2) Aid in the periodic inventory,
- (3) Control the location of all physical assets
- (4) Aid in maintenance of fixed assets, and
- (5) Provide a common ground of communication for
both the accounting department and the assets' users.

General Information

Generally, all fixed assets are tagged. The tag number is entered in the asset record at the point of tagging. Fixed assets or assets with an acquisition of cost of \$500 or more have BLUE tags or decals. Assets with an acquisition of cost of less than \$500 are not considered fixed assets, however, they are tagged with RED tags for control purposes, i.e. desk calculators and lamps.

No Tag Assets

"No Tag" Assets - Some assets, such as buildings, carpeting, and land are not tagged. The asset number is still recorded in the Fixed Assets System, but not physically attached to the asset. A description of the property is recorded including address and plat location found in the Register of Deeds. Items not needing a tag are:

- Buildings (record legal description should be in the asset record),
- Carpeting (record building and room location should be in the asset record),
- Land (record legal description should be in the asset record)

Transferring Assets to Another State Agency

If an asset is transferred from ECSU to another State Agency, with the proper approvals, this information will be noted in the Fixed Assets Records of both ECSU's books and the recipient's records. If ECSU sells the asset, the item will be taken off our asset records, otherwise ownership remains with ECSU.

Placement of Decals

Tags should be consistently placed in the same location on similar types of assets. For example, personal computers should be tagged consistently on the left-hand side of the central processing unit (CPU). Tags should always be accessible for viewing so that the asset can be seen easily and identified without disturbing the operation of the item. However, if you do not see the decal located on the front or side of assets assigned to you, please look in the back or other inconspicuous places. It may have been inadvertently placed. If you still do not see the decal, please call the Fixed Assets Officer in the Purchasing Department for assistance. The asset may be less than \$500, or it may not have been tagged.

ELIZABETH CITY STATE UNIVERSITY
Fixed Assets- Components

New Definition

Components are a separate physical part of an asset that when added together with all the physical parts would make up the whole asset. Separate physical parts of assets are not classified as components. The individual parts are classified as separate assets and are individually evaluated in determining if they should be recorded in the Fixed Assets System based on the \$500/\$5,000 threshold amounts.

ELIZABETH CITY STATE UNIVERSITY
Fixed Assets- Additions

Definition

An addition represents a new asset. Additions increase the physical size or operation capabilities of an asset through expansion or extension. Additions do not include renovations. A new wing to a building is an example of an addition.

\$500/\$5,000 Thresholds

Additions are considered separate assets. An Addition is capitalized if the total cost of the asset is greater than \$5,000. The addition is expensed if the total cost of the asset is under \$500.

Additions vs Maintenance Costs

Additions are different from maintenance costs. Additions increase the physical size or operating capabilities of an asset. Maintenance costs are incurred to keep the asset in normal operating condition.

ELIZABETH CITY STATE UNIVERSITY
Fixed Assets - Renovations and Improvements

Definition

Renovation and improvement costs are incurred to restore or improve buildings or other capitalized assets. These costs involve the substitution of old parts for new ones and increase the economic benefits to be derived from the asset.

Two Criteria Required

Two criteria must be met in determining whether or not a renovation or improvement cost should be capitalized. The first criteria is whether the expenditure significantly extends the useful life of the original asset. The second is if the expenditure exceeds the \$5,000 capitalization threshold. If both of these criteria are met, the expenditure must be capitalized. Expenditures not meeting both of these criteria should be classified as a maintenance expense. Care must be taken when distinguishing between maintenance and renovation and improvement costs.

Assets > \$5,000 = Cap Assets < \$5,000 = Exp

Assets valued below \$5,000 are expensed and are not capitalized or depreciated. If an asset costs between \$500 and \$4,999, it may be listed on the fixed assets system as an inventoried asset.

Removing Cost = Exp Adding Renov = Cap

If parts of an asset are removed during a renovation/improvement project, the original cost (less depreciation, if applicable) of the part of the asset being removed should be eliminated from the Fixed Assets System. Because of the difficulty of measurement or of immateriality, this may not be possible. The removal costs associated with the renovation should be expensed. The remaining cost of adding the renovation would be the cost of the new asset.

ELIZABETH CITY STATE UNIVERSITY
Maintenance Costs

Definition

Maintenance expenses are incurred to keep assets in normal operating condition and to help maintain the original use to the asset. Maintenance expenses do not extend the life of the asset beyond the expected useful life at acquisition. These are costs incurred to keep the asset operational throughout its useful life. Replacement of roofs, plumbing/ electrical systems and carpet do not usually extend the original useful life of a building; therefore, these expenditures generally should be classified as maintenance costs. Other examples are engines on ferries which are rebuilt after each season. This was an expected cost at the time of purchase. It does not extend the life of the asset longer than originally intended, so the costs are expensed.

Maintenance Costs

Regardless of the dollar amount, maintenance costs are expensed and not capitalized. The costs are charged to repairs and maintenance expense.

Maintenance Costs Review

ECSU's Purchasing and Accounting Departments will review Maintenance Costs twice a year in December and June to assure that ECSU is maintaining equipment as economically and efficiently as possible and to consider the following:

- (1) Replacing an asset with higher maintenance costs more than other similar assets;
- (2) Reducing maintenance costs by signing a service contract;
- (3) Comparing the costs of a service contract with a repair-as-needed program; and
- (4) to verify that the costs were for maintenance rather than amounts that should be capitalized.

ELIZABETH CITY STATE UNIVERSITY
Fixed Assets- Separation of Duties

Objective

Duties in the Fixed Assets Area are distributed among several positions. This separation is necessary for adequate internal control of the fixed asset system.

The State Controller's Recommended Requirements

The Chief Fiscal Officer has the custodial and supervisory duties of the fixed asset system. He/She assigns both supervisory and clerical people to control the assets.

- a) Where possible, the Fixed Asset Officer makes the entries to the fixed asset system. He or She also tags the asset and records the number in the fixed asset system. If it is not possible for the Fixed Asset Officer to do these tasks, a responsible person will be designated to perform the duties needed.
- b) An Accountant (not the Fixed Assets Officer) records the general ledger entries. This person also balances the fixed asset system accounts to the general ledger accounts monthly.
- c) Another person in each office receives the assets and checks them in. This is usually an office supervisor, manager, or their designee. He or She routes the receiving tickets to the accountant. The accountant approves them, makes entries to the statewide accounting system, and sends them to the fixed assets officer for appropriate Fixed Assets System entries.
- d) A person separate from the above mentioned positions, performs the annual inventory. The physical inventory is taken, at least once a year, to verify that capitalized assets physically located at the University are recorded in the Fixed Assets Accounts. After inventory, this person researches any missing assets. The responsible supervisor and Chief Fiscal Officer approve the inventory sheets before the Fixed Assets Officer makes changes to the status code.

The State recommends that, at a minimum, the above policies are in place. And, although there may not be enough people involved at ECSU to separate all the above mentioned functions, the person making entries to the university's books will not take the year ending inventory or balance it.

ELIZABETH CITY STATE UNIVERSITY
Fixed Assets- Missing Assets

Definition

Fixed Assets are considered missing when an inventory is taken and assets on the Fixed Assets System are not found. This can occur because an asset is moved to another location, but the new location is not recorded on the system before inventory sheets are run or the asset could be lost or stolen.

Missing vs. Stolen

This situation is different from an asset that is believed to be stolen. If any asset is missing due to theft, an incident report must be completed and the State Bureau of Investigation must be notified. (Please see Policy 400.1.69: "Theft ")

Possible Reconciliation

If after performing a physical inventory, assets are determined missing, the missing asset should be noted on the inventory sheet. These inventory sheets, with proper notation, should be given to the Fixed Assets Officer, if not already in his/her possession. The Fixed Assets Officer compares missing assets with those "written in" as being physically there, but not listed on the inventory sheets for that department. If there are any matches location changes are made to the fixed asset system to list it property.

Reporting

If missing assets cannot be reconciled, as described above, the Fixed Assets Officer will update the Fixed Assets files to flag the equipment as "missing". A report consisting of the property determined missing during the department's annual physical inventory will be prepared by the Fixed Assets Officer and distributed to the Department Head, the Vice-Chancellor of the Department, the Vice Chancellor for Business and Finance and the Purchasing Director.

Ninety Days Notice

The department having items of equipment missing during the annual inventory will be given a period of ninety (90) days to locate the items in question.

Departmental Head's Response

The Department Head or designated departmental representative will submit a status report to the Fixed Assets Officer at the end of the 90 day period enumerating efforts to locate the "missing " asset.

The Fixed Assets Officer will update the fixed assets files when missing equipment is located. The Fixed Assets Officer will monitor the progress of the department's investigation by comparing the status reports.

If the items in question are still missing after the 90 day period, the Fixed Assets Officer will submit a report to the Internal Auditor and the appropriate Vice Chancellor. The Vice Chancellor will be requested to respond within a ninety (90) day time frame.

After 180 days, if the items are still considered missing, a second report will be submitted to the University's Internal Auditor and the appropriate Vice Chancellor. The Vice Chancellor will be requested to respond within a 60 day time frame.

Police Action

If the assets are still missing after the 180 day status report, Campus Police will be called in to Investigate the missing items. The Internal Auditor, the Fixed Assets Officer, and Campus Police will review and investigate possible misconduct. Formal police action or University disciplinary action will be taken when appropriate.

Removal of Assets from the Books

Assets that are not located in one (1) year from the annual inventory, and are still on the missing status report will be removed from the Fixed Assets Account (Financial Records System) and the Fixed Assets System (Inventory Records) at the end of the next fiscal year.

Justification for missing assets must be provided by the responsible department head and this information will be kept on file in the Fixed Assets Office.

ELIZABETH CITY STATE UNIVERSITY
Fixed Assets- Theft

Reporting Stolen Equipment

A person discovering that items have been stolen item(s) must notify the Department Head immediately. The Department Head is then required to report the missing items to the Campus Police. Within ten days of being notified of the stolen equipment, the Campus Police will send a theft report to the Fixed Assets Officer, the Internal Auditor, and the university Attorney. The SBI will then investigate the theft, if necessary. If the investigation reveals a violation of criminal laws, the District Attorney will be contacted.

Retirement of the Fixed Asset

A stolen fixed asset will be retired on the Fixed Asset System and the General Ledger will reflect an entry to reduce the fixed asset account by the value of the asset at the end of the fiscal year in which the theft was reported.

Recovery of a Stolen Asset

If an item, previously reported as stolen, is recovered the department should immediately notify the Campus Police Department, the Fixed Assets Officer and the Fixed Assets Accountant.

400.2.1

Adopted: 06/14/05

Repealed: 03/04/08

ELIZABETH CITY STATE UNIVERSITY
Changing Rate of Pay

400.2.2

Adopted: 06/14/05

Repealed: 03/04/08

ELIZABETH CITY STATE UNIVERSITY
Employee Withholding

400.2.3

Adopted: 06/14/05

Repealed: 03/04/08

ELIZABETH CITY STATE UNIVERSITY
Time Sheets and Work Reports-ECSU Staff

400.2.4

Adopted: 06/14/05

Repealed: 03/04/08

ELIZABETH CITY STATE UNIVERSITY
Times Sheets and Work Reports–Work Study Students

400.2.5

Adopted: 06/14/05

Repealed: 03/04/08

ELIZABETH CITY STATE UNIVERSITY
OSC Centralized Payroll System

400.2.6

Adopted: 06/14/05

Repealed: 03/04/08

ELIZABETH CITY STATE UNIVERSITY
Year-End Adjustment For Negative Leave Balances

ELIZABETH CITY STATE UNIVERSITY
Comptroller

The Comptroller is directly responsible for the following functions:

1. The installation of accounting systems and procedures in accordance with State and Federal regulations and accepted principles of accounting;
2. The collection of data on estimated income and expenditures and preparing explanations and justifications for budget increases;
3. The preparation of budget changes as needed for the approval of the Chancellor and Vice Chancellor for Business and Finance;
4. Evaluating accounting systems and recommending changes whenever necessary; and
5. Checking proposals for budgetary accuracy before they are submitted to the Chancellor or Vice Chancellor for Business and Finance for approval.

**ELIZABETH CITY STATE UNIVERSITY
Financial Reporting System (FRS) Description**

1. Elizabeth City State University uses the Financial Reporting System (FRS). FRS is an integrated general and subsidiary ledger record keeping and reporting system. The system is designed to provide the features of a budgetary control system (management information). The system complies with the guidelines of both the National Association of College and University Business Officers (NACUBO) and the American Institute of Certified Public Accountants (AICPA).
2. This system is highly flexible with a variety of techniques which will allow all levels of management and operations access to timely financial information. A brief summary of these techniques and features follows:
 - allows budgeting of revenue and expenditures on any of four different levels of aggregation (all four may be used within the same account)
 - permits automatic reallocation of expenditure budgets (ABR) within an account
 - provides for reporting on a state fiscal year, quarterly, federal fiscal year and project year basis
 - provides for the comparison of actual expenditures against budget
 - produces a variety of financial reports, such as detailed reports for the lowest level of operations and summaries for the upper levels of management
 - provides for special reports through a variety report generating techniques
 - produces detailed and summary information on encumbrances
 - provides for the detailed classification of both expenditures and revenues
 - provides for automatic linkage between the general ledger and subsidiary ledger which assures that the system will always be in balance and provides for simplified data entry into the system
 - provides for control of cash ownership by funds (general ledger account) and automatically maintains book cash balances for each bank account
 - maintains current year data on budgets and actual expenditure

- provides automated controls and edit routines to increase greatly the accuracy of data within the system.
- provides the capability to process daily updates which simplifies error location and correction, account reconciliation and work scheduling, while also permitting the data files to be in a current reportable state at all time.

