



Title of Document:

Financial Controls Policies and Procedures

Date(s):

Revised 2019

Department:

Business Office

Description:

The Financial Controls Policies and Procedures manual outlines Business Office practices and procedures.

Financial Controls Policies and Procedures



May 12, 2019

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Red Lake Nation College is a 501(c)3 nonprofit organization committed to protecting and using our assets for the institution's mission, "To provide excellent higher education that is grounded in the Ojibwe language and culture of the Red Lake Nation." RLNC's Finance and Accounting Policies and Procedures has been issued to ensure compliance with IRS regulations and accounting and grant standards--and apply to all Red Lake Nation College faculty, staff and student organizations. Related financial forms can be found throughout this document.

GENERAL PRACTICES

Review of Risks. These policies were drafted after consideration of the risks associated with the various aspects of our financial operations to enact policies and procedures designed to minimize those risks. The Board will review these policies each year to consider whether the risks have changed. Such changes may include receipt of grant monies for the first time or receipt of grants with restrictions, a change in the laws regulating our nonprofit, hiring of employees or a major change in our programs. If so, the Board needs to identify any new risks and adopt appropriate procedures to minimize those risks. The Board shall consult with a professional if necessary to ensure that it is properly addressing the risks.

Segregation of Roles. There are several fiscal “roles” in our organization—custody, authorization, execution, and monitoring. For example, the person who has authority to sign checks is acting in the custodial role. The person who approves payment of a bill is authorizing. The Board as a whole acts in an authorizing role when it approves the annual budget. The person who prepares the checks for signature by an authorized check signer is acting in the execution role, executing an action that has been authorized by the Board through the annual budget or by the individual responsible for approving payment of the bill. The person who reconciles the bank statement acts in the monitoring role. The Board also acts in a monitoring role when it reviews the monthly financial reports to be sure that its plan, the budget, is being executed properly.

As much as possible, the Board seeks to separate the responsibilities for fiscal roles so that at least two and preferably more individuals fulfill these roles. It is particularly important that the same person does not authorize, execute and monitor any transaction. At each step of handling funds, the organization shall ensure that more than one person verifies that each step is done correctly.

RECEIPT OF FUNDS

RISKS

Our organization faces the risk that funds we receive may be stolen or lost or that someone may be falsely accused of stealing funds. We also face the risk that we may fail to record a restriction that a donor has placed on our use of funds.

POLICY

All funds, whether cash or check, which the organization receives will be deposited intact into the bank account, with no monies removed to make payments or for other purposes. All cash receipts should be deposited into the bank as soon as possible. This allows for a complete accounting and independent verification of what happens to our funds. Communications from donors that establish restrictions on the use of their contributions will be saved. If we believe that a donor has restricted the use of funds in a conversation, we will follow up and get written confirmation of the donor's intent.

See Attached Procedures for Monetary Receipts.

DISBURSEMENT OF FUNDS/USE OF COLLEGE PROPERTY

PAYMENTS BY CHECK

RISKS

We face the risks that our funds will be spent on unauthorized items, that someone will steal our funds by taking blank checks or by writing checks to payees who are not our vendors, that someone will use corporate property for personal purposes or that payments we make will be improperly recorded.

POLICY

Make all disbursements from the organization's funds by check, with the exception of petty cash. This allows us to track how our funds are spent, who is spending them and who is authorizing expenditures.

PROCEDURES

1. Opening Bank Accounts. Bank accounts may be opened only upon authorization by the Board of Regents.

- a. All bank accounts must be opened with the organization's employer identification number (EIN).
 - b. The Board shall approve the authorized signers on the organization's bank accounts.
2. Custody of Checks. The CFO is the only person authorized to have access to unused check stock. The checks should be stored in a locked location and information about how to access them should be kept confidential from everyone but the President.
3. Check Authorization. All invoices will be forwarded immediately to the Accounts Payable Specialist for review and authorization to pay.
 - a. The Accounts Payable Specialist will review all invoices for mathematical accuracy, agreement with a written invoice, conformity to budget or Board authorization and compliance with grant fund requirements.
 - b. The Accounts Payable Specialist will ensure that all conditions and specifications on a contract or order have been satisfactorily fulfilled, including inventorying items received against packing slip counts.
 - c. The Accounts Payable Specialist will code the invoice with the appropriate expense or chart of accounts line time number and other information as needed for accounting purposes.
 - d. By approving an invoice, the Accounts Payable Specialist indicates that he/she has reviewed the invoice and it is in compliance with the budget.
 - e. The Accounts Payable Specialist is responsible for timely follow-up on discrepancies and payment. The Accounts Payable Specialist will send approved invoices to the CFO and President for signature.
4. *Expenses Not Invoiced*. In some cases, expenses may not be invoiced. When such expenses are due, the Accounts Payable Specialist needs to ensure that the expense is in the budget and write a note authorizing payment of the expense and the amount of the expense and supply it to the CFO.
5. Payment by Checks. Upon approval of the invoice and note by the CFO, the Accounts Payable Specialist is authorized to prepare all checks and should do so.
 - a. If a check is voided, the check will have "VOID" written in large letters in ink on the face and have the signature portion of the check torn out. Voided checks will be kept on file.
 - b. In the event that it is necessary to issue a duplicate check for checks in an amount over \$50, the Secretary will order a stop payment at the bank on the original check.
6. Authorized Check Signers. The following individuals are authorized check signers in the order in which they appear. There must always be two signers and one of the signers must be a college employee.
 - a. President
 - b. Chief Financial Officer
 - c. Vice President of Academic Affairs
 - d. Board Chairperson
 - e. Board Treasurer

- f. Other designees may be authorized by Board of Regents
- 7. Duties of Check Signers. All checks will be signed by the authorized check signers. Prior to signing a check, a check signer will do the following:
 - a. Compare the check to the original invoice or the Accounts Payable Specialist's note to pay the expense.
 - b. Compare the amount on the check to the amount on the invoice or note.
 - c. Be sure that the Accounts Payable Specialist has initialed the invoice. This is to protect against the risk that you are paying based on a copy of the bill that has already been paid.
 - d. Check the date on the invoice or the Accounts Payable Specialist's note against the date of signing the check. This is to mitigate the risk that the organization is paying the same expense twice.
 - e. Check to be sure that the amount of the check is not clearly unreasonable.
- 8. Prohibited Practices. In no event will:
 - a. invoices be paid unless coded to a budgeted category;
 - b. blank checks be signed in advance;
 - c. checks be made out to "cash," "bearer," etc.

Each check signer will be made aware that signing blank checks exposes our organization to theft since the bank is entitled to charge our account for any check that has a valid signature. A signed blank check is an invitation to theft.

PETTY CASH FUNDS

RISKS

Payments by cash are not as completely documented and are not as easily monitored as payments by check and thus subject the organization to a greater likelihood of errors and fraud.

POLICY

The Petty Cash Fund should only be used when paying by check is impracticable.

PROCEDURES

Administration of Petty Cash Fund. The Accounts Payable Specialist is responsible for the administration of the Petty Cash Fund. The Fund shall be funded with checks made out to "Petty Cash—name of Accounts Payable Specialist" and initially recorded in the Petty Cash Fund

account. The Accounts Payable Specialist will require receipts for all purchases and may ask those reimbursed to sign for money the Accounts Payable Specialist provides as reimbursement.

