

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 moneys 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. This plan is 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 Department 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, provide internal control over cash and cash equivalents and expedite the movement of monies collected into interest-bearing accounts. The University complies with these objectives through the following practices and referenced policies.

1. Deposit of State Funds

Except as otherwise provided by law, all University receipts belonging to the State of North Carolina are 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. Daily Deposits and Safeguarding of Receipts

The University follows established internal control, cashiering and safeguarding procedures contained in [University Policy 602.4, University Receipts and Deposits](#); therefore, such procedures are not duplicated here.

In accordance with the Daily Deposit Act (**G.S. 147-77; G.S. 147.86.11**):

- a. Monies received are **deposited daily** in the form and amounts received, except where a State Treasurer-approved exemption applies. Daily is defined as within twenty-four hours of receipt.
- b. Deposits of cash, checks, credit cards, EFT, and ACH transfers are received during regular university working hours at the University Cashier's Office and are posted to the university receipting system as received. Deposits received in the Cashier's Office by 2:00 p.m. each day are reconciled and deposited with the University's depository bank in the name of the State Treasurer the following day by 2:00 p.m.
- c. **Returned check fees** of \$35 are assessed in accordance with [NCGS §25-3-506](#).
- d. The University investigates and corrects deposit errors or discrepancies between the amount of the prepared deposit and the amount of the items received by the bank upon notification by the depository bank or the State Treasurer.

3. Billing, Collections and Accounts Receivable Management

Monies due to the University from other governmental agencies or private persons are promptly billed, collected, and deposited and it maintains accounts receivable policies and procedures that incorporate [statewide accounts receivable policies and procedures](#) in accordance with [NCGS §147-86.20 through §147-86.27](#).

The University's receivables practices include:

- a. Use of standardized collection techniques, including follow-up notices, internal collection processes, payroll deduction where appropriate, the Setoff Debt Collection program (**G.S. 105A**), and referral to the Attorney General.
- b. Assessment of interest and late-payment penalties in accordance with G.S. 147-86.23.

- c. Establishment of allowances for doubtful accounts and timely write-off of uncollectible accounts in accordance with State policy.
- d. Restrictions on the provision of services to delinquent debtors as required by statewide policy.
- e. The University may charge interest at the rate established pursuant to G.S. §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.
- f. 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. While the debt account is no longer considered a receivable in the University's accounting records, the debt is not discharged and remains in the collection process, as it is still considered due to the University.

The University maintains and reports receivable data in accordance with OSC reporting requirements and statewide accounts receivable policy.

4. **Referral to the Attorney General**

In accordance with OSC requirements:

- a. **Unpaid billings 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), except where statutes provide exemptions, e.g., certain patient accounts.
- b. After referral, further collection efforts proceed under the direction of the Attorney General.

5. **Federal Funds Drawdown Requirements**

For major federal assistance programs governed by the Cash Management Improvement Act of 1990:

- a. Federal funds are drawn in accordance with the current **State/Federal Agreement**.
- b. Funds are drawn so that they are deposited with the State Treasurer no more than **two business days prior to disbursement**.

6. **Electronic Payments (EFT and Merchant Card Acceptance)**

The University accepts electronic payments in accordance with G.S. 147-86.22 and statewide electronic commerce policies issued by OSC.

The University:

- a. Utilizes the State's Master Service Agreement (MSA) for electronic payment processing.
- b. Implements required business practices, privacy/security safeguards, and internal controls for electronic payments.

- c. Ensures compliance with Payment Card Industry Data Security Standard (PCI DSS) and applicable statewide electronic payment procedures.
- d. Maintains policies covering authorization of merchant card and ACH transactions, dispute handling, settlement, transaction fees and security controls.

7. Techniques to Improve Cash Handling

To improve the efficiency and effectiveness of cash management, the University employs proven techniques such as:

- a. Encouragement and use of electronic payments and EFTs
- b. Receipt of federal payments by wire or ACH when possible
- c. Efficient billing schedules that accelerate receipt of funds
- d. Reassignment of temporary staffing during peak periods
- e. Timing deposits to receive same-day credit in accordance with State Treasury schedules
- f. Use of cash-concentration banks designated by 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.

UNC Charlotte's cash disbursement processes follow procedures established in OSC and University policies and procedures. To ensure compliance, these procedures include:

- Pre-audit of disbursements for legality, documentation and accuracy
 - System-based controls to prevent duplicate payments
 - Release of payments only after funds have been requisitioned, approved, and deposited into the appropriate disbursing account
 - Monthly bank and account reconciliations for all State Treasurer and University-held disbursement accounts
2. **Order of Expenditures:** 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](#) of 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. **Timely Payment of Bills:** 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.

UNC Charlotte issues checks and other electronic payables according to established cycles consistent with OSC procedures and University policy.

6. **Electronic Funds Transfer (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 mechanisms include but are not limited to:
 - a. Vendor payments
 - b. Payroll direct deposits and payroll-related liabilities
 - c. Payments to State and local units
 - d. Other electronic disbursements authorized by the University's fiscal policy

The University maintains written procedures governing EFT authorization, initiation, settlement, and security in accordance with statewide electronic payment requirements.

7. State-administered **procurement cards** (hereinafter referred to as P-Cards) may be used for allowable purchases. UNC Charlotte maintains internal controls, reconciliation procedures, and usage restrictions for P-Cards, including expanded allowances when approved for emergency situations consistent with OSC and UNC System Office policy. P-Card policies and procedures are maintained on the University's website.
8. The University periodically issues payments via international or domestic **wire transfer**. Requests for wire transfers are submitted to and approved by the State Treasurer.
9. 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\(5\)](#).