ELIZABETH CITY STATE UNIVERSITY
Financial Reporting Structure

1. An account is the basic building block of the FRS. An FRS account contains a broader grouping of information than is normally found in most accounting systems.

An FRS account is a collection of both dollar and descriptive data concerning a particular activity. An account can be recognized by the following characteristics:

- It contains the records for a particular function or activity
- It has one primary person responsible for its activity
- It has two major kinds of data:
 - 1) Descriptive information (called attributes)
 - 2) Dollar records

Accounts can be established for a variety of purposes. For example, an account would be established for any of the following purposes:

- A balance sheet for an account in the general ledger - A sponsored project
- A cost center
- A departmental instructional function - A public service function
- A service activity

A unit might have any number of different accounts, as shown in the example below:

- A state supported instructional account
- A number of federally or privately funded research projects .
- A number of departmental service activities

A unit might have any number of different accounts for the same basic function, as shown in the following example:

- An instructional function broken down into a number of accounts each representing a field of interest within the subject

An individual might have any number of different accounts for which he or she is responsible, as shown in the following example:

- A number of accounts for various research activities or a number of accounts for different funding for the-same research activity

What is important is that each account must be unique in that it covers only one function or activity, has only one person responsible for it, and gets its funding from primarily one source.

2. All the accounts within the FRS are contained in either the General Ledger or a Subsidiary Ledger.

Subsidiary Ledgers - The accounts used by most departments will be part of a subsidiary ledger. Subsidiary ledgers contain the revenue and expenditure accounts. Each account, depending on its nature, will show data on the fiscal year basis (July 1 to June 30) or on a project-to-date basis (from the date the project began to the present date). For example, a grant would be on a project-to-date cycle, while a state account would be on a fiscal year cycle. The basic dollar data shown in these accounts are budgets, revenues, expenditures, encumbrances and budget balance available.

General Ledger - The general ledger accounts are used to record claim-on-cash, accounts receivable and other assets, accounts payable and other liabilities and fund balance. Some general ledger accounts will be used to record specific fund additions and fund deductions as account activity occurs. Others, with related subsidiary ledger accounts, will carry summaries of the budgets, revenues, expenditures, encumbrances and budget balance available.

Relationship of Ledgers - The subsidiary and general ledger accounts have a predefined relationship designed into the system. In some cases there are many subsidiary ledger accounts reporting to one general ledger account. In other instances there is a one for one relationship between the two ledgers. Any transaction posted to a subsidiary ledger account is automatically posted to its related general ledger account to update the claim on cash, fund balance and the appropriate summary revenue or summary expenditure control. The updating of the general ledger is performed simultaneously with the processing of each subsidiary ledger transaction, causing the ledgers to be 'always' in balance with each other.

ELIZABETH CITY STATE UNIVERSITY
Account Code Structure

1. The FRS identifies an account by means of an account number. The account number in the FRS is a 10-digit number (X-XXXXXX-XXXX). The first digit (**X-xxxxx-xxxx**) refers to the ledger to which an account belongs. The next five digits, together with the first digit, identify a unique account (X-XXXXXX-xxxx). The final four digits identify a specific account control or object code (**xxxxxx-XXXX**).
2. The first digit in the account number refers to the ledger to which an account belongs. The following is a list of values and descriptive titles:

<u>General Ledger</u>	<u>Description</u>
0	All General Ledger
<u>Subsidiary Ledger</u>	<u>Description</u>
1	Current Unrestricted State
Funds (revenues)	
2	Current Unrestricted State
Funds (expenditures)	
3	Auxiliary Enterprises and Other Receipt
	Supported Activities
5	Current Restricted
6	Current Restricted Other
7	Plant Funds
9	Agency

3. The single digit University budget code represents the five-digit code assigned by the office of State Budget to identify various State funds. In the FRS this information is carried as an attribute to the FRS account number. The budget codes and the corresponding State budget codes are:

1	General Academic Funds (16086)
2	Overhead Receipts (26086)
4	Capital Improvements (4)
5	Auxiliary Funds (56086)
6	Institutional Trust Funds or Sponsored Contract and Grant Funds
0	Trust Funds on deposit in local bank

4. The purpose code identifies the broad institutional purpose to which a transaction relates. Purpose codes are designated by the Office of State Budget and Management and/or General Administration, and apply uniformly to State Funds, Trust Funds, and Contract and Grant Funds (see ACT App 1.0). In the FRS this number is incorporated as a part of the account number for visual identification.

5. The department segment of the account number identifies the activity of the departmental cost center in which a transaction should be identified. The function number assigned to a department is used for State Funds, Trust Funds, and Contract and Grant Funds. In the FRS this information is also incorporated as a part of the account number.

6. Object codes are used to record expense/revenue Subsidiary Ledger and are referred to as Account controls are used to record activity in the General Ledger.

An account control is a four digit number used to record activity in the general ledger. Account control ranges are defined as follows:

Assets	1XXX
Liabilities	2XXX
Fund Balances	3XXX
Fund Additions	4XXX
Fund Deductions	5XXX

For a listing of expenditure and revenue see appendix (ACT APP 1.0);

ELIZABETH CITY STATE UNIVERSITY
Attributes

1. Attribute is a term applied to a descriptive non-dollar characteristic for an account and is maintained as an integral part of the system's database. The primary function of attributes is to support a wide variety of reporting techniques by removing the need to define descriptive elements in the account number. Attributes, once entered, are stored along with the dollar data in the account master file.

Attributes are applied to both subsidiary and general ledger accounts. Although accounts in the subsidiary and general ledgers may be related in an accounting sense, they may not necessarily have the same attributes or the same values, for an attribute may not be common to both ledgers. An account will only have those attributes which are pertinent to it and necessary to summarize its data for reporting.

Attributes are not used on any input transactions for data manipulation or posting purposes. They are used, without exception, to prepare all reports from the system. This is a very significant point. Reports may be changed or new reports added, attributes may be changed or new attributes added, but input processing is unaffected.

There are three basic types of attributes used by the system:

- System processing indicators
 - Report selection criteria
 - Report "header" information
2. Some of the attributes are used by the system to determine how the account and the dollar records are to be processed. Some examples follow:
 - Indicators of an account's fund type (i.e. State Fund vs. Contracts and Grants)
 - Directives on how to process the account from one fiscal year to the next
 - The general ledger account that a subsidiary ledger account will update when transactions are posted to it

3. The following are the principal attributes for the account. They represent various classification schemes or indicators which may be used to pull accounts together for reporting needs.
- MAP Code
 - Report Distribution
 - Memo Bank(s) for Revenue and/or Disbursements
 - SRS code
 - Budget code and purpose code for University and State reporting requirements
4. This information is usually printed on reports for "people" identification or is important but not used to accumulate dollars for a report. Examples of this follow:
- Account title (2 titles are available - 20 character short title and 60 character long title)
 - Name of person or position responsible for account
 - Old account number for easy corroboration
 - Report distribution number which determines where the reports are sent

All attributes are available as report selection criteria not just those so classified above.

The FRS Data Element Dictionary lists the attributes used by the system and gives a definition of what they are.

ELIZABETH CITY STATE UNIVERSITY
Transaction Types and Codes

1. Input into the FRS is categorized into seven different transaction types. Particular transactions within these type categories are tagged with a two-digit transaction code/entry code. This transaction code is printed on the transaction portion of the monthly account statement to help identify the reason the transaction was processed.
2. The various budget transactions for original budget, budget revisions, future year budget, etc., are identified by transaction codes 20-29.
3. Cash receipts are identified by transaction code 30-38. Allotments from appropriations are identified by transaction code 39.
4. Cash disbursements enter the accounts payable system under that system's transaction code requirements. When they are passed to the accounting system they are given transaction code 40. Some cash disbursements and credit' memos are manually entered into the system. These are identified by transaction code 41. Cancelled checks are normally identified by transaction code 43.
5. Encumbrance transactions use transaction code 50-59.
6. Journal entry transactions are those where both the debit and credit account numbers must be entered since the system cannot determine the accounts to use. The transaction codes used are 60.
7. Transaction entry codes as they are used on the FBMO90/091 Report are as follows:

Budget

20	Original Budget Entry
21	Revised Budget
22	Budget Transfer
25	Summarized Budget Transactions
26	Prior Year Budget Carried Forward
28	Past Year's Budget
29	Next Year's Budget

Cash Receipts

30	Direct Entry to FRS Receipts
35	Summarized Receipt Transactions
38	Interfaced Receipts
39	Allotment Receipts

Cash Disbursements

40	Direct Entry to FRS Disbursements
45	Summarized Disbursement Transactions
48	Interfaced Disbursements

Encumbrances

50	Direct Entry to FRS Encumbrances
58	Interfaced Encumbrances

Journal Entries

60	Direct Entry to FRS Journal Entry
65	Summarized Transactions
67	Accrual Entries
68	Interfaced Journal Entries

Balances

98	Beginning Balance Entry
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ELIZABETH CITY STATE UNIVERSITY
Reference Numbers

1. There are two restricted reference number fields on FRS accounting transactions.
2. These restricted fields are called Reference 1 and Reference 2. Each field is six characters in length. The information entered in these fields varies with the type of transaction.
3. All the information in these fields is printed on the transaction list of the monthly accounting statement (FBM 090/091). An explanation of the reference numbers and their meaning for each type of transaction follows:

<u>TRANSACTION TYPE</u>	<u>REFERENCE FIELD 1</u>	<u>REFERENCE FIELD 2</u>
2X Budgets	BD606 Ref. No.	SRS Budget Ref. No.
3X Cash Receipts	Cash Receipts No.	
4X Cash Disbursements		Check No.
5X Encumbrance	P.O. No.	Requisition No.
6X Journal Entry	Transaction Reference No.	

ELIZABETH CITY STATE UNIVERSITY
Receipts

Management of Income and Cashiering

1. Elizabeth City State University deposits all revenues and other receipts no later than the next business day following the date of collection.
2. Institutional trust funds and State funds are deposited with the State Treasurer, through First Union National Bank. If the original check is drawn on the State Treasurer, the check is deposited directly to the State Treasurer.
3. Checks received by Elizabeth City State University are to be made payable to the order of Elizabeth City State University. Checks made payable to the State Treasurer are also acceptable.
4. All cash collections are to be deposited. These funds are not to be disbursed. All disbursements must be made in accordance with official budgetary procedures and by warrants drawn on the State Treasurer.
5. All checks should be endorsed as follows:
"For deposit only to the credit of (name of State Treasurer), N.C. State Treasurer, by:
Elizabeth City State University." A rubber stamp is acceptable.
6. When depositing State Funds, Elizabeth City State University uses two separate forms, a bank deposit form supplied by the depository bank and a certification of Deposit obtained through the State Treasurer Purchase and Contract Division.
7. Certain types of errors must be corrected in the records of the State Treasurer and the State Disbursing Office. These errors are corrected by preparing and filing a Deposit Correction Form with the State Treasurer.
8. All expendable or own receipts will be credited in the State Disbursing Officer's accounts and in the State Treasurer's accounts to the allotment account of the fourth quarter for all deposits made up to and including June 30th.
9. Deposits of receipts made after June 30th, applicable to the fiscal year just closed, should be set back in the accounts constructively as of June 30th.
 - a. Mark deposit tickets distinctly to show they are to be set back to June 30th accounts.
 - b. Show on receipts register of June.30th.

- c. Do not set any receipts back into the previous year that do not belong to that year.
 - d. Any receipts which belong to the year just closed should not be held out and the deposit act requires revenues to be deposited immediately.
10. Accounts Receivable should be maintained with both a control and a subsidiary ledger, accompanied by periodic balancing and reconciliation. The accounts should be aged periodically, and delinquent accounts should be reviewed by the responsible department head, with appropriate collection efforts contemplated. Monthly billings should be provided to all debtors.

ELIZABETH CITY STATE UNIVERSITY
Disbursement Policy

1. The State of North Carolina operates on a cash basis.
2. Discount terms offered by suppliers may result in savings for Elizabeth City State University. Since payments cannot be made without a properly executed receiving report, it is important that receiving reports be processed by departments immediately after satisfactory receipt of goods or services in order to take advantage of discounts.
3. The following is used as the basis of determining, time, in connection with the discounts offered:
 - a. When final inspection and acceptance of supplies and materials are at the point of origin, time is computed from the date of delivery to the carrier, or
 - b. When final inspection and acceptance of supplies and, materials are at the destination, time is computed either from date of delivery at the destination, or from the correct invoice if received, if such date is later than the date of delivery.
4. All invoices received through departments or offices Purchasing should be forwarded immediately to the Accounts Payable Office.
5. Checks are printed daily by the ECSU Data Center. This allows for efficiency within the disbursement function, and also maintains the prompt payment of invoices.
6. Checks are sent to the payee at the address on the invoice. If a check is to be delivered to someone other than the payee, a note containing special instructions must be attached to the invoice. If checks are undeliverable or unidentified they should be returned to Accounting for possible cancellation.
7. A reconciliation of all outstanding Accounts Payable checks should be made every month. The reconciliation should include computer generated checks; manual checks, check cancellations and any adjustments.

