

State of North Carolina

The University of North Carolina at Charlotte

Cash Management Plan

Statutory Policy

North Carolina law, Chapter [147-86.10](#) of the General Statutes, requires that "all agencies, institutions, departments, bureaus, boards, commissions and officers of the State ...shall devise techniques and procedures for the receipt, deposit and disbursement of monies coming into their control and custody which are designed to maximize the interest-bearing investment of cash and to minimize idle and nonproductive cash balances."

Plan Administration

The State Controller, with the advice and assistance of the State Treasurer, the State Budget Officer, and the State Auditor, is charged with developing and implementing a uniform statewide plan to carry out the cash management policy for all State agencies, departments, and institutions. This [Statewide Cash Management Plan](#) outlines the policies, duties, responsibilities, and requirements for cash management within the State government on a broad basis. The University of North Carolina at Charlotte (hereinafter referred to as the "University") has prepared this cash management plan to meet both the requirements of the Statewide Plan and the unique cash management needs of the University.

The University's Financial Services unit is responsible for developing and administering the Cash Management Plan in compliance with the Statewide Cash Management Plan, North Carolina General Statutes, and the State Treasurer. A copy of the University's Cash Management Plan is hereby submitted to the Office of the State Controller (hereinafter referred to as "OSC") for approval. This Plan is maintained in the University Controller's office for auditor review. The Internal Audit Office will periodically review cash management activities to ensure compliance with University policies and procedures. The State Auditor will annually determine if the University is in compliance with the Statewide Cash Management Plan. Any questions or concerns regarding the University's Cash Management Plan can be addressed to the University Controller at (704) 687-5786 or via e-mail at controller@charlotte.edu.

Plan Requirements

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. Please refer to [University Policy 602.4](#) for additional information regarding the University's policies regarding cash management over receipts and deposits. To accomplish these objectives, the following rules have been adopted:

1. Except as otherwise provided by law, all funds belonging to the State of North Carolina and received by an employee of the State in the normal course of their employment shall be deposited as follows:
 - a. All monies received shall be deposited with the State Treasurer pursuant to North Carolina General Statute (hereinafter referred to as "NCGS") [§147-77](#) and [NCGS §147-69.1](#).
 - b. Monies received in trust for specific beneficiaries for which the employee-custodian has a duty to invest shall be deposited with the State Treasurer under NCGS §147-69.3 provisions.
2. Monies received are deposited daily in the form and amounts received, except as otherwise provided by law, using forms as specified in the "[Banking Services Handbook](#)" of the State Treasurer. The University has a State Treasurer-approved external "special clearing" bank account with Bank of America (BOA) used to receive ACH and wire payments from vendors, of which the receipt schedule is usually unknown and irregular. Payment research is completed, and the University deposits funds into the State Treasurer's official depository on a weekly basis.
 - a. The University maintains a centralized cash receipts system. All revenues and other receipts collected on behalf of the University by the Office of the Bursar or other departments are centrally controlled by the University Bursar and deposited with Wells Fargo on a daily basis. Parking Services' monies are picked up directly by an armored car service on a daily basis and the deposit receipts are forwarded by Parking Services staff to the Cashier for processing. The University deposits all funds on a daily basis in compliance with [NCGS §147-86.11](#) and [§147-77](#). Deposits are prepared daily and include monies received during office hours. Funds from the previous day's receipts are secured in a safe overnight until an armored car service picks them up the following day. All funds are transferred from the Wells Fargo "State Treasurer of North Carolina Account" to the State Treasurer daily. The State Treasurer sweeps this account nightly. All cash collections are deposited daily and intact to the bank. Expenditures are never made from receipts. All monies received are deposited with the official designated

depository, recorded in the University's accounting system and certified to the State Treasurer through OSC's North Carolina Financial System (hereinafter referred to as "NCFS").

- b. Checks received by the University are made payable to the University. They are endorsed and deposited in accordance with the [NCGS §147-77](#), the guidelines of the State Treasurer, and the University's accounting policies and procedures.
- c. Checks denied and returned by banks are emailed from Wells Fargo to the University's General Accounting and Cashier areas. The Cashier records these checks in a subsidiary ledger and posts the transactions to the University's accounting system. In accordance with [NCGS §25-3-506](#), the University charges a \$35 service charge for any checks denied and returned.

Monies deposited in error are handled in accordance with [NCGS § 147-84](#) and in accordance with the specific policies and instructions of the State Treasurer. All corrections are made in compliance with these policies and instructions.