The Accounts Payable Specialist will record all-cash purchases in a journal and save the receipts. When the fund gets low, the Accounts Payable Specialist will apply to the CFO for authorization to reimburse the fund for the total amount expended. The check written to reimburse the Petty Cash Fund will be recorded in the appropriate expense accounts for the items that were purchased with Petty Cash, so that these expenditures made through the Petty Cash fund are properly classified by type – for example, postage, parking fees, etc.

EXPENSE REIMBURSEMENT

RISK

The organization does not have the same level of control over expenses incurred on behalf of the organization by those who pay with personal funds and seek reimbursement as it does for expenses paid directly by the corporation. The corporation is not in as good a position to determine whether the good or service purchased might have been obtained at a lower price elsewhere, whether there is a personal benefit to the person seeking reimbursement and how the expenditure fits in with the rest of the organization's budget.

POLICY

In proper circumstances, Board members, employees, and volunteers are entitled to be reimbursed for expenses related to the organization that they incurred on behalf of the organization. To receive reimbursement, you must meet the following requirements:

- Your expense must have been authorized in advance by the CFO or by the President or later approved by the CFO or the President.
- Your expense must have been incurred for goods or services purchased for the organization.
- If your expense is for travel, the travel must be for work related to the organization. We will reimburse no more than the standard mileage rate for business use of a car as established by the IRS. The organization will reimburse meal expenses incurred in direct connection with the organization's business, or at the per diem rate established by the IRS.

PROCEDURES

To be reimbursed for expenses:

1. Documentation. You must provide reasonable documentation showing the date, amount and that the expense was for. Credit card receipts and store receipts that do not describe the purchase are not reasonable documentation. Your receipt must describe the purchase.
2. Other Reimbursement. Your voucher must reflect reimbursement from sources other than ours.
3. Timely Submission. You must submit your documentation with a request for payment within 60 days from the date the expense was incurred.
4. Overpayment. If we overpay you, you must return any excess reimbursement within a reasonable period of time.

PURCHASING

RISK

The corporation wants to ensure that all purchases on behalf of the corporation are authorized by the Board through budget approval or by Board policies. Unauthorized purchases deplete the organization's resources and interfere with the Board's ability to govern properly.

POLICY

All purchases made on behalf of the organization must be made pursuant to the Board-approved budget or Board rules.

PROCEDURES

The CFO or President can authorize purchases of \$10,000 or less which conform to the Board's budget. The Board must approve purchases above that amount. The Board must authorize any purchase which does not conform to the Board's budget.

USE OF COLLEGE PROPERTY

RISKS

The corporation faces a risk that individuals will use college property without authorization for personal purposes. Usage reduces the life of property and eventually is an expense that the corporation assumes. It also betrays the trust of our donors who expect that the corporation will use its resources only for purposes that help us achieve our mission.

POLICY

Property and equipment owned by the corporation may only be used for corporate activities or activities approved by the corporation. They may not be used for personal purposes.

PROCEDURES

If a Board member, officer, employee or volunteer wants to use corporate property or equipment for any purpose other than a corporate purpose, that individual must obtain permission from the Board of Regents.

CREATION OF COLLEGE OBLIGATIONS

RISKS

The college needs to ensure that any obligation undertaken in the college name is authorized by the college and is for a college and not a personal purpose.

CREDIT AND Pre-Paid DEBIT CARDS

RISKS

Corporate credit or debit cards can be misused when people charge personal expenses on them, fail to obtain documentation showing that a purchase was for the corporation or put expenses on the corporate card for purchases that are embarrassing to the corporation.

POLICY

The corporation will not authorize the use of debit cards for any purpose. The Board will Determine whether there is a compelling need for the corporation to obtain one or more credit cards. If the Board determines that credit cards are needed, the Board will authorize specific individuals to utilize a corporate credit card. A corporate cardholder may use the credit card only for official purposes directly related to the needs of the organization. The cardholder may not use a corporate credit card for personal purposes, even if he or she plans to reimburse the organization.

The following purchases are not allowed on the corporate credit card:

- Personal purchases
- Cash advances or loans
- Payroll advances
- Purchased for other organizations
- Alcohol
- Personal entertainment
- Fuel for personal vehicles
- Purchases from a business you own or operate unless pre-approved by the Board
- Any item inconsistent with the mission and values of the organization

An individual purchase shall not exceed \$1000.00. Aggregate monthly purchases shall not exceed \$4000.00.

PROCEDURES

In order to use the card, the cardholder must follow these procedures:

1. Cardholder Agreement. Upon issuing a corporate card to a cardholder, the cardholder must sign a statement that the cardholder has read and understands this Credit Card policy and will reimburse the corporation for any personal charges on the card.
2. Advance Approval. The Board must give advance written approval to make a purchase whenever practical. The cardholder's purchase request should describe the purchase and cost.
3. Original Receipts. The cardholder must keep the original receipt that describes each purchase made on the card. The credit card receipt is not sufficient.
4. Notification of use of the credit card: The cardholder will email the Accounts Payable Specialist after each use of the corporate credit card noting the date, vendor, and amount of each charge made. This will allow the Accounts, Payable Specialist, to be aware of the cash that will be required to pay the credit card bill and alert the Accounts Payable Specialist to potential unnecessary use of the credit card.
5. Expense Form. Within 5 days after the end of the billing cycle, the cardholder must prepare and sign an expense detail form and attach original receipts and a copy of the purchase request. In the case of meals, the statement must include the names of all persons at the meal and a brief description of the business purpose, in accordance with IRS regulations.
6. Approval by CFO. The cardholder must give the expense detail form to the Accounts Payable Specialist for approval. The Accounts Payable Specialist shall review each purchase to ensure that it was reasonable, necessary and the best value for the organization. The Accounts Payable Specialist will reconcile the expense detail form to the credit card billing statement, authorize payment and follow up on any inconsistencies and present it to the CFO for final approval or the President.

7. Notification of Loss/Theft. The cardholder must notify the bank and the organization immediately in the event that the card is lost or stolen.

BORROWING AND LINES OF CREDIT

RISKS

The organization needs to ensure that borrowing in the college name is authorized.

POLICY

The Board must approve application for and acceptance of any Lines of Credit. Once the Line of Credit is authorized by the Board, the Treasurer can authorize borrowing within the limit of the line of credit up to the amount \$100,000. The Board must approve all borrowing against the line of credit greater than that amount.

The full Board must approve any other borrowing of funds in the name of the corporation, including the use of any promissory notes. The Board must give very serious attention to be sure that the corporation will have sufficient funds available to repay any loans or lines of credit on time.

BANK RECONCILIATION AND ON-LINE MONITORING

RISKS

Even the most honest and attentive individual makes mistakes. Monitoring allows us to uncover errors. If our records and the bank records do not agree, it is likely that our records are wrong. Monitoring also assists us in identifying discrepancies between our accounting records and our banking records that suggest theft or fraud, checks signed by unauthorized signers, and identity theft.

POLICY

The CFO will monitor the corporation's accounts regularly and will prepare a written reconciliation of all bank or investment accounts which proves that the balances presented on our financial reports agree with the records of the financial institution. In addition, the Board of Regents Treasurer will conduct a monthly review of the check register and payroll check register and report any discrepancies to the Chief Financial Officer, President, and Board of Regents.