ELIZABETH CITY STATE UNIVERSITY
Transfers and Changes-CMP

1. Upon request by the appropriate department head, the Director of the budget may authorize to transfer between objects and items in the budget of that department. This request must be handled through Elizabeth City State University Comptroller.
2. Transfers are not allowed for the purpose of merely making it possible to spend all appropriations.
3. Transfers and changes must be requested and approved before any commitments are authorized against a budget subhead which would exceed the particular appropriation item.
4. Example of transfers between Budget Subheads:

Requirements:	Subhead	Increase	Decrease
Equipment	51XX	\$ 500	
Supplies & Materials	2XXX		\$ 500
Total Requirements		-0	

Example of transfer between Budget Subheads and Estimated Receipts are increased:

Requirements:	Subhead	Increase	Decrease
Salaries, SPA	12XX	\$5,245	
Salaries, Temporary	126X		\$ 5,245
Supplies & Materials	2XXX	1,090	
Total Requirements		1,090	
Estimated Receipts	O1XX	1,090	

5. Allotments may be made out of the contingency and emergency appropriation for these purposes by the Governor and Council of State.
6. Requests for allotments from the contingency and emergency appropriation must be in writing at such time and in such form as the Governor shall direct.
7. Allotments out of the contingency and emergency appropriation should not be considered as receipts in the budget but as an increase in the appropriation and requirements of any agency.

ELIZABETH CITY STATE UNIVERSITY
Cash Disbursements-CMP

The financial structure of the Elizabeth City State University is designed to provide prompt needed services to user departments and concurrently maintaining adequate controls on budgetary operations. It is essential that procedures established between purchasing and accounts payable, insure that invoices are paid when due in order to take advantage of discounts and not endanger the credit of the University.

1. All disbursements of funds with the exception of petty cash transactions are made by university check.
2. Before checks are prepared, the Purchasing Office verifies the authenticity of the purchase and receipt of goods and/or services and places the invoice "in line" for payment.
3. The accounts payable section attaches a completed payment voucher to the invoice along with the corresponding purchase order, requisition and/or other supporting documentation and forwards this to the accounting section for approval.
4. Once approved, the invoice and supporting documentation is forwarded to the cash disbursements office for vouchering.
5. The vouchering information is entered into the system and the checks are written in the data center. The checks are returned to the accounting section for signing and distribution.
6. The normal processing time of an invoice is five (5) days after the receipt of the invoice.
7. Billing to Elizabeth City State University for goods received and services rendered shall be paid on the discount date or the date to the extent practicable. Checks but according to discount dates or due dates per invoice.
8. Warrants drawn on State Treasury accounts by ECSU payable to another ECSU State Treasury Account will be handled by direct deposit and not through the banking system.
9. It is not cost effective to write checks to pay certain small cash claims. For this reason the University established a petty cash fund to handle small emergency expenditures.

Petty Cash Funds

10. The cashier has total control of this fund except if amounts in excess of ten dollars (\$10) are needed. The Comptroller must approve all requests in excess of ten dollars.

11. When a disbursement is made, the person receiving the payment must present the original receipt and sign a pre-numbered petty cash receipt.
12. When most of the petty cash fund has been depleted, the Cashier presents a summary of receipts to the Comptroller for approval. After approval, a reimbursement check is written to replenish the fund.

Cash Advances

13. Cash advances are necessary at times, but are restricted to travelers, student activities, new employees and admission recruiters.
14. Cash advances in the form of checks made payable to university employees are utilized for persons authorized to travel on official school business and for other activities when purchase orders are not accepted by the vendors.
15. Cash advances are actually, loans made to the requisitioner; hence the requisitioner is personally responsible for the total cash advance until the receipts documenting expenditures are submitted to the accounting office.

ELIZABETH CITY STATE UNIVERSITY
Cash Receipts-CMP

1. Elizabeth City State University is a complex organization in which all cash transactions do not occur in one office. The collection of cash is centered in the Cashier's Station but other areas have been delegated the responsibility and authority to collect cash. These areas are listed below:

Bookstore	Supply Store Manager
Post Office	Postal Clerk
Security	Security Officer
Registrar	Secretary
Admissions	Secretary
Copy Center	Copy Center Operator
Athletics	Secretary
Lyceum	Various

2. The majority of cash receipts are normally received between 2:00 p.m. and 4:00 p.m. daily. Athletic receipts for ticket sales and concessions are usually collected after the close of the business day. These receipts are stored in a combination-locked safe in the athletic office and deposited to the Cashier's Station on the next business day.
3. Pre-numbered receipts are used for collecting most cash. There are some areas that use cash registers, logs and tickets as auditable documentation for cash received.
4. All areas are required to submit a "Daily Cash Report" to the Cashier's Station each day cash is received.
5. All cash and a "Daily Cash Report" must be deposited to the Cashier's Station by 10:00 a.m. on the next business day following the event or transaction.
6. Under no circumstance are expenditures_ permitted from cash received.
7. The amount of the deposit is verified by the Cashier and an official University receipt is given to the depositor.
8. Deposits are made to First Union National Bank, ECSU's local depository, by 12:00 p.m. each morning by a University Security officer.

NOTE: Monies received in the form of warrants drawn on the State Treasurer shall be deposited directly with the State Treasurer and not through the banking system unless otherwise approved by the State Treasurer.

9. All persons receiving funds in the name of the University or intended for the University or any of its programs are required to deposit such funds to the cashier's station to the credit of the "State Treasurer" by 10:00 a.m. on the next business day. These funds are deposited in a designated revenue account established for the programs.
10. Under no circumstances are employees, students, or any other person or group permitted to deposit University funds in bank accounts outside of the University's control.
11. Checks made payable to the University or jointly to the University and another payee are receipted in full. The portion due the other payee is refunded to them by check.
12. All monies due ECSU by another governmental agency or by private persons shall be promptly billed, collected and deposited.

Federal Grants, Inter-Fund Transfers, Etc.

13. Through the negotiations of federal grants and the scheduling of due dates; receipts are processed through the drawdown method from the Federal Reserve taking from seven to ten working days before credit to the university's account is realized. In view of the time lag, expenditures are not made until notification of deposit by the local bank is received.

NOTE: This is done to eliminate temporary borrowing from state appropriated funds.

14. Maximization of the earning potential of inter-fund transfers depend on the timing of transfers. Transfers are processed on Mondays, Tuesdays and/or Wednesdays in order to make sure that deposits are credited to the bank account before the weekend.
15. Elizabeth City State University practices the policy as prescribed by the Office of State Budget and Management regarding identification of current years expenditures to be paid in the year incurred or from resources of the year incurred and not forwarding to subsequent years to be paid by subsequent years budget.

Student Accounts

16. Collections from delinquent student accounts are deposited to the University Cashier the same day collected and the account is immediately updated.
17. Collections are usually in the form of check or money order. An official University' receipt is prepared at the time of receipt of all monies.
18. ECSU acquired the services of the North Carolina Department of Revenue under the "Set Off Debt Collection Act" to assist in collecting income tax refunds from persons with delinquent accounts.

19. ECSU has also employed private agencies to collect funds for delinquent accounts.
20. These methods are used to procure the strongest effort in maintaining cash flow to the credit of the University. Collection procedures begin when an account is 90 days past due.
21. In still a greater effort to minimize account balances from students, a policy has been instituted to prevent seniors from graduating and prior students from receiving a college transcript and/or diploma if a debit balance remains on their account.

ELIZABETH CITY STATE UNIVERSITY
Special Payments to SPA Employees

1. Requests for special payments to employees must be made at least thirty (30) days prior to the date the service is rendered.
 2. Such requests should be made in writing to the Vice Chancellor for Business and Finance.
 3. The request should include the following information:
 - Employee's social security number
 - Employee's full name
 - Employee's position classification
 - Employee's hourly rate of pay
 - Employee's exempt status
 - Approximate number of hours to be worked
 - Type of service provided
 - Description of work to be performed
 - Source of funding
 4. If the employee is exempt from the overtime provision, a statement of justification should be included.
 5. The Vice Chancellor for Business and Finance will forward the request to the Comptroller's office for budget approval.
 6. If funds are not available, the request will be returned to the originator of the request. If funds are available, the request will then be forwarded to the Office of Human Resources.
 7. When the Office of Human Resources receives approval from the Office of State Personnel in Raleigh, the originator of the request will be notified.
- NOTE: No commitments (verbal or written) should be made prior to approval from the Office of State Personnel in Raleigh.
8. Payments for these special requests will be made in the December and May payrolls only.

ELIZABETH CITY STATE UNIVERSITY
Cash Management for Special Events and Athletics

1. The persons collecting monies for Special Events and Athletics will be pre-assigned by the office of Business and Finance in conjunction with the sponsoring organization.
2. A list of recommended personnel should be reviewed and agreed upon with the Office of Business and Finance and the sponsoring organization.
3. All tickets (including complimentary) will be verified by the organization sponsoring the event along with the Office of Business & Finance.
4. All tickets for sale must be ordered and purchased through the University Purchasing office and secured in the Business and Finance vault. The Business office will be responsible for tickets.
5. Tickets will be issued to the sponsoring organization on an event basis and a report of tickets sold and returned will be prepared at the end of the event by the Business & Finance in conjunction with the sponsoring agency.
6. At least fourteen (14) days notice should be given to the Office of Business and Finance prior to each event.
7. Monies collected must be counted and verified at the end of the event and deposited the next business day into the appropriate account(s). Monies collected exceeding \$1,000 must be deposited in a overnight depository for safekeeping.
8. Concessions- Cash receipts should be counted immediately after the close of the stand. A record of the cash count should be given to a representative from the office of Business and Finance and the sponsoring organization. (See #7 for depositing policies).
9. To ensure that all monies collected are deposited, a receipt book should always be used when tickets are not being sold.
10. Athletics only-CIAA Tournament tickets should be ordered and verified by the Business office prior to public sale and distribution.

ELIZABETH CITY STATE UNIVERSITY
Petty Cash Policy

Preamble

This policy statement shall govern the administration of Petty Cash purchases, reimbursement and accountability for all university employees. This policy supports the ability of employees to make small purchases (\$100 or less) in an expedient manner to address the needs of operating departments.

1. The custody and control of petty cash funds may be delegated to appropriate personnel; however, accountability and responsibility for proper use and care of the funds remain with the designated department head.
2. Petty cash funds must be kept separate from all other funds.
3. The petty cash fund should be balanced frequently to ensure that the cash plus paid receipts on hand equal the amount of the fund.
4. Petty cash funds are to be used for cash payments of minor items. These cash payments are not to exceed \$100.00 (one hundred dollars).
5. Supplies and materials which are available through the university store may not be purchased through the petty cash fund except in emergency situations. If such purchases are necessary, an explanation must be attached to the voucher.
6. The petty cash fund can not be used to make personal loans.
7. Original receipts for items purchased must be presented in order for reimbursements to be honored.
8. The receipts must meet the following requirements:
 - must be dated
 - must contain a brief description the items purchased
 - must list the total cost
 - must be the original receipt (standard carbon accepted)
 - must be positive evidence of payment (PAID should be stamped or written by the salesperson on the receipt)
 - receipts which bear evidence of alteration cannot be accepted

9. Overages, shortages and thefts of the petty cash fund will be handled on an individual basis. The Comptroller's Office should be notified in the event of overage, shortage, or theft.

ELIZABETH CITY STATE UNIVERSITY
Check Cashing

ECSU Students

1. The cashier will cash checks written to students under the following circumstances:
 - the student is currently enrolled
 - the student has an ECSU identification card
 - the amount of the check is under \$100.00
 - the check has been approved by the Controller or his designee.
2. The cashier is not authorized to cash checks in excess of \$100.00 without the approval of the Comptroller or Vice Chancellor for Business and Finance.
3. ECSU will not cash third party checks. Company or government checks may be applied to a students account.
4. The cashier verifies the following before cashing a check:
 - the address on the front of the check is correct
 - the payer has not had more than two checks returned for insufficient funds
 - the payers telephone number should appear on the front of the check.

ECSU Employees

1. The check should be made payable to "CASH" or the employee.
2. Checks will not be cashed for employees that have had two or more checks returned to the university for insufficient funds per semester.
3. The cashier is not authorized to cash checks in excess of \$100.00 without the approval of the Comptroller or Vice Chancellor for Business and Finance.

NOTE: Neither the cashier nor the assistant cashier are authorized to cash their own checks.

Others

1. The only checks the cashier is authorized to cash for non- ECSU faculty, staff, or students are checks written from ECSU accounts.

ELIZABETH CITY STATE UNIVERSITY
Cash Management Plan

University Cash Management Plan

Elizabeth City State University has implemented a cash management plan which includes techniques and procedures for the receipt, deposit and disbursement of monies coming into its control and custody. These techniques and procedures are designed to maximize the interest bearing investment of cash and to minimize idel and nonproductive cash balances. The Vice Chancellor for Business and Finance is responsible for ECSU's cash management plan.