3. Monies due to the University from other governmental agencies or private persons are promptly billed, collected, and deposited. Accounts receivable billing and collection policies and procedures are maintained in accordance with statewide policies and with [NCGS §147-86.20 through §147-86.27](#). The University has developed adequate systems to properly account for and report receivables. Furthermore, the University reports to OSC the required data from its receivable systems to satisfy the State's reporting requirements as stated in [NCGS §147-86.26](#). This includes the type of receivables, their age, collection status, collection costs, and write-offs.

The University has developed and implemented policies and procedures that adhere to the collection policies and guidelines established by OSC and the Attorney General to ensure that its accounting and financial management systems:

- Properly account for, record, and manage receivables,
- Report information into the Statewide Accounts Receivable System as required, and Accounts receivables policy and procedures are as follows:
 - a. All student accounts are due and payable according to a [schedule of due dates](#) published on the University's website. These charges must be paid in full prior to the end of the semester for which the student has registered. An account that remains unpaid after the student is no longer registered is delinquent, and holds are placed on the account for balances greater than a certain threshold until the delinquent account is paid. In general, students with past-due accounts are not permitted to register for future semesters until the past-due account is paid in full. Students with extenuating circumstances may make special arrangements with the University Bursar to continue their enrollment.

- b. Electronic Billing notifications, or e-Bills, are issued to students and authorized payers monthly if a balance is due to the University. E-Bills are term based and the first bill is generally issued one month before the initial payment due date.
- c. Funds for student financial aid are received by Electronic Funds Transfer (hereinafter referred to as "EFT") to the Bank of America (hereinafter referred to as "BOA") Special Clearing Account. This account is monitored for these transactions and transferred to the State Treasurer's account on a timely basis in settlement of the receivable on the Banner system.
- d. Sponsors are billed for the project fund costs incurred, as frequently as specified in the award document, and considered past-due if not collected within 30 days.
- e. Demand letters are issued to sponsors if a bill is 91 days past due (courtesy call made at the 30 and 60-day mark). In the event payment is still not collected, Grant Cash Management, in conjunction with the principal investigator and college/department leadership, may seek to take the following actions: contact program officials; suspend sponsored project activity; change the reimbursement terms with the sponsor; or proceed with the collection process.
- f. Funds for federally supported sponsored agreements, contracts, and grants are received by electronic transfer whenever possible. State and University funds are generally electronically transferred to the BOA account. All funds received in the University's BOA account are transferred to the State Treasurer's account via EFT. The sponsored agreement receivables (funds) are requested in advance whenever possible. Agreements on a reimbursement basis are reviewed and promptly billed.
- g. Employee salary overpayments are due and payable according to the guidance published on the [University's salary overpayments webpage](#). Upon discovery, written notification is sent to the employee detailing the overpayment and the University's expectation for collection. If neither a payment is received nor a repayment plan is agreed upon within 30 days, the salary overpayment is considered past due, and a demand letter is sent. Current employees will have their overpayment collected through a payroll deduction unless other payment arrangements are made.
- h. The University will charge interest at the rate established pursuant to [NCGS §147-86.23](#) on a past-due account receivable 30 days after the last day of the term and continuing monthly until it is paid. Per guidance from the state attorney general's office, the University will add a one-time late payment penalty of ten percent (10%) of the account receivable once a student's unpaid account balance is greater than 90 days past due. The University may waive a late-payment penalty for good cause shown.

- i. Accounts considered delinquent for more than two years are deemed uncollectible and removed from the University's accounting records annually, using a direct write-off method. The debt is not discharged. It is still owed to the University and remains in the collection process; however, it is no longer reported as a receivable.
 - j. The University collects minimum identifying information from clients and debtors as prescribed by OSC and uses all available debtor information to skip-trace debtors as prescribed by OSC. Also, as prescribed, the University has established procedures to give OSC access to information that could assist another State agency in collecting accounts receivable owed to that State agency. The University further cooperates with the State Controller in giving OSC access to the information to the extent allowed by law.
 - k. The university fully utilizes debt setoff collection programs in accordance with Section 4 of the Budget Manual of the State of North Carolina (effective October 1, 2000) and [NCGS §105A](#).
4. Unpaid billings due to the University are referred to the Attorney General's Office for collection assistance no more than 90 days after the due date of the billing if the amount is greater than or equal to five hundred dollars (\$500). The University will handle these unpaid bills pursuant to debt collection procedures identified in the previous section. Further collection activity on these accounts will be at the direction of the Attorney General's Office. The University utilizes collection agencies approved by and under contract with the Attorney General.
5. Federal funds received for major federal assistance programs, governed by the Cash Management Improvement Act of 1990, are drawn in accordance with the current State/Federal Agreement.
6. All federal fund draws are timed so the funds are on deposit with the State Treasurer no more than two business days prior to the disbursement. Financial aid funds are drawn on the 15th and 26th of each month except for the beginning weeks of each semester then, draws are more frequent based on expenditures in Banner. Sponsored projects are drawn by the 20th of each month for expenses incurred in the preceding month.
 - a. The University follows the [guidelines established by OSC for EFT](#). Furthermore, the University utilizes the U.S. Treasury Department's most current EFT system whenever possible, or, at a minimum, wire transfers in cash transactions with the federal government. This process includes a mechanism that ensures a timely confirmation of the receipt of a specific transfer into the State Treasurer's account so that the University can properly account for such funds.
7. The University accepts electronic payments to the maximum extent possible, in accordance with [NCGS § 147-86.22](#), sound business practices.