PROCEDURES

1. Records to CFO. The Accounts Payable Specialist shall provide the CFO with a copy of all records of deposits, disbursements (checks written), and other bank transactions and of our accounting records for review.
2. Bank Statement. The corporation will direct the bank to send the bank statements to the President.
3. Reconciliation. The CFO will reconcile the bank statement monthly. The reconciliation should be done within 7 days of receiving the statement, as follows:
 - a. Check all checks for correct signatures and number of signatures and protest to the bank any incorrect signatures.
 - b. Review the checks in the bank records to ensure that:
 - i. the name of the payee, the amount of the check and the date of the check agree with the corporation's accounting records;
 - ii. whoever the check was made out to was the depositor of the check; and each check has a valid signature.
 - iii. Compare the bank deposit records with our accounting records to determine whether each deposit recorded in the accounting records agrees with the bank record.
 - iv. Check the cash entries in the receipt book against the bank record of deposits to ensure that all cash was deposited.
 - v. Check whether the ending balance in the general ledger cash account agrees with the bank statement, after making the adjustments on the bank reconciliation form.
 - vi. List all outstanding checks. On all checks outstanding over 90 days, take appropriate action.
 - vii. List all deposits in accounting records not yet recorded by the bank. If the reconciliation is done electronically, the CFO must check off on a form to be given to the Board that he or she performed the review above.
4. Return of Cancelled Checks by the Bank. The Board will determine whether it is necessary to direct the bank to return the canceled checks with the bank statement. If the Board determines that it will not require the return of the canceled checks, the CFO will establish procedures to ensure retention of the electronic images of the checks for at least 3 years.

5. Board of Regents Treasurer Review. The Board of Regents Treasurer will review the check register and payroll check register on a monthly basis. Any discrepancies will first be reported to the Chief Financial Officer and the President. If necessary, findings will be reported to the Board of Regents.

Procedures For Monetary Receipts

1. Receipt of Checks in the Migizi Bookstore and through mail. The Accounts Payable Associate opens all mail addressed to the organization (with exception of transcripts and other official educational mailings that require Student Services open). The Accounts Payable Associate makes a photocopy of all checks received and provides the photocopies to the CFO. The Bookstore Associate will make a copy of all checks received at the end of day. This allows the CFO to verify that all checks received are deposited.

The Accounts Payable Specialist and Bookstore Associate will endorse all checks by an endorsement stamp that provides that the check is "For Deposit Only" and will be paid to the order of the corporate bank and lists the organization's name and account number. This lessens the risk that a check may be stolen and cashed.

2. Receipt of Cash in the Office or Bookstore. Cash is easily stolen and must be handled carefully. If cash comes into the office, the person accepting the cash must provide a written receipt when taking the cash, or a printed receipt in the Bookstore:

- The receipt should state the person's name, the date, the amount of the cash and the purpose of the payment.
- Use a pre-numbered receipt book with an automatic duplicate copy with the organization's name printed on it.
- No pages may be removed from the receipt book.
- The person with access to the receipt book shall keep it in a locked drawer and shall lock cash in a secured location until the assigned depositor can retrieve it.
- If possible, when the assigned depositor opens the location with the cash, one other person will accompany the assigned depositor so that they can count the cash together.

The Bookstore Associate or the CFO shall train all office volunteers in these procedures.

The CFO will compare the receipt book and the bank's list of cash deposits when making the Bank Reconciliation described below.

3. Deposit Slips. The Bookstore Associate will deposit corporate funds as follows:

- Prepare a deposit slip in duplicate.
- Photocopy the checks and staple the photocopies to the copy of the deposit ticket that we keep.
- If cash will be included in the deposit, the Bookstore Associate will attach a list to the duplicate deposit ticket which includes the sources of the cash and the receipt #s in the duplicate receipt book for each source of cash.
- File this documentation chronologically in a locked cabinet to prevent theft.

The CFO will consult the deposit ticket and attached photocopies when making the Bank Reconciliation described below.

4. Bank Deposit. If no cash is present, the deposit may be mailed to the bank. If cash is present, a second person (if available) shall verify deposited funds prior to the Bookstore Associate sealing the envelope and making the deposit in person. The person verifying the cash shall initial the cash on the copy of the deposit slip retained by the organization.

5. Receipt of Checks and Cash Outside the Office. If checks and/or cash come in outside the office (such as at a fundraising event), we need to take special precautions to protect these receipts from theft and to ensure that no one is falsely accused of stealing funds.

- Two people need to prepare the deposit slip for the funds in duplicate.
- Both must count the cash and initial the cash count on the copy of the duplicate deposit slip kept by the organization.
- If the individuals accepting the contributions at the event know the names of the individuals making gifts in cash, they will provide a receipt using the pre-numbered receipt book. If the funds are received through a "pass the hat" style collection in which it is not possible to know who gave what amount, the individuals accepting the contributions will note that no receipts were provided to donors on the duplicate deposit slip.
- It is not necessary to write out a receipt for contributions made by check unless the donor requests a receipt. However, the individuals accepting the contributions should make a list of all checks received at the event, including the name of the donor and the amount of the contribution. They will compare this list to the deposit to be sure all checks have been included in the deposit.
- If no cash is received at the event, the individuals accepting the contributions by check will give the CFO the list and the checks within 24 hours of the event.
- If there is cash in the deposit, one of the two individuals accepting contributions must deposit the funds immediately. If checks will be deposited with the cash, the individuals accepting the checks should be sure that the list of checks they prepare includes the donor's address as well as name.
- The duplicate receipt book and the list of checks received shall be given to the
- Accounts Payable Specialist who will send acknowledgment letters.

6. Credit Card Contributions. We do not accept contributions by credit card. We do, however, accept payment of bookstore items by credit card. All credit card reports will be printed on a daily basis at the end of the day.

7. Acknowledging Donations. While IRS rules require that we acknowledge all donations that are more than \$75, our policy is to provide written acknowledgment for every gift we receive. The Accounts Payable Specialist shall respond to each donation with a letter thanking the donor for their generosity:

- If the gift was cash (which includes a check), the letter should include the amount of the gift and state that the gift was cash.
- If the gift was donated property of some kind, the Accounts Payable Specialist's letter does not need to and should not value the property. If the donor did receive something of value in return, the Secretary's letter must contain a description of the donation and a good faith estimate of the value of what we gave back to the donor.
- The letter should include the statement: "Thank you for your contribution of \$, received on, 20. (PICK ONE: "No goods or services were provided in exchange for your contribution" or "In exchange for your contribution, we gave you whose fair market value was \$.")

In addition to thanking our donors and providing documentation the donor needs to deduct the contribution, the acknowledgment letter may alert donors whose amount is misstated to contact us to correct the error. Additionally, our records of the letters we send will help us keep an up-to-date record of how to contact all our donors.

8. Posting Donor Names on Website. The Secretary shall post the names of all donors (except those requesting anonymity) on our website. The website will indicate that we hope to acknowledge every donor. It will invite donors who are not listed to contact the CFO. In addition to publicly thanking all our donors, a donor whose check or cash was misreported, lost or stolen may alert us to the problem.

FISCAL MANAGEMENT

Introduction

This manual contains the fiscal policies of the Red Lake Nation College Board of Regents,

hereafter referred to as the Board. Policy development is a continuous process and is, therefore, never complete. New situations give rise to the continuing need to develop new policies or revise existing ones. Thus, the Board employs a loose-leaf format for this manual.

The Red Lake Nation College, hereafter referred to as the College, operates according to policies established by the Board of Regents. The Board, which represents the best interests of the community, develops policies in accordance with federal regulations, and the College administration implements them through specific policies and procedures. The Board periodically appraises the effects of its policies and makes revisions as necessary.

In the interest of harmony, efficiency, uniformity of interpretation, coordination of effect, and in fairness to all concerned, the Board makes this manual available to all who are affected by its policies. One copy shall remain on file in the President's office at all times.