Cash Management Over Receipts:

The objectives of cash management over receipts are to use diligence in collecting funds owed to the State, to provide internal control over cash and cash equivalents and to expedite the movement of monies collected into interest bearing accounts. To accomplish these objectives, ECSU adheres the following rules:

1. Promptly bills and collects monies due the University as described below:
 - Establishes billing schedules that are timely, efficient, and effective;
 - Utilizes remittance processing equipment, when justified by the volume of transactions;
 - Uses authorized Collection Agencies as designated by the NC Office of the Attorney General;
 - Uses the Set-Off Debt Collections Act (SODCA) and the State Employee Debt Collection Act (SEDCA) as outlined in the North Carolina Budget Manual, Section 5.XII D; and
 - Forwards past due accounts to the North Carolina State Attorney General for collection no more than 90 days after the due date of the billing unless the amount is less than five hundred (\$500).

2. Except as otherwise provided by law, deposits all monies received and belonging to the State of North Carolina, in some bank or trust company, selected or designated by

the State Treasurer in the name of the State Treasurer on a daily basis in the form and amounts received.

Cash Management Over Disbursements:

The objective of managing disbursements is to maintain funds in interest-bearing accounts for the longest appropriate period of time. This allows the State to recognize the maximum earning potential on its funds. This is not intended to encourage late payment or have a negative impact on relationships with firms who, in good faith, supply goods and services to the State. To accomplish this objective, ECSU adheres to the following rules:

1. Monies deposited with the State Treasurer remain on deposit with the State Treasurer until final disbursement is made to the ultimate payee;
2. The order in which appropriations and other available resources are expended shall be in accordance with North Carolina law.
3. Federal and other reimbursements of expenditures paid from State funds shall be paid immediately to the source of the State funds;
4. Billings to the university for goods received or services rendered shall be paid neither early nor late but on the discount date or due date to the extent practicable; and
5. Disbursement cycles for the University shall be established to the extent practicable so that the overall efficiency of the warrant disbursement system is maximized while maintaining prompt payment of bills due.

Cash Management Over Investments:

The interest earnings of the General Fund shall be maximized to the extent practicable. ECSU adheres to the following rules:

1. Interest earnings shall not be allocated to an account by the University unless the moneys in the account are expressly eligible by law for receiving interest allocations;
2. University officers and employees who receive moneys in trust or for investment shall be solely responsible for properly segregating such funds for investment in the manner prescribed by the law. The officer or employee charged with the

responsibility for these moneys shall be under a duty to segregate the funds in a timely manner. No investment income shall be allocated by the State Treasurer to trust or other investment accounts until properly segregated into investment accounts as provided by law and the rules of the State Treasurer.

A willful or continued failure of an employee to follow ECSU's Cash Management Plan is sufficient cause for immediate dismissal.

ELIZABETH CITY STATE UNIVERSITY
Installment Payments

1. Students are allowed to pay their delinquent accounts in installments. All arrangements or payment schedules must be approved by the Comptroller or her designee.
2. If installments are approved, a follow-up payment agreement file is maintained on the student. The file is updated as payments are received on a weekly, semi-weekly, biweekly or monthly basis. (depending upon the agreed schedule)
3. If the student is 10 (ten) days late with an installment a "Just A Note to Remind You" is sent and a copy is kept in the student's file.
4. If an installment is 30 (thirty) days late a "Time Is Running Out" letter is sent and a copy is kept in the student's file.
5. If an installment is 60 (sixty) days late a "Did You Forget" letter is sent.
6. All contacts made or attempted with the student are accurately recorded and filed on the following color coded sheets:
 - PINK delinquent notice sent
 - response received from notice
 - arrangements made for payment
 - payment received on the account
 - account paid-in-full

 - BLUE account sent to the Attorney General's office
 - account sent to Dept. of Revenue or Collection Agency
7. If no response is received the account is sent to the comptroller's office for approval to sent it to the Attorney General's Office.

ELIZABETH CITY STATE UNIVERSITY
Receipting and Depositing Funds

1. When funds are received, notification is sent from Accounting indicating the appropriate accounts in which the funds should be deposited.
2. All personal checks from students must be approved by the Controller or his designee. Paper transactions (i.e. wire transfers) are accompanied by a general ledger activity number from the Accounting Office.

NOTE: If the receipts are checks, the cashier endorses the check with a stamp.

3. The cashier prepares a handwritten receipt for each transaction. The original is given to the customer and the copy is held in the cashier's office.
4. The information from the receipt is entered into the Accounts Receivable Module.
5. At day's end, the cashier tallies the receipts and initiates the daily cash analysis program in the accounts receivable module. This program gives the cashier a grand total of daily receipts.
6. If the total of hand receipts does not equal the system generated total, the hand-written receipts are retallied. Daily entries may also need to be verified at this time.
7. All necessary corrections are entered into the accounts receivable module.
8. The cashier then prepares a deposit slip for each bank as needed. Funds are deposited by campus security during the morning of the following business day.

NOTE: If the receipts are checks, the cashier endorses the check with a stamp.

ELIZABETH CITY STATE UNIVERSITY
Employee Gifts, Prizes, and Awards Policy

Preamble

One of the ways in which Elizabeth City State University (ECSU) seeks to reward employee service and achievement is through departmental and campus recognition programs. Gifts, prizes, and awards are given to employees under certain circumstances in recognition of their efforts. This policy provides guidance on the taxability of these forms of recognition. The applicable Internal Revenue Service publication is IRS Publication 15-b “Employers Tax Guide to Fringe Benefits.” Taxable gifts, prizes, and awards shall be reported to Payroll Services and included on the employee’s Form W-2.

1. Taxability of Cash and Non-cash Awards

- A.** Cash gifts, prizes and awards given to employees constitute gross wages subject to federal and state income and FICA taxation. For purposes of this policy, **cash** includes gift certificates.
- B.** Non-cash gifts, prizes and awards given to employees are subject to federal and state income and FICA taxation unless these items of recognition qualify as one of the following within the definitions below: a *de minimis* fringe benefit; a length of service award; and a safety achievement award.

1. *De minimis* Fringe Benefits

- a. The University may reward an employee’s noteworthy, work-related accomplishments by presenting an item of tangible personal property without tax consequences provided the value of the item, in addition to other gifts, prizes or awards presented throughout the calendar year to the employee, and does not exceed \$99. The rationale is that these items of recognition constitute *de minimis* fringe benefits that are considered so small that accounting for them would be unreasonable or administratively impracticable. Examples of *de minimis* items include Elizabeth City State University logo items, items that acknowledge life events such as births or deaths, tickets to sporting or cultural events, or other similar items.
- b. Cash is never a *de minimis* fringe benefit and therefore any cash gift or award to an employee must be processed through payroll. Gift coupons provided by the university to an employee, redeemable at a retail establishment are also not included as a *de minimis* fringe benefit and therefore should be processed through payroll, regardless of value. The Internal Revenue Service has concluded that accounting

for cash or gift cards is not impracticable and therefore should be included in gross income.

2. Length of Service Awards

- a. Length of service awards may qualify as a non-taxable benefit provided: the employee has at least five years of service with the University; the employee has not received a length of service award within the last five years; the awards are limited to \$400 per employee per year; the awards are presented as part of a meaningful presentation, and the awards are made under conditions and circumstances that do not create a significant likelihood of disguised pay.
- b. For example, a department may provide an employee with an award of a plaque or a framed photograph of a University landmark at a cost of \$200 without reporting the benefit to Payroll Services as taxable wages provided: the employee has worked at the University for at least five years, and the employee has not received any other length of service awards from the University within any of the prior 4 years.
- c. Traditional retirement gifts of \$400 or less are excluded from taxation if they meet the length of service award criteria mentioned above. For example, a department may give an employee a gold watch for retirement from the University having a value of up to \$400 without tax implications if the length of service criteria is met.
- d. Should an employee receive a length of service award that exceeds \$400, the excess amount shall be reported to Payroll Section of the Accounting Office and included as taxable wages on the employee's Form W-2.

3. Safety Achievement Awards

- a. Safety achievement awards that recognize an employee's accomplishments for maintaining or promoting defined safety standards may qualify for exclusion from taxation provided: the awards are limited annually to less than 10% of total employees; the awards are not presented to managers, administrators, clerical and professional employees; the awards are limited to \$400 per eligible employee per year; the awards are presented as part of a meaningful presentation, and the awards are made under conditions and circumstances that do not create a significant likelihood of disguised pay.
- b. For example, the facilities management department may give a plaque that costs \$250 to a worker who demonstrates excellence in maintaining safety standards. Should an employee receive safety achievement awards that exceed \$400 during the calendar year, the excess amount shall be reported to Payroll Services and included as taxable wages on the employee's Form W-2.

2. Additional Guidance

Departments should contact the University Accounting Office for further assistance.

ELIZABETH CITY STATE UNIVERSITY
Identity Theft Prevention Program

Preamble

As a best practice and using as a guide the Federal Trade Commission's ("FTC") Red Flags Rule, implementing Section 114 of the Fair and Accurate Credit Transactions Act of 2003, Elizabeth City State University ("University") developed this Identity Theft Prevention Program ("Program"). This Program was developed with oversight and approval of the Elizabeth City State University Board of Trustees ("BOT"). After consideration of the size and complexity of the University's operations and account systems, and the nature and scope of the University's activities, the BOT determined that this Program was appropriate for the University, and therefore approved this Program on April 23, 2009.

The purpose of the program is to detect, prevent and mitigate identity theft in connection with any covered account. This program envisions the creation of policies and procedures in order to achieve these goals.

1. Scope of Policy

This policy applies to all individuals who receive, process, retain or store confidential student data that contains identifying information. It shall be the responsibility of the University to ensure that such data is stored properly and safeguarded from any unauthorized usage.

2. Definitions

"Covered Account" means

- A. Any account that constitutes a continuing financial relationship or is designed to permit multiple payments or transactions between the University and a person for a service, such as extension of credit, debit cards, Perkins Loans, FFELP, institutional loans, HIPAA covered accounts, deposit accounts, scholarship accounts, and the like.
- B. Any other account the University offers or maintains for which there is a reasonably foreseeable risk to holders of the account or to the safety and soundness of the University from Identity Theft, such as use of consumer reports for employee background checks or applicants for credit, institutional debit card applications, and the like.
- C. **"Identifying Information"** means any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including, but not limited to:
 - Name
 - Address
 - Telephone number
 - Social security number
 - Date of birth
 - Government-issued driver's license or identification number
 - Alien registration number
 - Government passport number

- Employer or taxpayer identification number
- Individual identification number
- Computer's Internet Protocol address
- Bank or other financial account routing code

- D. **"Identity Theft"** means a fraud committed or attempted using the Identifying Information of another person without authority.
- E. **"Program Administrator"** means the individual designated with primary responsibility for oversight of the Program.
- F. **"Red Flag"** means a pattern, practice, alert or specific activity that indicates the possible existence of Identity Theft.
- G. **"Service Provider"** means a person or entity that provides a service directly to the University.

3. Identification of Red Flags

In order to identify relevant Red Flags, the University considers the types of Covered Accounts it offers or maintains, the methods it provides to open its Covered Accounts, the methods it provides to access its Covered Accounts, and its previous experiences with Identity Theft.

Red Flags may be detected while implementing existing account opening and servicing procedures such as: individual identification, caller authentication, third party authorization, and address changes.

The University identifies the following Red Flags in each of the listed categories:

A. Notifications and Warnings from Consumer Reporting Agencies

- Report of fraud accompanying a credit report;
- Notice or report from a credit agency of a credit freeze on an applicant;
- Notice or report from a credit agency of an active duty alert for an applicant;
- Receipt of a notice of address discrepancy in response to a credit report request; and
- Indication from a credit report of activity that is inconsistent with an applicant's usual pattern or activity.

B. Suspicious Documents

- Identification document or card that appears to be forged, altered or inauthentic;
- Identification document or card on which a person's photograph or physical description is not consistent with the person presenting the document;
- Other document with information that is not consistent with existing individual information; and
- Application for service that appears to have been altered or forged.

C. Suspicious Personal Identifying Information

- Identifying Information presented that is inconsistent with other information the individual provides (example: inconsistent birth dates);
- Identifying Information presented that is inconsistent with other sources of information (example: an address not matching an address on a loan application);
- Identifying Information presented that is the same as information shown on other applications that were found to be fraudulent;
- Identifying Information presented that is consistent with fraudulent activity (examples: an invalid phone number or fictitious billing address);
- Social security number presented that is the same as one given by another individual;
- An address or phone number presented that is the same as that of another person;
- A person fails to provide complete personal Identifying Information on an application when reminded to do so; and
- A person's Identifying Information is not consistent with the information that is on file for the individual.

D. Suspicious Covered Account Activity

- Change of address for an account followed by a request to change the individual's name;
- Payments stop on an otherwise consistently up-to-date account;
- Account used in a way that is not consistent with prior use;
- Mail sent to the individual is repeatedly returned as undeliverable;
- Notice to the University that an individual is not receiving mail sent by the University;
- Notice to the University that an account has unauthorized activity;
- Breach in the University's computer system security; and
- Unauthorized access to or use of individual account information.