- a. As it pertains to student tuition and fees, the University currently accepts EFT using the designated Provider contracted by the Office of the State Controller through the Electronic Fund Transfer Service Agreement. Students have their funds directly deposited into a separate Bank of America (BOA) Student Tuition & Fees account on a daily basis. Funds are transferred from that BOA "State Treasurer of North Carolina Account" to the State Treasurer on a daily basis. The State Treasurer sweeps this account nightly. All monies received are deposited with the official designated depository, recorded in the University's accounting system and certified to the State Treasurer through OSC's NCFS.
- b. Electronic checks denied and returned by banks are monitored in Bank of America by the University's Office of the Bursar using the BOA CashPro's online portal. The Office of the Bursar records these electronic checks in a subsidiary ledger and posts the transactions to the University's accounting system, similar to paper checks. The Office of the Bursar will send a notice to the maker of the electronic check requesting payment. All returned electronic checks are debited against the Bank of America Student E-check Return Account, owned by the State Treasurer but maintained by the University. The return bank account is credited within 2-3 business days when charges are applied to the student's account. The Office of the Bursar processes a certified book disbursement request. General Accounting transfers funds from the University's disbursement bank to Bank of America through CoreBanking to reimburse the Student E-check Return Account.
- c. Electronic funds received by the University into the BOA account are moved to the State Treasurer's account via EFT. The BOA account has EFT activity associated with, but not limited to, external financial aid, commission, foreign student wires, and foreign transfers. By arrangement with BOA, the University has direct login access to its online banking system and checks weekly for EFT activity. Some external vendors submit remittance advice to generalaccounting@charlotte.edu.
- d. The University currently accepts payment card (credit/debit) transactions (MasterCard, Visa, Discover, and American Express) using the designated Provider contracted by OSC through the [Merchant Services Agreement \(MSA\)](#) and in conjunction with the state-negotiated card contracts. UNC Charlotte card processing is defined in University Policy 311—*Information Security*, which includes the supplemental [University Receipts and Deposit Standards](#) and guidelines. The University adheres to the security and privacy requirements established by the Payment Card Industry Security Standards Council (PCI SSC) and UNC Charlotte's information technology services department (hereinafter referred to as "OneIT"). OneIT is responsible for the oversight and governance of data security for campus operations.

Specifically, the University:

- i. Develops business and system controls to ensure the confidentiality and integrity of financial transactions within the scope of electronic payment processing activities.
 - ii. Approves/oversees card payment acceptance channels, i.e., gateways, software, and equipment utilized.
 - iii. Utilizes the selected NC OSC vendor for PCI security Validation Services, including periodic vulnerability scans and the portal used to complete and submit the University PCI Self Assessment Questionnaire (SAQ) and Attestation of Compliance (AOC). The university also utilizes a PCI SSC approved vendor for annual penetration and segmentation testing.
 - iv. Maintains records of transactions in a manner that provides adequate security and audit trails.
 - v. Retains transaction records for 36 months and then securely destroys them by shredding unless litigation, claim, audit, other official action, or other retention schedule supersedes that period.
8. In addition to adhering to the above guidelines, the University's plan employs proven techniques that improve cash handling. Examples of such techniques include:
 - a. Use and encouragement of EFT when possible.
 - b. Receipt of federal grant payments by wire transfer when possible.
 - c. Reassignment of personnel, or the hiring of temporary personnel, when this proves cost effective, to accelerate the processing of remittances during peak periods.
 - d. Deposits are made with cash concentration banks designated by the State Treasurer.
 - e. Establishing billing schedules that are efficient and lead to earlier receipt of monies due to the State.
 - f. Timing deposits to receive credit on the current day (or as close to the current day as possible) in accordance with schedules available from the State Treasurer.

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 objective 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. The following rules apply for disbursements-related accounts:

1. Monies deposited with the State Treasurer remain on deposit with the State Treasurer until final disbursement to the ultimate payee. Cash disbursements are made in accordance with guidelines established by OSC and University policies and procedures. For example, invoices are reviewed daily by the University's Controller's Office staff. The review includes due date, 1099 status, and 4% NC withholding. Checks are written to comply with due dates and federal, state, and local regulations.