Copies of this manual shall be made available to the Board of Regents, Red Lake Tribal Council, and all college employees. Each person or office holding a copy of this manual should make a diligent effort to keep it up-to-date as new policies, regulations, and exhibits are distributed. Upon termination as a Board member, or of employment, the respective manual shall be returned to the college. It should be noted that all copies of this manual are the property of the Red Lake Nation College.

Fiscal Management Goals

As trustees of Tribal, State, and Federal funds designated as educational support, the Board of Regents has the responsibility to protect all funds and to use them prudently. The Board also recognizes that the quality and quantity of learning programs are related to both the amount of funding provided and the effective and efficient management of those funds. Therefore, the Board seeks to achieve the following fiscal management goals:

1. To provide a level of funding which supports quality education for the students.
2. To use the best available techniques for budget development and management.
3. To provide timely and appropriate information to all staff members who have fiscal management responsibilities.
4. To establish efficient procedures for accounting, purchasing, paying vendors and personnel, and all other areas of fiscal management.
5. To ensure that those funds are expended for the purpose for which they were budgeted.
6. To provide a complete and accurate account to all funding agencies as to the expenditures of awarded funds.

Endowment Funds

An endowment fund shall be created at a future date with board approval after fundraising has been sufficient to support operational costs. The endowment fund and similar funds are intended to support operations in perpetuity, regardless of whether the funds are true endowment (permanently restricted or nonexpendable) or funds that function as endowment based onboard action. True endowment funds are required to be held in perpetuity, the gains realized on these funds may be pulled into the yearly budget. At the implementation of an endowment fund, compliance with regulations and current accounting practices will be reviewed annually through the budget committee. At which time RLNC's governing boards will implement a spending policy to include portions of the expectation of returns anticipated to be realized over a selected period of time. The spending policy will consider the overall returns of the investment portfolio, considering the advice of the endowment agent hired by RLNC's board of Regents. The spending rate of endowment proceeds will be reviewed on an annual basis.

Budget Administration

Budget Committee

The Budget Committee shall be comprised of the Administrative staff, which includes the College President, hereafter referred to as the President, the Director of Development, the Chief Financial Officer (CFO), the VP of Academic Affairs, and the VP of Student Success, along with any other staff appointed by the president. The committee is responsible for timely the preparation of all Program Budgets, including indirect cost funding, for presentation to the Board. Upon approval by the Board, the Committee is responsible for proper submission and negotiation of the program budgets with the designated funding agencies.

Budget Changes and Authorizations

Budget changes will be held to a minimum during the fiscal year to ensure effective control over the expenses of the college. The College President is authorized to sign budget and budget change documents.

Funding Sources

Budgets will be prepared upon the availability to funds from the following sources:

- Bureau of Indian Education
- Other Federal Grants
- Red Lake Band of Chippewa Indians
- Tuition Fees
- Other Foundations and Sources of Funding

Budget Reports

Operating statements showing comparisons of budget with actual expenditures shall be prepared by the College's CFO each quarter and submitted to the President for review. The President shall submit these reports to the Board at their regularly scheduled quarterly meetings.

Program Performance

The President shall monitor the performance of all programs administered by the College. Periodic reviews of each program will be conducted periodically to ensure that time schedules are being met and that performance goals are being achieved.

The President shall be responsible for the publication of an annual report reflecting the performance of all College activities taken as a whole.

Accounting Requirements

Fiscal Year

The accounting records of the College shall be maintained on the fiscal year of July 1 to June 30, with the exception of programs whose funding agencies mandate the observance of a period differing from the College's fiscal year.

Documents

Adequate documentation in accordance with the Code of Federal Regulations is to be maintained to support all financial transactions recorded in the accounting records. Expenses disallowed under federal contracts are to be identified and paid from non-federal funds. Supporting documents shall be retained in an orderly fashion. Journals, ledgers, subsidiary records, and unissued checks are to be properly safeguarded by the accounting office and locked up after business hours.

Matching Funds

When funds are needed for matching requirements, the source of these funds shall be identified in order to leave an audit trail. Included in this identification shall be the pertinent portion of regulations that allow the funds to be used for such purposes. In all instances, a clear explanation of the transaction shall be given; for instance, if the matching funds have not arrived on a timely basis, this shall be recorded. This information is to be prepared by the program's Principal Investigator (PI), and a copy is to be provided for the grant file in the accounting office.

Accounting Records

All books of accounting records are to be maintained in accordance with generally accepted accounting principles. The budget and accounting systems are compatible and should be maintained accordingly. A double-entry bookkeeping system is to be used. The books are to be kept current and shall provide for the

consistent identification of all costs. A chart of accounts providing identification of all budget line items shall be established.

Journal Entries

The College shall maintain an accurate system for making journal entries. The system shall have the following features:

- A distinct number shall be assigned each journal entry, identified by fiscal year.
- The journal entry shall be made on the prescribed form and shall be approved by the CFO.
- Documentation supporting the journal entry shall be attached to the journal entry form.

Annual Audit

An annual audit is to be performed by a Certified Public Accountant (CPA). The audit report shall serve as a final report to funding agencies and as a management tool for the Board and its committees.

Unrecoverable tuition/fees and bad debts

The CFO shall submit a list of potential uncollectible tuition/fees and/or bad debt write-offs to the President for approval before the uncollectible tuition/fees and/or bad debt write off transaction is actually made. This system shall provide a consistent identification of accounts receivable.

- Guidelines for identifying potential bad debt write-offs shall include determination of student funding disposition. This system shall identify the unpaid tuition/fees that are the source of the college's bad debts.

Depreciation of Equipment

An accurate method of depreciation of equipment shall be implemented. The adjusting entry to record depreciation shall be recorded in the appropriate account.

Lost or Stolen Equipment

A police report and charges shall be filed immediately upon discovery of stolen property. Lost or stolen equipment shall be entered as a write-off in the appropriate account.

Travel Advance Loans

Travel advance loans shall be set up as accounts receivable, rather than as an expense account, upon repayment. After an employee files a travel voucher, the travel advance loan shall be expensed along with any additional payments due the individual.

Record Retention

Financial records, supporting documents, and all other records pertinent to federal awards shall be retained for a period of three years, with the following qualifications.

1. If any litigation, claim, or federal audit is initiated before the expiration of the three-year period, the records shall be retained until all litigations, claims, or audit findings involving the records have been resolved.
2. Records for non-expendable property acquired with Federal funds shall be retained for three years after its final disposition.
3. Current accounting records are to be maintained in the Business Office. Records acquired prior to the current period are to be retained in the Business Office file storage.

Cash Depositories

In accordance with the Office of Management and Budget (OMB) requirements, all monies advanced to the College, which are subject to the control or regulation of federal agencies, must be deposited in a bank with Federal Deposit Insurance Corporation (FDIC) coverage, and any balance exceeding the FDIC coverage must be collaterally secured. Separate bank accounts shall be maintained for General Funds and Special Revenue Funds. Other individual accounts may be used as approved by the President. Signatory authority on all depository and investment accounts is determined by the Board of Regents and documented in minutes.

Letters-Of-Credit

1. A Letter-of-Credit shall be obtained from the U.S. Treasury Department if required. When a Letter-of-Credit is secured, the manual signature of the President, who is designated as an authorized signatory and is authorized to sign payment vouchers, shall be sent to the funding agencies.
2. The College will select a commercial bank that agrees to receive payment vouchers drawn on the U.S. Treasury and will forward such payment vouchers to the applicable Federal Reserve Bank or Branch. The College will advise the Federal Funding Agency of the name of the commercial bank, the title and number of bank account, and the location of the applicable Federal Reserve Bank or branch. Information relating to the Federal Reserve Bank or branch should be obtained from the commercial bank.
3. The College will submit properly completed payment vouchers to the commercial bank for transmission to the appropriate Federal Reserve Bank or branch, as funds are required for immediate needs.