E. Alerts from Others

- Notice to the University from an individual, Identity Theft victim, law enforcement or other person that the University has opened or is maintaining a fraudulent account for a person engaged in Identity Theft.

4. Detection of Red Flags

A. Student Enrollment

In order to detect any of the Red Flags identified above associated with the enrollment of a student, University personnel shall take the following steps to obtain and verify the identity of the person opening the account:

- Require certain Identifying Information such as name, date of birth, academic records, home address or other identification; and

- Verify the individual's identity at time of issuance of individual identification card (review of driver's license or other government-issued photo identification).

B. Existing Accounts

In order to detect any of the Red Flags identified above for an existing Covered Account, University personnel shall take the following steps to monitor transactions on an account:

- Verify the identification of individuals if they request information (in person, via telephone, via facsimile, via email);
- Verify the validity of requests to change billing addresses by mail or email and provide the individual a reasonable means of promptly reporting incorrect billing address changes; and
- Verify changes in banking information given for billing and payment purposes.

C. Consumer ("Credit") Report Requests

In order to detect any of the Red Flags identified above for an employment or volunteer position for which a credit or background report is sought, University personnel shall take the following steps to assist in identifying address discrepancies:

- Require written verification from any applicant that the address provided by the applicant is accurate at the time the request for the credit report is made to the consumer reporting agency; and
- In the event that notice of an address discrepancy is received, verify that the credit report pertains to the applicant for whom the requested report was made and report to the consumer reporting agency an address for the applicant that the University has reasonably confirmed is accurate.

5. Response to Red Flags

- A. Once potentially fraudulent activity is detected, an employee must act quickly as a rapid appropriate response can protect individuals and the University from damages and loss. At a minimum, the employee must gather all related documentation, write a description of the situation, and present this information to the Program Administrator.
- B. The Program Administrator will complete additional authentication to determine whether the attempted transaction was fraudulent or authentic.
- C. If a transaction is determined to be fraudulent, appropriate actions must be taken immediately. Actions may include:
 - Canceling the transaction;
 - Notifying and cooperating with appropriate law enforcement;
 - Determining the extent of liability of the University; and
 - Notifying the actual individual upon whom fraud has been attempted.

6. Prevention and Mitigation of Identity Theft

In the event University personnel detect any identified Red Flags, such personnel shall take one or more of the following steps, depending on their determination of the degree of risk posed by the Red Flag:

A. Prevent and Mitigate

- Continue to monitor a Covered Account for evidence of Identity Theft;
- Contact the individual or applicant (for which a credit report was run);
- Change any passwords or other security devices that permit access to Covered Accounts;
- Refuse to open a new Covered Account;
- Provide the individual with a new individual identification number;
- Notify the Program Administrator for determination of the appropriate step(s) to take;
- Notify law enforcement;
- File or assist in filing a Suspicious Activity Report (“SAR”) with the Financial Crimes Enforcement Network, United States Department of the Treasury; or
- Determine that no response is warranted under the particular circumstances.

B. Protect Identifying Information

In order to further prevent the likelihood of Identity Theft occurring with respect to Covered Accounts, the University will take the following steps with respect to its internal operating procedures to protect individual Identifying Information:

- Ensure that its website is secure or provide clear notice that the website is not secure;
- Ensure complete and secure destruction of paper documents and computer files containing individual account information when a decision has been made to no longer maintain such information;
- Ensure that office computers with access to Covered Account information are password protected;
- Ensure that laptops are password protected and encrypted;
- Avoid use of social security numbers;
- Ensure the security of the physical facility that contains Covered Account information;
- Ensure that transmission of information is limited and encrypted when necessary;
- Ensure computer virus protection is up to date; and
- Require and keep only the kinds of individual information that are necessary for University purposes.

7. Additional Identity Theft Prevention Measures

A. Hard Copy Distribution

Each employee and contractor performing work for the University will comply with the following policies:

- a. File cabinets, desk drawers, overhead cabinets, and any other storage space containing documents with Identifying Information will be locked when not in use.
- b. Storage rooms containing documents with Identifying Information and record retention areas will be locked at the end of each workday or when unsupervised.
- c. Desks, workstations, work areas, printers and fax machines, and common shared work areas will be cleared of all documents containing Identifying Information when not in use.
- d. Whiteboards, dry-erase boards, writing tablets, and other writing surfaces in common shared work areas will be erased, removed, or shredded when not in use.
- e. When documents containing Identifying Information are discarded, they will be placed inside a locked shred bin or immediately shredded using a mechanical cross cut or Department of Defense-approved shredding device. Locked shred bins are labeled "Confidential paper shredding and recycling."

B. Other Policies and Procedures

This Program incorporates by reference the following internal policies and procedures:

- a. Network Security Policy
- b. Banner Security Policy
- c. E-Mail Retention Policy

8. Program Administration

- A. Oversight or program administration of this policy shall be as following:
 - a. Responsibility for developing, implementing and updating this Program lies with the BOT and designated Chief Information Officer as Program Administrator
 - b. The Program Administrator shall be responsible for ensuring appropriate training of University staff on the Program, for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating Identity Theft, determining which steps of prevention and mitigation should be taken in particular circumstances and considering periodic changes to the Program.

B. Staff Training

University employees responsible for implementing the Program shall be trained under the direction of the Program Administrator in the detection of Red Flags and the responsive steps to be taken when a Red Flag is detected.

C. Reports

Appropriate staff shall report to the Program Administrator at least annually on compliance by the University with this Program. The report shall address matters such as the effectiveness of the policies and procedures of the University in addressing the risk of Identity Theft in connection with the opening of Covered Accounts and with respect to existing Covered Accounts; Service Provider arrangements;

significant incidents involving Identity Theft and the University's response; and recommendations for material changes to the Program.

D. Service Provider Arrangements

In the event the University engages a Service Provider to perform an activity in connection with one or more Covered Accounts, the University will take the following steps to ensure the Service Provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent and mitigate the risk of Identity Theft.

- a. Require, by signed contract, that Service Providers have such policies and procedures in place; and
- b. Require, by signed contract, that Service Providers review the University's Program and report any Red Flags to the Program Administrator.

E. Program Updates

The Program Administrator shall review and update this Program at least annually to reflect changes in risks to individuals and the soundness of the University from Identity Theft. In doing so, the Program Administrator shall consider the University's experiences with Identity Theft situations, changes in Identity Theft methods, changes in Identity Theft detection and prevention methods, and changes in the University's business arrangements with other entities.

ELIZABETH CITY STATE UNIVERSITY
Student Accounts

1. Students in certain circumstances (i.e. pending financial aid, work study students, students with extenuating circumstances, etc.) are allowed to register prior to meeting all of their financial obligations to the university.
2. The decision to enroll students, prior to meeting all financial obligations, is controlled by the Vice Chancellor for Business & Finance.
3. A payment schedule is set up at registration in conjunction with the student, the student's parents and/or guardians and the Vice Chancellor for Business and Finance.
4. Payments are made during the semester, as agreed, to the cashier's station and applied to the students account.

ELIZABETH CITY STATE UNIVERSITY
Student Account Collections

All debts uncollected at the end of a semester or academic year are reviewed and forwarded to the collection department for immediate action.

1. After a student has been separated from the University for 30 days a "30 day letter" is sent with the Comptroller's signature stating the reason(s) why the account balance exists. The student is informed that the delinquent account must be paid within 10 days from the date of the notice.
2. If no response is received and the account remains delinquent for 60 days another letter is sent urging payment. This letter informs the student that further action is pending due to non-compliance with the first letter.
3. If after a 30-day period no response is received from the "60-day letter", a "90-day letter" is sent. This is the final attempt by the university to collect the outstanding debt by mail.
4. The student is given 10 (ten) days from the stated date on the letter to pay off debt or make satisfactory arrangements.
5. If a telephone number is listed in the student's file, telephone calls are made in an attempt to collect the debt.
6. If a student fails to respond, the account is automatically sent to the Attorney General's Office (AGO).

ELIZABETH CITY STATE UNIVERSITY
Uncollected Accounts

1. Upon the Comptroller's approval a list of delinquent accounts are forwarded to the Attorney General's Office.
2. The Attorney General's Office (AGO) notifies each student of the university's action and gives each student the opportunity to dispute the account.
3. At this time each student is given 30 (thirty) days to send a check or money order to clear their delinquent account.
4. A memo from the AGO with the original list of students is sent to the Comptroller requesting that our collection department record any responses received from the students on this list. The responses should be recorded as follows:

S/R	Satisfactory Response
N/R	No Response
U/R	Unsatisfactory Response
PD	Paid-In-Full

5. When this list is completed by the collection department it is forwarded to the AGO.
6. The AGO returns the list to the university giving the following instructions per account:
 - (1) Sue
 - (2) Write-Off
 - (3) Refer to Collection Agency
7. If we are instructed to sue all information on the account and the student's transcript are forwarded to the AGO. The AGO will direct the university on further proceedings.
8. If we are instructed to write-off the account is reviewed by the Comptroller and the Vice-Chancellor for Business & Finance and written off by the Accounting Technician in Student Accounts.
9. The AGO decides which collection agency the University will use.

ELIZABETH CITY STATE UNIVERSITY
**Tuition and Fees Refund Policy for Students Serving in the Military or in Case of National
Emergency**

Preamble

This policy addresses situations at Elizabeth City State University (ECSU) in which students request refunds of tuition or fees because of involuntary or voluntary service in the military or because of circumstances related to national emergencies. To the extent that any provision of this policy conflicts with the UNC policy statement on refunds of tuition and fees for students serving in the military or in case of national emergency, the UNC version shall control.

1. Involuntary Service or Voluntary Service During a National Emergency

Students who serve in the Armed Services Reserve or the National Guard are often alerted that they may be called to active duty for various reasons. If any student is called for active duty during a term in which he or she is enrolled, the eligible student may elect one of the following options:

- A. Complete Withdrawal Option (Without Academic Penalty)
1. Tuition and required general fees shall be fully refundable.
 2. Health Service fees shall be fully refundable. Students who have enrolled in the Student Health Insurance program shall be issued a prorated refund of premium based upon the number of days covered by the insurance.
 3. Room and board shall be refunded based on the number of weeks the room was occupied and the meals consumed.
 4. The student shall be responsible for any miscellaneous charges such as library fines, parking tickets, charges for unreturned rental books and dormitory damage fees.
 5. In order to be eligible for a refund under these guidelines, the student must contact the University Registrar's Office and provide the following:
 - a. A copy of his or her call-up papers; these "orders" shall serve as documentation for the refund of tuition and fees.

- b. A mailing address to which the student would like the refund to be sent

The University Registrar's Office shall notify appropriate offices of the student's withdrawal including Academic Affairs, Financial Aid Office, Housing and Residence Life, and the Bursar's Office.

- 6. In order to receive a refund from the Department of Residence Life, the student must complete the usual residence hall check out procedure. Written notice shall be sent from the Director of Residence Life to the Bursar that the check out procedure has been completed.
- 7. If a student is receiving financial aid during the term in which he or she is called to active duty, financial aid must be refunded according to federal and state guidelines before a refund shall be issued by the University.

B. Early Exam Option

Eligible students who are required to report for military duty not earlier than four calendar weeks prior to the date a semester ends as stated in the official catalog of the University, or after completion of at least 75% of the enrollment period in a nonstandard semester, may, when authorized by the instructor, take the final exam early and be given full credit for all courses for which they have an average of C or better. Students are not eligible for refunds for courses when they receive credit.

C. Incomplete Grade Option

Students called to active duty may take an incomplete in a course and complete it upon release from active duty. Course completion may be accomplished by independent study or by retaking the course without payment of tuition and fees. Under federal financial aid policies, a course that is retaken this way may not be counted toward a student's enrollment load. Eligible students who receive an incomplete for any course for which they are enrolled shall not be entitled to any refund of tuition and fees paid.

D. Returning to ECSU

If a student is called for active duty and subsequently released in a manner that would allow them to re-enroll during the semester in which they withdraw, ECSU shall make every effort to accommodate the request. Individual contacts with faculty involved and University Registrar shall determine the appropriateness of returning to a course. It is the student's obligation to contact the involved faculty and University Registrar regarding returning to ECSU.

2. Voluntary Service – Non-National Emergency

If a student volunteers for military service during a currently enrolled semester and the service is not related to a national emergency, the return of funds calculation shall be computed under the refund policy as outlined in the undergraduate catalog for undergraduate students. For graduate students, the return of funds calculation shall be computed under the refund policy as outlined in the graduate catalog for graduate students.

ELIZABETH CITY STATE UNIVERSITY
Reimbursement Requests

To receive a reimbursement for travel expenses a Request for Reimbursement of Travel and Other Expenses and Allowances Incurred in the discharge of official duty including per diem (Reimbursement Request) must be completed, attaching all applicable receipts and documentation.

1. Reimbursement for lodging may only be made in the amount documented by a receipt from a commercial lodging establishment.
2. Tips for handling baggage at common carrier terminals and tips for handling baggage when arriving at and/or departing from the place of lodging are allowed and must be itemized under "Other Expenses" on the reimbursement request.
3. Tips for room service, valet, and other hotel services are not reimbursable. The cost of laundry, entertainment, alcoholic beverages, "set-ups", between meal snacks or refreshment, and other personal expenses are not reimbursable.
4. Official phone calls are reimbursable under "Other Expenses." Calls over \$3.00 must be identified as to point of origin and destination.
5. Stipends may not be paid in addition to subsistence.
6. Times of departure and arrival must be listed on the reimbursement request.
7. All reimbursement requests should be filed for approval and payment within thirty (30) days after the travel period for which the reimbursement is being requested.