Discounts are taken if payments are made during the discount period. Checks are released after adequate funds have been requisitioned and deposited to the disbursing account. All payments are made in compliance with the University's disbursing policies.

Reconciliation procedures include the following:

- a. **State Disbursing Account:** The State Treasurer sends an electronic file of all paid warrants to the University on a monthly basis. This file is merged with the outstanding financial and human resource system check files, and a report is produced to show any errors. Deposits are reconciled with backup provided by General Accounting, and the monthly Cash Management Transaction Report is saved in ePrint. Electronic warrants are reconciled with certified book disbursements. The account balance received from the State Treasurer is reconciled with outstanding check balances from the financial and human resource systems. With the implementation of Positive Pay, discrepancies between the amount of the check written and the amount cleared should not exist. This account is reconciled on a monthly basis.
 - b. **Short Term Investment Fund (STIF) Account:** The State Treasurer sends the University a monthly report of all deposits and disbursements. This is reconciled with a monthly Cash Management Transaction report, and STIF cash transactions in Memo Bank posted in the University's accounting system. This account is reconciled on a monthly basis.
 - c. The University currently has one foreign bank account with Banco Espanol De Credito, nine with BOA, and nine with Wells Fargo; of this total, eight are owned and administered by the State Treasurer. The General Accounting Office receives and reconciles all bank statements monthly.
2. As provided in [NCGS § 147-86.10](#), the order in which appropriations and other available resources are expended is subject to the provisions of [NCGS § 143C](#) and the State Budget Act.
 3. Federal and other reimbursements of expenditures paid from State funds are paid immediately to the source of the State funds.
 4. Payments for goods and services are made on time, either on the discount date or the due date whenever possible.

5. Disbursement cycles for the University have been established to the extent practicable so the overall efficiency of the warrant disbursement system is maximized while maintaining prompt payment of bills due. To avoid disbursing account overdrafts, warrants are not released before adequate funds have been requisitioned by the University, approved, and deposited to the applicable disbursing account by OSC.

Accounts Payable direct deposits and electronic payables are processed daily, while paper checks are written at least weekly, often more frequently. Checks to be mailed are secured until in the custody of the US Postal Service or its agent. Checks to be picked up are kept secure in the Office of the Bursar until signed for and picked up by the authorized party. Blank check stock is secured in two separate locations (in a vault and locked cabinets).

6. EFT is used for certain payments between the University, the state and local units, and vendors and employees when it is determined to be mutually beneficial to both parties. EFT for social security and federal withholding taxes is made on the day following payroll processing (e.g., due dates or settlement dates). All other payroll-related liabilities are paid in accordance with state or agency regulations (twice monthly, bi-weekly, monthly, or quarterly). Intra-agency billings (utilities, telephone, supplies, etc.) are paid and receipted monthly. Automated Clearing House (ACH), direct deposit, and ePayables enrollment are encouraged for disbursements to vendors. Further, the University utilizes techniques helpful in controlling disbursements. Such techniques include:
 - a. The University has procedures in place for making large disbursements, such as debt service payments, state and local payroll taxes, and federal tax remittances, to ensure that payment is made on time.
 - b. The University manages inventory and supply levels to stock the minimum amount necessary to conduct business without disruption.
7. State-administered procurement cards (hereinafter referred to as “p-cards”) may be used for allowable purchases. The default cardholder profile has a single transaction limit of \$5,000 and a monthly cycle transaction limit of \$15,000. Increases up to \$25,000 may be approved by the Controller’s Office to meet business needs. Full P-card policies and procedures are maintained on the University’s website.
8. NCFS Transfer is used for certain payments between the University and other North Carolina state agencies. General Accounting reviews and processes the funding department's payment requests. Payments are recorded in Banner as book disbursements.
9. The University periodically receives requests to issue payment via international or domestic wire. Departments complete a “Wire Transfer Request” and submit it to General Accounting. General Accounting sends the form and supporting documentation to the State Treasurer for review and processing. The State Treasurer does not allow recurring domestic wires and tracks

the recipient of domestic wires. The State Treasurer notifies General Accounting of the amount of the wire payment. General Accounting makes payments to the State Treasurer via EFT for international wires. The State Treasurer completes a bank draft from the State Disbursing bank for domestic wires.

10. The University's "[Delegation of Disbursing Authority](#)" agreement is reviewed annually, and changes are submitted for OSC approval, according to [NCGS §143B-426.40G](#) and [§143b-426.39\(5\)](#).