Bidding Requirements

Bid Guidelines

All contracts and all open-market orders shall be awarded to the lowest responsible qualified supplier or contractor, taking into consideration the quality of material or services desired and their contribution to program goals, and shall conform to all applicable Federal regulations and Tribal Ordinances. However, the Board shall reserve the right to reject any or all bids and to accept that bid which appears to be in the best interest of the College.

1. When sealed bid procedures are used for purchases greater than \$100,000, advertisements will be posted, and bid forms will be mailed to interested vendors. In addition, suppliers and contractors shall be invited to have their contact information placed on mailing lists to receive invitations to bid. When specifications are prepared, they shall be mailed to all merchants and firms who have indicated an interest in bidding.

2. The bidder to whom an award is made may be required to enter into a written contract with the College.

Ten Percent Withholding

The final ten percent of payments on agreements or contracts shall be held until the entire transaction is complete and satisfactory.

Consultant Services

The President may contract for consultant services up to the amount of \$50,000. All contracts for consultant services above the amount of \$50,000 shall be required to have written approval by the Board. Upon the approval of any contract by the President or the Board of Regents, the CFO has the authority to sign progress payments up to the contracted amount.

Purchasing/Purchasing Authority

Control of Obligations

The President, assisted by the CFO and all College staff, is responsible to the Board for the acquisition of goods and services for College programs, in accordance with approved budgets.

1. With the exception of regularly scheduled bills, small miscellaneous expenses, and payroll disbursements, all purchases made by the College are to be made through the use of requisitions and purchase orders. Requisitions are to include a complete description of goods or services to be obtained, as well as the name and address of the vendor to be solicited. The requisitions are to be signed by the requesting employee, his/her immediate supervisor, and at least one signature from those designated with purchasing authority. Approved requisitions initiate the preparation of purchase orders by the purchasing agent, and are the underlying authority to purchase.
2. Purchase Orders/Purchase Requisitions – Purchase orders and requisitions shall be issued in compliance with individual program budgets (contracts). If a proposed purchase is not authorized in the budget, it must be justified by a memo attached to the purchase order.
3. Purchasing Authority
 - a. President: \$50,000
 - b. VP of Academic Affairs: \$1,000
 - c. VP Student Success: \$1,000
 - d. CFO: \$1,000
 - e. Board of Regents: >\$50,000

Acquisition Guidelines

Purchases will be handled as follows, except in cases of emergency when delay would cause irreparable damage or harm to employees, students, visitors, or assets.

Approval Limitations

PER PROJECT PROCEDURE

1. \$500 - \$5,000 The requester contacts two or more sources requesting quotations, then documents and attaches these to the requisition request; after evaluation of prices and services, the requester completes the purchasing process.
2. 5,001 - \$100,000 Written bids will be required from two or more firms; these will be documented and attached to the requisition request. Under special circumstances, bids may not be requested, and bargaining or negotiating over the terms or prices of a purchase may be implemented when necessary for the best interest of the College. In the case of a sole-source request, the proper requisition is to be completed and approved prior to the initiation of the purchase.
3. Textbook ordering – Textbooks should be ordered through the College Bookstore, using approved forms, at least six weeks prior to the beginning of the next semester. Any direct orders for texts that bypass the Bookstore should have prior administrative approval.
4. Construction – All campus construction must be approved by the Board of Regents.
5. At no time shall an Accountant Assistant or a Program Director authorize requisitions or purchase orders.

Purchase Requests/Requisitions

1. Purchase Requisition forms shall be obtained from the Business Office. The completed purchase requisition form shall then be given to the department supervisor who shall then submit the purchase requisition to the Business Office for final approval.
2. Approval by the department supervisor and an authorized purchaser signature shall be obtained before further disposition of Purchase Requisition forms. Requisition forms serve as the underlying authority to purchase.
3. The Business Office reviews and approves any necessary account code and control numbers, and determines if an expense is allowable.

4. The accountant assistant shall then determine if the item is to be transferred to a purchase order or a voucher. All purchase requisitions shall be attached to the corresponding purchase order or voucher when the transaction is complete.
5. The purchase requisition for classroom textbooks shall be signed by the bookstore manager and by the VP of Academic Affairs.

Requisition and Purchase Order Forms

1. The pre-printed requisition and purchase orders should be printed in three (3) copies. The original shall be mailed to the vendor, one copy shall be retained to support vendor invoices, and the third copy shall be sent to the department placing the order.
2. Voided requisition and purchase orders shall be properly defaced and returned to the business office to aid in accounting for all forms.

Federal Grant Requisition and Purchase Order Forms

1. RLNC Business Office reviews each awarded grant for allowable expenses and reviews expenses with each PI and CO/PI assigned to each grant. RLNC also requires each purchase order to be requested through our electronic approval system to verify allowable purchases.

Unauthorized Orders

Any purchase made without proper approval will subject the purchaser to an obligation to reimburse the College. Such cases will be reviewed and decided upon by the President.

Purchase Order Signer

All copies of the purchase order must remain intact until they are signed by those with the authority to obligate the College.

Packing Slips

When goods arrive, the employee assigned to receiving is responsible for reviewing each order and for notifying the order department for pick-up. The packing slip is then traced to the original purchase order to ascertain the receipt of goods. All packing lists shall be stamped "received" and signed by the receiver to designate the receipt of goods.

Voucher System

An adequate voucher system shall be used. Invoices are to be compared with purchase orders, computations verified, partial payments noted, accounts credited with charged backs or credit memos, and only original invoices shall be used for payment unless cleared by the President.

Payment of Vouchers

A method of reviewing all invoices when they are received shall be utilized. This shall be done to ensure that invoices are paid within the discount period. All paid invoices shall be stamped "paid." A two-step procedure shall be implemented.

1. The accountant assistant shall review the invoice.
2. The CFO/authorizer shall review the invoice before final authorization of payment. The only employee authorized to deny payment to a vendor shall be the President.

General Policies

Employees and Board members shall acquire goods and services by following the purchase procedures set forth in Section 7.

Employees and Board members are prohibited from obtaining goods and services on behalf of the College without prior approval.

1. At no time shall a student incur expenses on behalf of the College, except for those requisitions and purchases approved by regular process and related to the Student Senate annual budget.

Banks Accounts

Proper segregation of duties shall be maintained. The bank reconciliation shall be assigned to the senior accountant who shall not be involved in the daily transactions of cash deposits/disbursements.

1. The transfer of funds between federal programs is specifically prohibited. Sums appropriated for the various line items per federal grants and contracts shall be applied solely to objects for which they are specifically made.

Checks and Check Signers

All disbursements shall be made by pre-numbered checks.

1. All checks shall require two signatures. Authorized check signers include the Chairperson of the Board of Regents and the President. Signing checks in advance of approval is prohibited. Checks may be drawn to cash, to purchase money orders or certified checks, or to provide cash necessary for pow-wow or art show payouts. These must have the approval of the President.
2. A list of checks outstanding ninety days or longer shall be prepared annually.
3. The list shall be reviewed by the President for determination of actions to be made.

Check Voiding

When checks are voided before being distributed, the signature line shall be cut out and the word "Void" placed on the front of the check. The voided check shall then be placed in a voided check file.