NOTE: The travel period is defined as the month during which the travel occurred

ELIZABETH CITY STATE UNIVERSITY
American Express Corporate Travel Card Policy

1. Preamble

Elizabeth City State University (ECSU) participates in a corporate travel charge card program with American Express. Under the program, ECSU employees can apply for American Express Corporate Travel charge cards to cover travel costs associated with official business travel. ECSU participates in the American Express Corporate Travel card program in an effort to make business travel more convenient for its employees and to reduce the need for cash advances.

2. Participation

- a. Participation in the American Express Corporate Travel Card Program is voluntary.
- b. ECSU employees must satisfy the American Express credit approval process in order to be eligible to participate in the program.

3. Limited to Official Business- Travel Related Expenses

- a. An American Express Travel Card issued under this program is limited exclusively for expenses related to authorized travel on official state business, such as registration fees, meals and lodging.

4. Responsibility for Charges

- a. An ECSU employee who obtains an American Express Travel Card under the program shall be fully responsible for payment of all charges incurred on the account, unless a Corporate Travel Card is reported as lost or stolen and American Express waives payment of certain charges. American Express will conduct investigations of corporate cards that are reported as lost or stolen.
- b. ECSU employees, who are cardholders under the program, will receive billing statements directly from American Express which shall be payable to American Express upon receipt.
- c. Travel Charge cards issued under this program are not guaranteed by ECSU.
- d. Misuse of the Travel Card shall be grounds for termination of the of the employee's card.

5. Responsibilities of ECSU Travel Office

ECSU's travel office shall have the following responsibilities in connection with administering the program:

- a. Issuing American Express Credit Applications to ECSU employees who are interested in participating in the program.
- b. Transmitting completed credit applications to American Express.
- c. Disbursing travel charge cards issued by American Express to ECSU employees participating in the program.
- d. Receiving management reports from American Express listing charges of all ECSU employees participating in the program and conducting regular reviews of the reports. Notifying Vice Chancellors and other Major Division Heads of any non-business charges reported by American Express made by employees participating in the program within their respective divisions.

6. Discontinuance of Participation in the Program

Under either of the following circumstances, the University Travel Office will notify affected employees that participation in the program shall be discontinued. Upon receipt of notice of discontinuation, ECSU employees must return Travel Charge Cards issued under the program to the Travel Office within one (1) business day.

- a. Separation of ECSU employment by a participant in the program,
- b. Employee misuse due to personal or non travel related expenses,
- c. Voluntary surrender of the card by the employee, or
- d. Making three late payments within a 12-month period. A late payment is defined as payment made 30 days or more after the due date.

ELIZABETH CITY STATE UNIVERSITY
Components of the State Budget

1. The state budget has three major parts: The continuation budget, the expansion budget, and the capital improvement budget. The continuation budget generally comprises approximately 94 percent of the total budget and provides for the continuing level of service of existing programs.

The expansion budget provides for expansion of existing programs, new programs, and salary increases and/or benefits for teachers and state employees. The capital improvement budget provides for construction, major repairs and maintenance, and land purchases.

2. The total budget is comprised of four major sources of funding: the general fund, the highway fund, federal funds, and special revenue funds.
 - a. The general fund is made up of tax and special revenue funds.
 - b. The highway fund is comprised of revenues from transportation activities.
 - c. The federal funds support Medicaid, Aid to Families with Dependent Children, Elementary and Secondary Education Act, highway construction, Low Income Energy Assistance Block Grant, Social Services Block Grant, Child Nutrition in Public Schools, and WIC Nutrition Program.
 - d. Special revenue funds come from the Wildlife Resources Commission, university auxiliary services, motor pools general services, state fair, prison enterprises and regulatory agencies.

ELIZABETH CITY STATE UNIVERSITY
Budget Determination

The official budget of the departments, institutions and agencies of the State is determined as follows:

1. The budget of each agency is recommended to the General Assembly by the Governor and the Advisory Budget Commission in detail by programs, functions or purposes and by primary objects under programs, functions or purposes.
2. The recommended budget may be changed in total and in detail by programs, functions or purposes and by primary objects under programs, functions or purposes by the General Assembly.
3. The recommended budget in total and in detail by programs, functions or purposes and by primary objects is the legal budget of each agency of the State of North Carolina.
4. The Division of State Budget revises the recommended budgets in accordance with changes made by the General Assembly.
5. The revised and official budgets are certified to the spending agencies on prescribed forms prior to the beginning of the fiscal period for which the budget is made.
6. These budgets are fixed and cannot be changed by an agency itself and must be followed unless changes are provided by law.

ELIZABETH CITY STATE UNIVERSITY
Biennial Budget Requests

1. ECSU submits budget requests for appropriations for both current operations and capital improvements using such forms, and at such times, as the Director of the Budget shall direct. Budget requests are submitted in accordance with detailed budget instructions which are issued by the Office of State Budget and Management approximately 12 months prior to the convening of each new General Assembly (in January or February of even numbered years).
2. The budget requests provide for each program a statement of that program's goals, its objectives for the next two years, statistics supporting its objectives, and the line-item budget for the previous year (actual), current year (authorized) and next two years (recommended).
3. The first step in the budget preparation process is the review by the Office of State Budget and Management of these budget instructions and the schedule of completion dates for each component of the process. The instructions detail the concepts of the continuation, expansion, and capital budgets as they are to apply to the biennial budget under preparation. These concepts may vary from one biennium to the next, so new instructions are issued for each budget.

ELIZABETH CITY STATE UNIVERSITY
Continuation Budget

The continuation budget refers to that portion of the budget which maintains the existing level of services. Generally, increases in the continuation budget over the actual expenditures of the last fiscal year and/or the authorized budget of the current year are restricted to:

- a. Increases and adjustments required by law, such as Social Security or retirement rate increases, longevity costs and premium pay amounts.
 - b. Inflationary cost increases in necessary items such as food, medicine, clothing, fuel and utilities. (Applicable items and rates of increase allowable are determined by the office of State Budget and Management each budget cycle and communicated to agencies for application).
 - c. Annualization of programs begun by legislative action within the current year.
 - d. Minimum operating costs for the opening of new facilities previously authorized by the legislature. These costs generally are budgeted as a single line reserve supported by sufficient documentation.
 - e. Documented rate increases in rental contracts for such items as data processing, copiers, and word processing equipment or service and maintenance contracts.
 - f. Replacement of worn out or damaged equipment with comparable equipment.
 - g. Adjustments to departments and federal receipts to more realistic levels.
 - h. The continued payments for the purchase of data processing equipment being bought on an installment basis.
 - i. Items budgeted on an irregular basis, such as periodic painting and periodic accreditation studies, for which funds were not provided in the authorized year but for which funds are needed in the continuation year. (Irregularly budgeted or nonrecurring items for which funds were provided in the authorized year but are not necessary for the continuation year should not be continued).
2. Decreases should be shown in requirements, receipts and appropriations in the continuation budget where cost and receipts associated with caseloads, enrollments, etc. are expected to decline.

3. Any increase in other line items, such as supplies and, materials, printing, or travel, would not be allowed in the continuation budget except through an approved realignment in the current year.
4. Carry forwards (money carried forward by check from one budget year to the next, with approval of the office of State Budget and Management) will be reflected as expenditures in the actual year, represented in the appropriate line item for the budget document presentation and will not be reflected in the current year in the continuation budget.
5. "One-shot" expenditures approved for the current year should be eliminated from the continuation request as in the case of special bills not intended to be of a continuing nature.
6. The continuation budget is prepared jointly by the Vice Chancellor of Business and Finance and the Comptroller

ELIZABETH CITY STATE UNIVERSITY
Expansion Budget

1. Generally, the expansion budget refers to the establishment of new programs and the expansion of existing programs. The expansion request also may include:
 - a. state funding of programs previously supported by nonstate funds (such as expired federal grants);
 - b. increases to support additional persons being served by a state program and/or higher per capita cost to provide that service; and
 - c. additional equipment (other than replacement).

ELIZABETH CITY STATE UNIVERSITY
Capital Improvements

1. Capital improvement projects are renovations, repairs and major maintenance to existing facilities, major landscape improvements, new construction, land purchases, one-time major equipment purchases and utility modifications. These projects are accounted for in the capital improvement budget code of a department or institution. The establishment of a capital improvement project requires approval of the General Assembly or the Director of the Budget.
2. The transfer of funds between capital and operating budgets "is statutorily prohibited. Departments are allowed to make expenditures in their operating budget which exceed \$50,000 for repairs, maintenance, equipment purchases, and the like, provided proper budget approval has been obtained. The expenditure of funds from the operating or the capital budget for capital improvement projects is subject to the adherence-to laws governing review of plans and specifications, selection of architects and public bid for construction projects.,
3. For university projects, capital improvement requests will be submitted in accordance with biennial budget instructions from the UNC Board of Governors when the project is requested as a part of the Governor's budget recommendation to the General Assembly. The instructions will set forth procedures for submitting OC25 forms, categorizing, projects, and all other data pertinent to the needs of the Board, the Office of State Budget and Management and the Office of State Construction in preparing the Governor's budget recommendations to the General Assembly.
4. After a new capital improvement project has been authorized by either the General Assembly or the Governor, the Office of State Budget and Management will notify the department, either with a budget form BD-306 (General Assembly Authorization) or with a letter (Governor's Authorization). The BD-306 is used when a new project is authorized by the General Assembly and will identify the project, the fiscal scope, the capital improvement code and the fund under which the project is to be budgeted. Departments will use the BD-306 to enter the project into the Departmental Accounting System with all funds budgeted under Contingency Reserve.
5. For capital projects which have been authorized by the Governor, the Office of State Budget and Management will notify the agency by letter. This letter will identify the name of the project, the fiscal scope of the project and the capital improvement code under which the project is to be established. Upon receipt of this notification, the agency is to immediately submit a budget form BD-606 to establish a budget as instructed in the letter with all funds budgeted under Contingency Reserve. The fund or item number will be assigned by General Administration. When the approved BD-606 is received by the department or institution, the

project is then entered into the Departmental Accounting System or the institutions accounting records.

6. A BD-606 is not required to distribute funds from the contingency reserve into proper expenditure lines after design and construction contracts have been awarded. This distribution is to be made internally by the agency upon approval of the allotment but the total is not to exceed the authorized budget as reflected on the approved BD-606.

400.4.7
Adopted: 06/14/05

ELIZABETH CITY STATE UNIVERSITY
Establishing A Budget Code

In order to establish a new budget code, ECSU has to submit a request to the Office of State Budget and Management. The request should indicate: (1) the reason for the new and/or additional budget code; (2) the type of fund title, i.e. General Fund, Special Fund, Federal-Fund, and, (3) the recommendation from the Office of State Controller, the State Treasurer and the department to establish the new budget code.

ELIZABETH CITY STATE UNIVERSITY
Receipts

- 1. ECSU is required to include the receipts collected and spent in its budgets.
- 2. The total expenditure budget includes all funds received from ECSU's receipts and from State appropriations.
- 3. Elizabeth City State University's budgets are set up as follows:
 - a. Total requirements- which is the total of all expenditures provided from ECSU's receipts and State appropriations
 - b. Less estimated receipts- the receipts of Elizabeth City State University allocated by law
 - c. Appropriations- which is the amount of money granted to ECSU by the General Assembly out of State revenues.

For example:

Budget of an agency:

Salaries and Wages -----	\$ 10,000
Supplies and Materials -----	20,000
Printing and Binding -----	5,000
Equipment -----	10,000
Repairs and Alterations -----	5 000

Total Requirements-----\$50,000 Less:

Estimated Receipts:

Sale of Forms ----- 10,000

Appropriation -- \$ 40,000

If receipts are only realized to an amount of \$5,000, it then will be necessary for the expenditure to be reduced to \$45,000 to compensate for the loss of receipts in the sum of \$5,000.

4. When receipts are declining, the Comptroller or Vice Chancellor for Business and Finance consults with the Division of State Budget to revise the expenditure budget before commitments are made which might exceed available funds.

ELIZABETH CITY STATE UNIVERSITY
Refund of Receipts

1. A refund of receipt is any receipt which is repaid to the original payor. When a refund is paid ECSU's receipts are reduced.
2. Refunds of receipts should be charged back against the originally credited receipt.
 - a. Debit Control.
In the Revenue Subsidiary ledger, debit the proper revenue account by placing the amount in parenthesis or red figures in the credit column. This will result in total credits representing revenues and total debits representing budgeted revenues.
 - b. Credit Disbursing Account.
If State Disbursing officer's warrants are used in place of a disbursing account, credit the allotment account.