Petty Cash

The cash on hand, plus any petty cash expenses, shall always equal \$100.00. Money shall not be removed from petty cash until a proper expense voucher has been prepared. Petty cash shall be utilized primarily for custodial purposes and emergency supplies. At the end of the current month, a petty cash expenditure report shall be prepared and the petty cash account shall be replenished.

Public Law 95-471

Red Lake Nation College practices adhere to the Public Law 95-471. All grants provided for operation are used "to insure continued and expanded educational opportunities for Indian students." 25 USC 1802. RLNC monitors each grant fund individually to ensure funds are used in accordance with the tribally controlled community colleges act, and will not use funds as prohibited "in connection with religious worship or sectarian instruction." 25 USC 1803. All business office employees will read and understand Public Law 95-471.

Travel Expenditures

Travel Approval of the President.

All requests must be submitted to the Business Office at least two weeks in advance of the travel date. Travel for any Board member shall be authorized by the Chairman of the Board of Regents. Before any travel is authorized, there must be available funds in the budget.

Travel Expenditures

Travelers must exercise the same care in incurring expenses that a prudent person would exercise traveling on personal business. A traveler is responsible for expenses over the reimbursement limits or which are deemed not prudent. RLNC will not pay for excess costs resulting from extra routes, delays, personal layover, leaving a day early, earlier flights, or luxury accommodations or services unnecessary or unjustified in the performance of the official

business. Traveler reimbursement will be limited to the cost of travel by a direct route or uninterrupted basis.

Travelers who do not attend their specified training shall reimburse 100% of Travel Advance, including non-refundable airfare and registration fee to the Business Office, or the amount will be deducted by payroll deduction per policy.

The Travel Advance is the responsibility of the traveler. Lost or stolen travel money is the sole responsibility of the traveler. The traveler is responsible for the repayment due to the College.

1. Per Diem – When on college business and when properly authorized, per diem may be claimed by a staff member or
2. Board member for meals. To receive per diem for meals, a traveler must be on travel for 10 hours or more. Rates will be based on the rates specified in the Federal Register, with the same procedure followed for mileage. Receipts are not required but the traveler must disclose the date and time of departure and return on a travel closeout form.
3. Lodging: Actual expenditures will be paid for overnight lodging. Practicality of the expense shall always be taken into consideration. Lodging receipts must be submitted with travel closeout forms. Traveler shall stay at the same motel that the conference is being held if possible, or as close as possible.
4. Other Costs: Registration costs, memberships, and taxi or car rental will be allowed if approved in advance by the President. Personal convenience of the employee alone is not adequate justification for the rental of a vehicle.

Employee Responsibilities. Employees who rent vehicles while on official travel must:

1. Receive prior approval on the travel authorization;
2. Act prudently when selecting the size of the vehicle and when operating the vehicle;
3. Possess a valid driver's license; and gas in the vehicle (either empty or full) so as not to incur a "fuel fee."

Accidents: If involved in an accident using a vehicle owned by the College or a rental vehicle the employee:

1. Shall not make admissions of guilt at the scene of an accident;
2. May be held responsible, if a vehicle is damaged because of abuse, negligence, misuse, or while driving under the influence of alcohol or narcotics;
3. Must immediately report any accident to his/her immediate supervisor;
4. Must complete and sign any applicable accident form; and must have witnesses, if any, complete and sign witness statement forms.

Insurance. Employees who rent a vehicle must be certain their own auto insurance is adequate in the event of an accident, or they may be reimbursed for the cost of any insurance purchased for official travel.

Authorized Telephone calls. Reimbursement of telephone calls is limited to \$5.00 per day. If an employee, who has a college-provided cell phone or uses a personal cell phone, requests reimbursement while on travel, that employee will be expected to limit his or her use of these phones to the \$5.00 per day charges reimbursed to employees who don't have a cell phone. If the area to which one travels is outside the calling area and roaming rates apply, employees must use land lines and submit requests for reimbursement on the travel voucher.

Employees will need to purchase a calling card for any stay that will result in long distance charges to avoid costly cell phone calls, and will turn in the calling card or a photocopy specifying the cost of the card and a receipt of its purchase with their closeout.

When a personal auto is used to conduct college business, mileage payments, on the proper form and properly authorized, will be made to employees and Board members at the rate specified in the Federal Register (new rates will be effective the first day of the month following the receipt of the Federal Register in the Business Office). Mileage will be based upon an approved mileage chart or an odometer reading from home or the college, whichever is appropriate.

Red Lake Nation College employees must use the most direct route to their destination and the mode of travel must be by whichever conveyance is most advantageous to the trip's purpose and most economical to the project. Mileage should be calculated from the closest departure and destination points.

Example 1: Employee lives in Ponemah and drives to work in Red Lake every day. He/she travels directly from home to a meeting in Bemidji. Mileage is calculated from Red Lake to Bemidji and return, not Ponemah.

Example 2: Employee lives in Bemidji and works in Red Lake. He/she drives directly

from home to a meeting in Duluth. Mileage is calculated from Bemidji to Duluth and return, not from Red Lake.

If a group of employees or Board members travel together in the personal automobile of one employee, mileage will be allowed only for the owner of the vehicle.

If a group of employees or Board members travel together, they may use the option of leasing a vehicle from the Red Lake Band Motor Pool, with authorization. This option will depend on cost effectiveness, and gas receipts will need to be submitted with a travel voucher.

Reservations for Lodging

Whenever possible, lodging reservations should be made in advance and approved by the Business Office. Lodging reservations will be confirmed with a Tribal College credit card for late arrival, and confirmation number will be given to traveler. Lodging expenses shall not be charged to the credit card. Traveler will be responsible for and will receive lodging expenses on their travel advance. If lodging is not cancelled in a timely manner because of a change in travel plans, the employee may be subject to paying the amount personally.

Reservations for Air Travel

Airline reservations will be made by the Business Office staff upon sufficient advance notice and approval. These will be paid by our Tribal College credit card and charged to the appropriate program and line item. Additional costs that arise from changing airline tickets for employee convenience will be borne by the employee, unless the change was required by the College.

Employees are liable for any penalties and/or the price of the airline ticket if flights are booked on non-refundable tickets and not used, unless non-use was a result of a change required by the College. This cost may be waived by the College in event the ticket was unused due to an emergency such as serious illness, hospitalization, or death in the immediate family.

Overbooking /Overselling of Reservations: Airlines regularly overbook/oversell reservations. A traveler who arrives late may find his/her reserved seat has been reassigned.

To ensure a reserved seat on the plane, travelers are required to arrive at the airport at least one hour prior to departure for domestic flights, or two hours before departure for foreign flights.

Some airports require passengers to arrive at the airport earlier than one or two hours because of security screening. Travelers are advised to check with airport security the day before departure regarding the estimated time needed at the departure airport.

Voluntary Vacating. A traveler may be asked to voluntarily give up a reserved seat for certain remuneration or be denied boarding. Whether the traveler may retain the remuneration from a carrier depends on how the remuneration was obtained. Retention of future discounts/future tickets, etc., shall be determined by ascertaining which of the following two categories fits the traveler's situation:

1. Voluntary Vacates. Any traveler who voluntarily vacates a seat on a commercial carrier may retain any remuneration provided by the carrier; however, excess travel time will be charged to annual leave. Travelers will also be responsible for additional costs of meals, motels, and phone. Travelers are to be reminded that they may not voluntarily vacate a seat if it will result in the interference of College duties (e.g., missing work or meetings).

2. Denied Boarding. Any traveler who is denied boarding on a commercial carrier may not retain any remuneration from the carrier. However, unlike the traveler who voluntarily vacates a seat, the traveler who is denied boarding remains in travel status until arrival at the authorized point, unless such denial is the result of the employee arriving late at the terminal.
3. Delayed Arrivals. Travelers who sustain delays due to circumstances beyond their control (e.g., inclement weather, equipment malfunction) remain in travel status until they arrive at the authorized point.

Travel in High-Cost Areas

When traveling in high-cost cities, an expense allowance may be increased to compensate for the higher travel costs. The increase shall not exceed the Federal guidelines for travel allowances made for each high-cost city.

Travel of 10 hours or more

For continuous travel of 10 hours or more, the travel period shall be regarded as commencing with the beginning of the travel and ending with its completion. Per diem shall not be permitted for continuous travel totaling less than 10 hours. Per diem can include mileage, meals, lodging and other expenses as allowed. Per diem will not be authorized for travel when travel is conducted within a radius of 75 miles of the college or home, whichever is closer. The agenda is to be submitted with the travel authorization and any meals provided at the event will be subtracted from the per diem request.

Local Travel. Local travel is travel conducted within 75 miles of an employee's home or the College, whichever applies. No travel authorization is required for local travel. As with travel involving per diem, travelers are expected to act prudently and to use less costly or free services wherever they exist; e.g., free shuttle service in lieu of POV or taxicabs. Furthermore, the only costs that may be claimed are those that are in excess of the employee's normal commuting costs. (Normal commuting costs are defined as the distance an employee normally travels to work).

Method of Travel

An employee or Board member may travel by airplane, bus, or automobile. The time element, destination, and the President shall determine the mode of travel.

1. Airplane – air coach will be utilized.
2. Bus will be utilized when economical.

3. Automobile—when an automobile is used, reimbursement will be limited to the lower cost of either coach airfare or mileage.

Travel Fund Advancement

Employees authorized to travel at institutional expense may request a travel authorization form from the Business Office, to be completed by the traveler. Assistance will be provided if needed by Business Office staff. When a deposit is required for reservations, the amount of that deposit may be charged to a Tribal College credit card and be deducted from the travel advance payment.

1. Travelers may receive an advance payment not to exceed 100% of estimated travel expense. Direct fixed expenses such as airline tickets, registration, memberships, and materials needed for meetings may be excluded when calculating a travel advance. The advance shall be considered a loan from the College to the individual.
2. All requests for travel advancements must have prior approval of the President or the CFO. After arrangements and approvals have been made, the individual must complete a Travel advance authorization form and present it to the Business Office five working days before the check is required.
3. Travel advance checks will not be released to an employee earlier than two days prior to travel. Employees traveling in cases of emergency or late notice will be exempted from this deadline.
4. Travel advances will be applied against the employee's travel voucher. If the travel voucher is less than advances received, the traveler shall pay back any difference owed at the time the voucher is submitted.
5. No travel advance shall be issued to employees who have outstanding travel advances and have not made repayment arrangements.
6. Travel vouchers must be submitted to the Business Office within 10 days upon employee's return from travel.

Filing a Claim/Travel Closeout

1. Upon return from authorized travel, the traveler shall file a travel expense voucher with the business office. This report, itemizing actual and necessary expenses must be typewritten or in ink.
2. Receipts for lodging and transportation must be attached to the expense report.
3. Failure to provide the travel voucher form completed as required, along with all required receipts, will prohibit the traveler from collecting reimbursement.
4. Any unused portion of an advanced allowance shall be remitted to the accounting department immediately upon return.

5. If any employee has received a travel advance and the trip is canceled for any reason, the full amount of the advance shall immediately be returned to the accounting department.
6. If a traveler is rooming or riding with another employee who has to cancel, the individual who is traveling cannot cash the travel advance check and transfer dollars from one employee's travel advance to the other traveler. If this problem arises, please inform the accounting department, and the accounting assistant will resolve the issue without further complications to the filing of a claim/travel closeout.
7. False claims will result in forfeiture of the travel claim. In addition, there are provisions under which severe criminal penalties may be imposed or personnel action taken.
8. Overpayments to travelers revealed through the audit process will be billed to the traveler within 10 working days of discovery. Travelers must repay 100% of the debt within 30 calendar days of the billing date. Failure to repay within this time will result in a payroll deduction.

Compensatory Time Off for Travel (CTT):

Time and attendance records must distinguish between regular compensatory time off and compensatory time off for travel. To qualify for this purpose, travel must be officially authorized for work purposes and must be approved by the employees' supervisor.

The travel authorization must reflect eligibility for compensatory time for travel prior to taking the travel. The first available flight after the training with the most direct route will be booked by the travel clerk. If it is only for the convenience of the employee, the employee will not be eligible to earn CTT if the travel status is extended beyond the original plan.

Travel status includes only the time spent traveling between the official duty station and the travel destination and the usual waiting time that preceded such time. As with all other travel-related expenditures, employees are expected to act prudently and to make travel arrangements that accrue the least amount of compensatory time. The following example can be used as a guide to the accumulation of CTT:

6:00 - 7:00 am	Drive to airport	Non-creditable travel time
7:00 - 8:00 am	Wait at airport	Creditable travel time 1 hr.
8:00 - 8:30 am	Wait at airport	Regular working hours
8:30 -11:30 am	Plane departs/lands	Regular working hours
11:30 -12:30 pm	Travel to workshop	Regular working hours
12:30 - 4:30 pm	Attend workshop	Regular working hours
4:30 - 6:00pm	Drive to airport	Creditable travel time 1.5
6:00 - 7:30pm	Wait at the airport	Creditable travel time 1.5
7:30 -10:30pm	Plane departs/lands	Creditable travel time 3.0
10:30 -11:30pm	Drive home	Non-creditable travel time

In total, the employee spends 17.5 hours traveling to and from the travel destination. However, the time between 8:00 am and 12:30 pm and 1:00 pm and 4:30 pm is compensable as part of the employee's regular working hours. Also, an employee's time spent traveling outside of regular working hours to or from a transportation terminal is considered to be equivalent to commuting time and is not credible travel time. The example results in 7 compensatory travel hours.

Employees often stay overnight while on travel status, but only travel times to and from the travel destination are allowed while computing CTT; evenings or nights away from home are not considered part of CTT.

Vehicle Policy

The following rules and regulations will govern all vehicles owned or operated by the Red Lake Nation College or the Red Lake Band of Ojibwe, if leased from the motor pool.

1. No vehicle shall be operated for any reason other than official Tribal College Business.
2. It will be the responsibility of the operator to ascertain that all equipment is working properly before using the vehicle.
3. No vehicle will be operated by any driver who is not covered under the Red Lake Nation College Insurance Policy, or who has not submitted proof of personal insurance to the human resources department for their personnel file.
4. All State and Federal highway rules and regulations, including speed limits, must be obeyed.
5. No alcoholic beverages or any other drug use will be allowed at any time.
6. All trips must be approved by the appropriate supervisor and by the Red Lake Nation College President.
7. If a credit card for gas purchases is not provided, the traveler will be reimbursed for all gas purchases on travelers expense voucher upon submission of proper receipts.

Cell Phone Policy

The following criteria will be used to determine if an employee will be issued a cell phone.

1. The employee supervises other employees who may need to contact the supervisor in an emergency.
2. The employee is routinely away from his/her desk on travel related to Tribal
3. College business and does not always have access to phone service.

Additional charges are applicable to cell phone use for roaming, long distance etc. Employees who are issued a cell phone should become familiar with those charges and keep them to a minimum. Employees should use land lines wherever possible.