ELIZABETH CITY STATE UNIVERSITY
Cash Receipts-CMP

1. Due to Elizabeth City State University's complex organization all cash transactions do not occur in one office. The collection of cash is centered in the Cashier's Station but other areas have been delegated the responsibility and authority to collect cash. These areas are listed below:

Bookstore	Supply Store Manager
Post office	Postal Clerk
Security	Security Officer
Registrar	Secretary
Admissions	Secretary
Copy Center	Copy Center Operator
Athletics	Secretary
Lyceum	Various

- 2. The majority of cash receipts are normally received between 2:00 p.m. and 4:00 p.m. daily. Athletic receipts for ticket sales and concessions are usually collected after the close of the business day. These receipts are stored in a combination-locked safe in the athletic office and deposited to the Cashier's Station on the next business day.
- 3. Pre-numbered receipts are used for collecting most cash. There are some areas that use cash registers, logs and tickets as auditable documentation for cash received.
- 4. All areas are required to submit a "Daily Cash Report" to the Cashier's Station each day-cash is received..
- 5. All cash and a "Daily Cash Report" must be deposited to the Cashier's Station by 10:00 a.m. on the next business day following the event or transaction.
- 6. Under no circumstance are expenditures permitted from cash received.
- 7. The amount of the deposit is verified by the Cashier and an official university receipt is given to the depositor.
- 8. Deposits are made to First Union National Bank, ECSU's local depository, by 12:00 p.m. each morning by a university security officer.

NOTE: Monies received in the form of warrants drawn on the State Treasurer shall be deposited directly with the State Treasurer and not through the banking system unless otherwise approved by the State Treasurer.

9. All persons receiving funds in the name of the university or intended for the University or any of its programs are required to deposit such funds to the Cashier's Station to the credit of the "State Treasurer" by 10:00 a.m. on the next business day. These funds are deposited in a designated revenue account established for the programs.
10. Under no circumstances are employees, students, or any other person or group permitted to deposit university funds in bank accounts outside of the University's control.
11. Checks made payable to the university or jointly to the university and another payee are receipted in full. The portion due the other payee is refunded to them by check.
12. All monies due ECSU by another governmental agency or by private persons shall be promptly billed, collected and deposited.

Federal Grants Inter-Fund Transfers, Etc.

13. Through the negotiations of federal grants and the scheduling of due dates; receipts are processed through the drawdown method from the Federal Reserve taking from seven to ten working days before credit to the University's account is realized. In view of the time lag, expenditures are not made until notification of deposit by the local bank is received.

NOTE: This is done to eliminate temporary borrowing from state appropriated-funds.

14. Maximization of the earning potential of inter-fund transfers depend on the timing of transfers. Transfers are processed on Mondays, Tuesdays and/or Wednesdays in order to make sure that deposits are credited to the bank account before the weekend.
15. ECSU follows the requirements of the Office of State Budget and Management regarding identification of the current year's expenditures to be paid in the year incurred or from resources of the year incurred and not forwarding to subsequent years to be paid by subsequent years budget.

Student Accounts

1. Collections from delinquent student accounts are deposited to the university Cashier the same day collected and the account is immediately updated.
2. Collections are usually in the form of check or money order. An official University receipt is prepared at the time of receipt of all monies.

3. ECSU acquired the services of the North Carolina Department of Revenue under the "Set Off Debt Collection Act" to assist in collecting income tax refunds from persons with delinquent accounts.
4. ECSU has also employed private agencies to collect funds for delinquent accounts.
5. These methods are used to procure the strongest effort in maintaining cash flow to the credit of the University. Collection procedures begin when an account is 90 days past due.
6. In still a greater effort to minimize account balances from students, a policy has been instituted to prevent seniors from graduating and prior students from receiving a college transcript and/or diploma if a debit balance remains on their account.

ELIZABETH CITY STATE UNIVERSITY
Refund of Expenditures

1. A refund of expenditure is any amount returned to ECSU because of an overpayment or because goods were returned to the vendor and the purchase price refunded.
2. A refund of expenditure is not a receipt but a reduction of expenditures.
3. Refunds of expenditures should be entered as follows:
 - a. Debit Allotment Account.
 - b. Credit Expenditure Control.

In the expenditure subsidiary ledger, the proper budget subheads should be credited by placing the amount in parenthesis or red figures. This will result in total credits representing budgeted requirements.

ELIZABETH CITY STATE UNIVERSITY
Requisitions for Funds

- 1. Requisitions for funds are used by departments and institutions operating through a disbursing account in the State Treasury.
- 2. Departments using State Disbursing Officer's warrants do not use requisitions for funds.
- 3. After allotments are made, funds are received for disbursement on a State Treasurer's disbursing account through the use of Form BD-301 Requisition for Funds, with the following information:

Requisition number (run in numerical sequence for each year beginning with number one on each July 1).

Date issued.

Allotment Authorization number or numbers. Check block "On Account" or "Settlement".

Code number (Operating or Capital Improvement Fund), and Disbursing Account Number.

Name of Department or Institution.

Month to be disbursed.

Condition of Allotment Account:

- Credit first of month ----- \$
- Allotments or deposits since Total ----- \$
- Withdrawn since ----- \$
- Balance in Allotment Account ----- \$

Condition of Disbursing Account:

- Credit 1st of month (if any) ----- \$

- Received since 1st of month ----- \$
- Total ----- \$
- Expenditures required ----- \$
- Balance or amount requisitioned----- \$

4. The form BD-301 should be signed by the Vice Chancellor for Business and Finance.
5. Requisitions for funds on account may be made at any time during the month that funds are needed to meet payrolls or other obligations.
6. At the end of the month when voucher and receipt registers and budget reports are completed, a settlement requisition must be made for the amount still required to meet expenditures for the month.
7. After the requisition has been approved by the Division of State Budget, the State Disbursing officer will issue state warrants to the credit of Elizabeth City State University and send them to the State Treasurer for deposit.

ELIZABETH CITY STATE UNIVERSITY
Disbursing Accounts In The State Treasury

1. Elizabeth City State University has a disbursing account provided in the State Treasury.
2. These disbursing accounts have funds credited to them only by State Disbursing Officer's warrants.
3. Checks cannot be paid unless funds have been requisitioned to meet its expenditures.
4. Checks must not be released until notice is received from the State Treasurer that funds have been deposited to the credit of ECSU.
5. The State Treasurer will send all cancelled checks and a statement at the end of each month.
6. The disbursing account should be reconciled promptly as soon as cancelled checks and statements are received.
7. If an error is found in the statement such as a check of some other agency charged to the account of ECSU, the State Treasurer should be notified immediately so the error may be corrected.

ELIZABETH CITY STATE UNIVERSITY
Requisition for Allotment

1. Before an appropriation shall become available, Elizabeth City State University submits to the director a requisition for an allotment of the estimated amount needed during the ensuing quarter. This requisition should be submitted no later than 20 days before the beginning of each quarter. The requisitions may be submitted more frequently as the director determines and should contain details of proposed expenditures as required.

2. Request for quarterly allotments must be made on Form BD-601, with the following information:

Name of agency.

Quarter for which request is made.

Fiscal year of quarter

Chapter of law providing appropriation.

Appropriation title.

Code of agency.

List all purposes in column (1) first section and total shown in summary of purposes on certified budget form BD-307.

Show expenditures for same quarter in previous year and present quarter as follows:

a. Expenditures actual same quarter last year in column (3).

b. Expenditures estimated for present quarter in (4).

Show estimated unexpended appropriations at the beginning of quarter for which request is made in column (5). The unexpended in column (5) will be the total appropriations to date and the amount estimated to complete the current year.

Show estimated expenditures for the quarter covered by the request in column (6). On the lower half of Form BD-606 show estimates by primary objects.

Estimated receipts are to be shown for all quarters called for in columns (3), (4), (5), (6). Receipts for previous must be shown.

Show appropriation figures for all quarters.

3. The form is to be signed by the Vice Chancellor for Business and Finance and the Chancellor. Two copies of the form are to be sent to the Division of State Budget and Management.

ELIZABETH CITY STATE UNIVERSITY
Quarterly Allotments

1. Quarterly allotments to Elizabeth City State University are made upon request. No state appropriation is available for expenditure except as allotted by the Division of State Budget.

2. Allotments are made as follows with such additional detail as the Director of the Budget deems appropriate:
 - a. Total requirements.

 - b. Less estimated receipts.

 - c. Appropriation.

3. Each agency is limited in expenditures to the approved quarterly requirements. Receipts may be collected in amounts greater than set out in the allotment but expenditures from all sources cannot exceed the total requirement as shown in the allotment.

ELIZABETH CITY STATE UNIVERSITY
Revision of Quarterly Allotments

1. Requests to revise quarterly allotments may be made to the Division of State Budget and Management using the information as the Director of the Budget deems appropriate. Allotment revisions are based on written requests using Form BD-606.
2. Requests for revisions of quarterly allotments should be made promptly after it becomes apparent that additional funds are necessary.
3. If operating conditions have changed, a full explanation should be submitted.
4. If the allotment severely restricts operations a request should be made for an increase explaining in full why additional funds are necessary.

ELIZABETH CITY STATE UNIVERSITY
Departmental Planning and Administration

1. Department heads are expected to administer the accounts under their supervision in such a manner as to keep expenditures within the budgets established, for their operation.
2. To discharge this administrative responsibility, it is necessary for department heads to plan departmental programs and control the accounts in such a manner as to be sure that current budgets, at all times, represent the financial plans for the various programs. Expenditures should be anticipated and curtailed where appropriate. Program goals in most cases can be met by realignment of budgets provided adequate planning has been done and adequate controls maintained.
3. A primary aid in planning and administering each program is provided by the issuance of a monthly FBM090 Account Statement for each account. These reports provide an updated financial status report on each account and are distributed to the Vice Chancellors and department heads through campus mail, generally by the eighth workday of the following month.
4. Although FBM090 Account Statements will be as up-to-date as possible, they will undoubtedly not reflect all expenditures or outstanding obligations as of the report closing date. There will always be some processing lag. Encumbrances are not made for open order purchases from commercial vendors, student stores, intra-state travel, or requests for reimbursements (such as departmental invoices covering coping charges, postage, telephone, and the like). Therefore, it is necessary to consider such outstanding obligations in determining the actual financial status of any particular account. The department head must assure that unencumbered commitments of this type are adequately controlled so as not to overdraw an account.
5. Reports should be promptly reviewed and actively used in the financial management process for each account. "Balance Available" should be continuously evaluated in regard to such things as expenditure trends, new or continuing requirements, as well as operating requirements for the remainder of the fiscal period. Prompt action should be taken where necessary to request budget revisions or to curtail program costs.
6. Budget revisions should be based upon the financial plan and cost trends for the current fiscal period. To the extent possible, budget revisions should reflect all necessary reallocations of resources that are foreseen through the end of the current budget period. Revisions solely for the purpose of temporarily coping with the near-term problems, such as a \$25 account overdraft in the supply line, when more funds will probably be needed for other anticipated expenditures, should be avoided whenever possible.
7. It is also imperative that accounts not be overdrawn with a view towards straightening matters out later. This imposes an unnecessary administrative burden on all concerned, involving retroactive adjustments and/or budget revisions after the fact, rather than before the fact as should be the case where adequate planning and control is exercised.
8. By planning ahead, the number of budget revisions can be minimized and the administrative task reduced.

400.5.1

Adopted: 06/14/05

Repealed: 06/10/08

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ELIZABETH CITY STATE UNIVERSITY
Lock Change and Key Requests

This Policy was repealed and replaced by ECSU Policy 400.5.4: Key Control Policy.

ELIZABETH CITY STATE UNIVERSITY
Occupational Safety and Health Policy

Preamble

The purpose of this policy is to provide guidelines for the establishment of a comprehensive safety and health program at Elizabeth City State University (ECSU) in accordance with the *Occupational Safety and Health Act*, 91 P.L. 596 and North Carolina General Statutes §§ 95-126 through 95-155. To the extent that any provision of this policy conflicts with the UNC policy statement on occupational safety and health, the UNC version shall control.

1. Objectives

The objectives of the safety and health program include the following:

- A. To provide safe and healthful working conditions for all persons directly or indirectly, full-time or part-time, employed by the University.
- B. To identify and correct as early as possible any and all unsafe or hazardous conditions on the campus.
- C. To provide, or make available at minimal cost as applicable, such personal equipment or devices as may be found necessary for protection of employees in their operations.
- D. To establish and maintain an environment conducive to the prevention of illness or injury of all persons.
- E. To plan, establish and conduct such educational programs as deemed advisable to keep employees actively conscious of safety in all operations, on and off the job.
- F. To provide for first aid, by training and equipment, in event of accident, with a view to minimizing effects of any injury.
- G. To make all employees aware of OSHA provisions, and encourage their participation.

2. Responsibility

For purposes of the safety and health program, ECSU is a public agency. The chancellor, as chief executive, is responsible for implementation of the program.

3. Role of North Carolina Department of Labor

The North Carolina Department of Labor is responsible for administration of the *Occupational Safety and Health Act of North Carolina* (OSHA NC). Under the conditions of 91 P.L. 596, State administration of the act will be monitored by federal agencies for at least three years from passage of the State act. Provisions and standards for the State program are identical in most respects to the federal program, except that administration is at State level. The State program is self-inspecting with respect to public agencies. However, the State Department of Labor will provide advice and counsel, certain printed forms and materials, and inspections assistance as may be required. Reports required shall be submitted by the chancellor to the North Carolina Department of Labor.

4. Personnel Involvement

In order to achieve successful results, the program must involve persons at a wide variety of administrative levels. Management belief in and support of the program is the primary requisite. Participation and cooperation of all employees shall be actively encouraged.

5. Organization

A. Safety and Health Coordinator

At ECSU the Safety Officer serves as the Safety and Health Coordinator. This is a full-time position dedicated to the coordination of the safety and health program.

The safety and health coordinator shall maintain close liaison with the North Carolina Department of Labor, and shall prepare such reports and maintain such records as required by that department or the chancellor.

A principal responsibility of the safety and health coordinator shall be the preparation of a campus safety and health plan in accordance with standards and requirements of the Department of Labor.

All safety and health program records shall be open for inspection at any time by the North Carolina Department of Labor and by ECSU's safety and health officer.

B. Safety Committee

The purpose of ECSU's Safety Committee is to seek to enhance institutional effectiveness through promoting safety and accident prevention, removal of architectural barriers, recommendations covering campus vehicular traffic and concerning fire hazards and preparedness for civil disasters. The committee reports to the Vice Chancellor for Business and Finance.

6. Reference Material

The following reference material is available through the North Carolina Department of Labor:

- A. *Occupational Safety and Health Programs for State Agencies*, North Carolina Department of Labor
- B. *Recordkeeping Requirements for OSHA*, U.S. Department of Labor.
- C. *General Industry Guide for Applying Safety and Health Standards*, U.S. Department of Labor.

ELIZABETH CITY STATE UNIVERSITY Solid Waste Reduction and Recycling Policy

Preamble

Elizabeth City State University (ECSU) is committed to good stewardship of the environment. A key element of that stewardship is the reduction of the amount of solid waste going from the campus into landfills. Solid waste landfills have negative long-range environmental impacts, drain community resources, and have limited capacity to accept the large quantities of waste generated by our society today. The University shall make every effort to reduce the solid waste generated on campus. Four methods shall be used to implement this policy: source reduction, reuse of materials, recycling, and purchase of recycled materials. To the extent that any provision of this policy conflicts with the UNC policy statement on recycling, the UNC version shall control.

1. Methods to Achieve Solid Waste Reduction

- A. *Source Reduction:* All members of the University community are responsible for implementing operational practices that prevent waste from being produced. Examples include printing reports and documents on both sides of the paper; printing appropriate numbers of documents; using email rather than printed correspondence; and using products that are reusable, refillable, repairable, non-toxic, and recyclable. Items requiring the least possible packaging shall be purchased when practical. Every effort shall be made to prevent excess or unneeded materials from being purchased.
- B. *Reuse of Materials:* All members of the University community are responsible for reusing products whenever possible. Examples include obtaining office furniture from the university's surplus property office or using dishes, glasses, and reusable flatware rather than disposable paper and plastic ware.
- C. *Recycling:* All members of the University community are responsible for separating identified recyclable materials and placing them in appropriate recycling containers.

Campus Recycling includes aluminum cans, batteries, cardboard, glass bottles, hard back books, microfiche, news blend, office blend, plastic bottles (#1 and #2 only), Styrofoam, synthetic or packing peanuts, toner cartridges, transparencies, videotapes, and additional items as implemented.

Residence Hall Recycling (where available) includes aluminum cans, steel cans, spiral paper cans with metal bottoms, plastic bottles (#1 and #2 only), glass bottles and jars, newspapers, phone books, catalogs and magazines, brown paper bags, and additional items as implemented.

Facilities Management Recycling includes construction/demolition debris, fluorescent light bulbs, motor oil, oil filters, paint, pallets, refrigerants, scrap metal, solvents, tires, yard waste, and additional items as implemented.

- D. *Purchase of Recycled Content Material:* All University departments are responsible for taking efforts to purchase and use products manufactured from or containing recycled materials. All recycled content purchases shall be reported to the Purchasing Department for statewide recordkeeping and reporting purposes.

2. **Responsibilities of the Vice Chancellor for Business and Finance**

- A. The Vice Chancellor for Business and Finance shall be responsible for implementing this policy.
- B. The recycling coordinator shall develop and implement a waste reduction and recycling program in accordance with this policy and promote recycling and waste reduction in employee and student orientation events and materials.
- C. Personnel in the Procurements and Materials Management Department shall ensure recycled content products are purchased when feasible and that criteria for recycled content products are included in the purchasing bid process.
- D. Facilities Management and Design and Construction personnel shall ensure that all contractors adhere to on-campus recycling policies and procedures and ensure that all new construction includes designated areas for recycling and solid waste collection and removal.

ELIZABETH CITY STATE UNIVERSITY
Key Control Policy

Preamble

It is the goal of Elizabeth City State University to provide a safe, comfortable, and secure environment that is conducive to learning and research while minimizing occurrences of theft or damage to equipment, furnishings, and other property. In order to ensure authorized entrance to certain facilities, the university may issue keys to University faculty, staff, graduate student assistants, students, individuals with an authorized relationship with the University, and to such authorized non-University persons requiring access to University facilities. All keys to University facilities and spaces are the property of Elizabeth City State University, and must be obtained and managed in accordance with this policy. Acceptance of keys issued by Elizabeth City State University (ECSU) obligates persons to follow all key control policies and procedures.

I. Possession of University Keys and Authorized Key Holders

The following classifications of users have the following key control authority and or roles:

- A. Full-time EPA-Teaching (faculty), SPA and SPA Exempt staff, and EPA Non-Teaching staff may have keys issued to them with approval of the respective department head/chairperson, dean, and respective Senior Administrative Officer.
- B. Boarding students may have keys issued to them. A documented list of these keys shall be maintained by the Director of Housing and Residence Life.
- C. The Director for Facilities Management shall maintain a list of all authorized key holders for each facility on the campus.
- D. The Facilities Management staff and Campus Police shall have the appropriate keys relative to their personnel function.
- E. The cost of replacing lost or stolen keys shall be assessed to the key holder.

II. Responsibilities of Key Holders

- A. Keys issued are the responsibility of the individual employee until separation of employment from Elizabeth City State University or access to the area for which the key was originally issued is no longer necessary.
- B. Key holders shall not “prop” doors or windows open or leave them unlocked during hours when the facility is normally closed.
- C. Any costs incurred by the University for unreturned keys will be deducted from final compensation.

III. Request for Keys/Changes of Locks Form

- A. A Request for Keys/Change of Locks Form is required for all key requests and change of locks.
- B. All requests for Grand Master keys must be approved by the Chancellor of the University.
- C. All requests for Master keys must be approved by the Vice Chancellor for that area.

IV. Lock Out Procedures

- A. If an individual has been locked out of their office, no ECSU employee shall be allowed to unlock doors or other facilities for staff members. The supervisor or ECSU Campus Police Department must be contacted for assistance in this regard. This safety measure allows entrance of authorized personnel only.

V. Return

- A. If an employee is separated from the university, it is the responsibility of the supervising manager with the appropriate guidance from the Division of Human Resources and Payroll to receive all keys issued to the separated employee. These keys shall be returned to the Director for Facilities Management via the Division of Human Resources and Payroll. The return of keys is required on the employee exit form.

VI. Duplicate Keys

- A. No duplicate of an ECSU Key shall be made by any vendor.

- B. Official duplicates will only be made by the ECSU Locksmith which shall only occur after the completion of the ECSU Request for Keys/Change of Locks Form. The university locksmith is the only authorized provider of keys on the campus.
- C. Any student found using a duplicate key or in possession of such shall be subject to disciplinary action as adjudicated by the Division of Student Affairs and university student judicial procedures. Additionally, the student shall be assessed the cost of rekeying locks.
- D. Any faculty or staff member found using a duplicate key or in possession of such shall be subject to disciplinary action as well as having the cost of rekeying locks assessed against them.

VII. Adding Additional Locks

- A. No campus area may be secured except by a locking device authorized by the Director for Facilities Management.
- B. If additional locks are added, the responsible individual shall be subject to the appropriate disciplinary action, as well as the cost of lock removal and/or door replacement.

VIII. Prohibition of Key Transfer

- A. Keys shall not be transferred directly from one individual to another.
- B. When keys are no longer needed by an employee, the keys shall be returned to the Director for Facilities Management, who shall properly store the key.

IX. Lost or Stolen Keys

- A. All lost or stolen keys or credentials must be reported to the Elizabeth City State University Campus Police Department and the Director for Facilities Management.
- B. If a key is lost or stolen, the Facilities Management Director will communicate this to the relevant authority and a mutual decision on the risk involved will govern the action to be taken. If the action results in a re-keying operation, the costs for this action will be charged to the party responsible for the loss of the key.
- C. An ECSU Request for Keys/Change of Locks Form must be submitted for key replacement. Damaged and broken master keys, including broken pieces, must be returned or accounted for, before a replacement may be issued.

X. Key Eligibility

TYPE of KEY	ELIGIBILITY to CARRY	RESPONSIBILITY to AUTHORIZE
Grand Master Set (Access to all Campus Facilities)	1. Chancellor 2. Provost 3. Executive Assistant to the Chancellor 4. Chief of Police/Director of Public Safety 5. Director for Facilities Management 6. Campus Safety Staff 7. Appropriate Facilities Staff 8. Chancellor's Designee	2. – 8. - Chancellor 6. Director of Public Safety, Vice Chancellor of Student Affairs 7. Supervisor, Director for Facilities Management Director for Facilities Management must approve all Key Requests.
Building Master (Access to all locks within a building)	1 Appropriate Facilities Staff 2. Employees as needed to perform their duties 3. Building Coordinators.	1 – 3. - Supervisor, Vice Chancellor Director for Facilities Management must approve all Key Requests.
Sub-Master (Access to a group of locks within a building)	1. Employees as needed to perform their duties	1. Supervisor, Vice Chancellor Director for Facilities Management must approve all Key Requests.
Single door lock	1. Employees as needed to perform their duties 2. Student access to residence hall rooms.	1. Supervisor, Appropriate Administrator 2. Director of Housing and Residence Life. Director for Facilities Management must approve all Key Requests.
Building Entrance	1. Employees as needed to perform their duties 2. Student access to residence hall rooms.	1. Supervisor, Appropriate Administrator 2. Director of Housing and Residence Life. Director for Facilities Management must approve all Key Requests.

XI. Repairs of Locks, Keys, or Door Hardware

- A. All repairs or additions to any locking device or door hardware must be conducted by an authorized ECSU Locksmith.

ELIZABETH CITY STATE UNIVERSITY
Request for Keys/Change of Locks Form

Instructions:

1. Please submit this form to request keys, return keys, change locks, or to report lost or stolen keys.
2. Forward completed form with required signatures to the Director for Facilities Management.
3. Keys may only be given to the individuals who submit the request.

Please Print or Type All Information

Name of Person Making Request: _____ Date: _____

Reason for Key Request

Department/Dormitory Information

___ New Employee Name _____
 ___ Return of Key(s) Department _____
 ___ Change of Lock (Please list reason below*) School/Division _____
 ___ Lost Key(s) ** Account to be charged _____
 ___ Other _____ Signature of requestor*** _____

___ Lost key reported to Campus Police**

(Initials of Director of Public Safety)

***By signing, the signatory agrees to abide by the ECSU Key Control Policy.

*Reason _____

Building	Room Number

Authorization Signatures

Approved by Supervisor _____ Date _____

Approved by Department Head/Dean _____ Date _____

Master Keys _____ Date _____

(Requires Approval of Vice Chancellor)

Grand Master Keys _____ Date _____

(Requires Approval of University Chancellor)

(To be completed by Facilities Management Department)

Cost Assessed \$ _____ Work Order Number _____

Approved _____ Denied _____

Director for Facilities Management _____ / _____
 (Printed Name) (Signature)

Elizabeth City State University Smoking Policy

Preamble

Elizabeth City State University is committed to providing a safe and healthy environment for all University staff (*i.e.* SPA, EPA non-teaching), faculty, students and visitors. This policy is designed to eliminate the involuntary exposure of tobacco smoke, which could increase the risk of cancer, heart disease; and worsens symptoms of those already suffering from asthma, allergies and bronchitis. The contents of this policy are governed by NCGS 143-596 to 143-599.

1. Smoking Prohibited

- A. Smoking shall be prohibited in all university buildings, vehicles and university controlled areas within 100 linear feet of any university building.

2. Designated Smoking Area

- A. Smoking shall only be permitted on ECSU grounds that are 100 linear feet from the buildings, provided the potential for fire does not exist.

3. Signage

The Office of Safety and Health shall be responsible for the installation of signs indicating designated smoking and non-smoking areas of the campus.

4. Enforcement

- A. All staff, faculty, students are responsible for adhering to and enforcing this policy. Smoking in violation of this policy is considered unacceptable personal conduct and shall be subject to disciplinary action. Any violation should be brought to the attention of the immediate supervisor. (*Students should report violations to the Associate Vice Chancellor for Student Affairs/ Dean of Students.*) In all cases, the rights of a non-smoker, to protect one's health, takes precedence over another individual's desire to smoke.
- B. Any person who continues to smoke in a nonsmoking area following notice by the person in charge of the State-controlled building or area or their designee that smoking is not permitted shall be guilty of an infraction and punished by a fine of not more than twenty-five dollars (\$25.00).