Physical Plant

Plant Facilities Use and Campus

1. College facilities are available to the public for educational purposes under specific conditions. Extra-curricular scheduling must be cleared by the VP of Academic Affairs or the VP of Student Success, and the supervisor of Maintenance and Security. The CFO will approve such use after all other signatures have been obtained.
2. Faculty and staff members are agents of the College and should exercise responsibility in their extra-curricular use of facilities. Persons using facilities for non-college functions assume their own liability. Organizations and groups that use facilities should be briefed on their responsibilities. Doors should be locked, lights shut off, and windows closed and locked before leaving the premises. Representative for these organizations or groups shall complete and sign a Facilities Use Request form and this form should be on file at the College.

Telephone Usage

All employees are to keep personal calls at a minimum and should be restricted to their breaks. All long-distance calls must be business related.

Office and Keys

Offices are made available for instructor and staff use. Use of College offices for private business activities is prohibited. Faculty members and staff are obliged to lock and secure their own office and belongings.

Handicapped Parking

Red Lake Nation College has designated Handicapped Parking areas for those individuals who display the required permit. Any individual who parks in designated Handicapped parking areas and does not display a handicapped permit may:

1. Be towed away at the owner's expense; and
2. Be ticketed/fined at a rate consistent with local law enforcement.

Property Management

Non-expendable Personal Property

All non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more shall be referred to as "CAPITALIZED EQUIPMENT" and shall be capitalized. All other equipment shall be referred to as "NON-CAPITALIZED EQUIPMENT" and shall not be capitalized. Both categories of equipment will be recorded in the property and supply records (capitalized equipment will be tagged with bar coded tags, and non-capitalized equipment will be tagged with numbered tags (non-bar coded), in addition to the accounting records.

1. The property and supply clerk shall tag all equipment with a tag and will document the name of the funding source and the identification number assigned to each property item.
2. Property records shall be maintained accurately and shall include:
 - a. A description of the property
 - b. Manufacturer's serial number, model number, Federal stock number, or other identifying number
 - c. Source of the property including grant or other agreement number
 - d. Whether title vests in the College or the Federal Government
 - e. Acquisition date
 - f. Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired
 - g. Location, use, and condition of the property and the date the information was reported
 - h. Unit acquisition cost
 - i. Date of disposal and sale price or the method used to determine current fair market value when the College compensates the Federal agency for its share.
3. A physical inventory of all property shall be performed at least once per year, at fiscal year-end. The results shall be reconciled with the accounting and property and supply records. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the cause of the difference. The College shall verify the existence, current utilization, and continued need for the property.

This policy is in compliance with EDGAR (Education Department General Administrative Regulations), 34 CFR parts 74.34 and 80.32.

Land, Buildings, Building Improvements

All real property, including land, land improvements, structures and appurtenances thereto, excluding moveable machinery and equipment, shall be capitalized. Such expenditures shall be recorded in the accounting records. Subsidiary records shall be maintained to show the detailed accumulation of real property acquisitions.

Supplies and Materials

All items not considered equipment shall be classified as supplies or materials. Supplies, materials, etc. may be purchased according to program contracts and budgets, or as considered necessary for the operation and administration of the College programs. The requisition and purchase order process must be followed. Supplies, materials, etc., shall be purchased in bulk, whenever possible, if it results in a savings.

1. A physical inventory of supplies and materials shall be conducted at the end of each fiscal year. The College receptionist shall coordinate the count with the assistance of others as needed.
2. A bookstore inventory shall also be performed at the end of the fiscal year.

Personnel Policies

For detail on the HOLIDAYS AND PAYROLL SCHEDULE and other personnel policies, see the RLNC Personnel Policy Manual.

Payroll Through Grant Management

1. RLNC Business Office payroll specialist assigns the percentage of each payroll item to federal and non-federal funds during payroll processing, this process allows RLNC to report 100% any employee compensation. See attached example of expenses charged.
2. Faculty and exempt professional staff are not required by the College to keep track of hours on a daily or weekly basis, but should maintain a good sense/estimate of what they do on an average by month to be able to provide a reasonably accurate breakdown of effort. Salary charges should be consistent with actual effort.

Contract Management

General Contracts

A contract is necessary anytime services are being performed on or off-campus by

individuals or businesses. A contract is prepared in addition to an invoice. A contract is an agreement between RLNC and another party to do, or to refrain from doing, a particular thing in exchange for something of value.

The agreement contains an offer and acceptance, consideration for the exchange, spells out the terms of the agreement without ambiguity, and is signed by authorized representatives of the parties with the proper capacity to enter into the agreement. The written contract is an enforceable document and will clarify all understandings and obligations between RLNC and the contractor in order to prevent any misunderstandings. The terms of the agreement –who, what, where, when, and how of the agreement - define the binding promises of each party to the agreement.

Contract Compliance is the process of reviewing and managing contracts and agreements that bind RLNC to commitments with outside parties and the policies that determine how these documents are processed at RLNC. Contract Compliance shall be the responsibility of the Business Office.

Contract Terms – Contract Review

All RLNC contracts must be in writing and signed by both parties. The other party shall be clearly named.

General Requirements

The contract must list the legal name and address of the contractor. The financial terms of the agreement must be clearly specified for instance how much is to be paid and when it will be paid. The responsibility of both parties and the description of services to be performed must be identified. The agreement must be signed by the contractor and the designated RLNC representative.

Standard Contracts: There are standard contracts and Adjunct contracts. Standard contracts are prepared using a template approved by the Budget committee, while Adjunct contracts are prepared using the Adjunct contract template.

Reference: Resolution No. 7-16 (see attached)

Who is authorized to sign a contract?

Only the President, the Vice President of Academic Affairs, and the CFO, have the authority to sign a contract on behalf of RLNC. No other individual has authority to enter into a contract for the purchase of goods or services or otherwise obligate RLNC to pay any sum of money.

Procedures:

1. Signatures

- a. Obtain the contractor's signature on the contract and rider(s).
 - b. Obtain the authorized RLNC Signature on the contract. It is preferable to have the other party sign the agreement first to ensure RLNC receives a fully executed copy of the agreement.
2. What should I do with the contract once it is completed?
 - a. Submit a copy of the agreement and any other required forms such as insurance certificates, invoices, completion paperwork to the Business Office. All contract documentation will be maintained and monitored in the Business Office.
3. How do I initiate an amendment to the agreement?
 - a. Any amendments to the original agreement must be initiated by the department who secured the original agreement. The amendment should flow through the same process as mentioned above.

Board Meeting Expenses

Meeting Expense

Members of the Board of Regents attending a regular or special meeting for which there is a quorum will be allowed a meeting expense payment of \$450.00 per regular meeting and \$25.00 plus mileage per special meeting.

1. The above allowance will be paid only if the proper internal vouchers are submitted by each Board member.

Financial Reports and Statements

Board of Regents

The Board shall receive annual financial statements showing the financial position of the College as of the last day of the preceding fiscal year quarter. Such statements will reflect budgeted, actual, and variance amounts. Operating statements shall disclose expenditures for the current quarter and expenditures to date.

1. The financial statements shall be prepared by the CFO each quarter and submitted to the President for review within the first ten days of the subsequent month. The President shall then submit the reports to the Board. A list of any contracts greater than \$5,000 shall also be presented to the board.

Federal Agencies

Monthly, quarterly, and year-end reports will be completed by the Business Office and promptly submitted to the federal funding agencies as required by contract or agreement. All Federal reports shall be reviewed and approved by the President.