Cash Management Plan

Authority:
- Cash Management Policy Statement G.S. 147-86.10
- Daily Deposit of Funds to Credit of Treasurer G.S. 147-77
- Investments Authorized for General Fund Investments... G.S.147-69.1
- Administration of State Treasurer's Investment Program G. S. 147-69.3
- Collection of Processing Fee for Returned Checks G.S. 25-3-506
- Statewide Accounts Receivable Program G. S. 147-86.22
- Cash Management Policy for the State of North Carolina Exemption from Charging Interest and Late Pay Penalties G.S. 147-86.23
- SEDCA Exemption for Schools of Medicine
- SEDCA Exemption for ECU's Division of Health Sciences G.S. 143-553

History:
First Issued: January 3, 2005
Last Revised: March 27, 2018

Related Documents:
- ECU Merchant Card Processing
- ACH Payment and Collection Processing
- Guidelines to Departments for Cash Receipting and Receivables
- Cash Receipting Procedures Template
- NC Office of State Controller - Cash Management Plan
- NC OSC Statewide Accounts Receivable Program
- Cash Management in Emergency Situations

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Note: Some files linked within this document may not be viewable without additional security access.

1. Introduction

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 interest-bearing investment of cash and to minimize idle and nonproductive cash balances.”

2. Plan Administration Requirements

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 State government on a broad basis. It is the responsibility of East Carolina University, hereafter referred to as “ECU” or “University”, to prepare a cash management plan that
meets both the requirements of the Statewide Plan and the unique cash management needs of the University.

The Assistant Vice Chancellor for Operations and Compliance Management is responsible for developing, administering and maintaining the University’s Cash Management Plan. The Vice Chancellor for Administration and Finance is responsible for approving the University’s Cash Management Plan.

Plans will be submitted to the Office of the State Controller for approval. Once approved, the Assistant Vice Chancellor for Operations of Compliance Management will maintain a copy of the approved plan and make available the approved plan for inspection upon request. The Approved Plan will also be prominently displayed on ECU’s web page. As changes in cash operations are identified that impact the Cash Management plan, the Office of the State Controller will be notified in writing. Depending on guidance from the Office of the State Controller, either the change will be submitted for approval on a section by section basis or the entire plan will be re-submitted for approval. The State Auditor has the authority to determine if the University is in compliance with the Statewide Cash Management Plan.

3. **Cash Management over Receipts:** The objectives of cash management over receipts are to use diligence in collecting funds owed to the State, to provide internal control over cash and cash equivalents and to expedite the movement of monies collected into interest bearing accounts. To accomplish these objectives, the University abides by the following rules:

Rules: 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:

- All monies received shall be deposited with the State Treasurer pursuant to G.S. 147-77 and G. S. 147-69.1.
- Monies received in trust for specific beneficiaries for whom the employee-custodian has a duty to invest shall be deposited with the State Treasurer under the provisions of G. S. 147-69.3.

Monies received shall be deposited daily in the form and amounts received, except as otherwise provided by law.

**Depositary Services for ECU’s Health Science Division** deposits receipts by 2:00 pm daily. All other University receipts are delivered to the Main Campus Cashier’s Office daily - the majority by armored car service. The Main Campus Cashier’s Office consolidates all other receipts with student receipts and prepares a daily deposit that is picked up by armored car service at approximately 2:15 pm daily. The armored car service then delivers the deposits to a local branch of Wells Fargo® for processing.

The Office of State Treasurer has approved an exemption to the daily deposit statute for the Dental Medicine Community Service Learning Centers, Country Doctor Museum, and Degree Verification for Registrar office as long as deposits are at least made weekly or when the funds are greater than $5,000.
Various events or actions on the University campus require receipt of funds in vending machines of various sorts. Vending receipts are collected regularly from the machines campus wide. The physical collection of receipts triggers a daily deposit of funds.

The University Cashier’s Office accepts the following payment methods: cash, check, PIN based debit cards, e-check and certain credit cards via TouchNet. Please reference Cashier Methods of Payment. Payment methods accepted by Depository Services for the Health Sciences Division are cash, check, credit cards, PIN based debit cards, and EFT.

Payment methods accepted by Compliance Management are check, Wire Transfer/EFT, and credit cards or debit cards.

Payment methods accepted by Main Campus Contracts and Grants and Division of Health Sciences Contracts Receivable Offices are check, wire transfer and EFT. Contracts Receivables Offices within the Division of Health Sciences direct payments to a lockbox.

In accordance with G.S. 25-3-506, the university charges a twenty-five-dollar ($25.00) process fee for a check on which payment has been refused by the payor bank because of insufficient funds or because the drawer did not have an account at that bank. Additionally, the University charges student accounts a twenty-five-dollar ($25.00) process fee for e-checks (ACH Payments) returned for whatever the reason. For student accounts, the returned check is posted to accounts, creating a balance due. Hold tags are placed on the student account – blocking registration, and issuance of transcripts until the balance is paid in full. Non-student returned checks are charged to the revenue account where the funds were originally receipted; departments are expected to pursue collection of the returned check amount and the $25.00 processing fee.

The Main Campus Cashier’s Office follows strict safeguarding procedures such as separate locking cash drawers and panic buttons. Other safeguarding practices are in place to protect University assets but are not publicly disclosed.

The West Campus, Division of Health Sciences, follows similar safeguarding procedures as Main Campus Cashier’s Office.

Main Campus cashier processes student payments for main campus, Continuing Studies, Brody School of Medicine and School of Dental Medicine. Student payments received via U.S. mail are opened under dual control, scanned and indexed to student accounts. The scanning process generates a check log that is used in cashier daily balancing.

Health Sciences receives medical and dental payments in the clinical areas for services rendered. As payments are received, staff enters the payment information in the patient billing system and issues receipts. Daily receipts and activity reports are reconciled and transferred to Health Sciences Depositary Services for deposit on a daily basis. Depositary Services receives patient payments as well. In those instances, copies of payment and deposit information are sent to Patient Billing Departments so that patient accounts can be properly credited. Using the deposit information provided the billing department can reconcile payments posted to payments received and deposited.
Grants and Contracts receive sponsor payments via wire and paper check. The office maintains payment logs for check payments, wire payments and CMCS transactions.

Departments involved in the receiving process must develop internal procedures per the ECU Cash Management Plan and Guidelines to Departments for Cash Receipting and Receivables.

If after thorough research the University determines it is not entitled to an amount received and deposited on behalf of the University, that amount is refunded to the individual/entity that originally remitted the payment. All research is documented and maintained for review upon request.

4. Recivable Management: Monies due to ECU from students, private persons, and/or governmental agencies for student account balances are promptly billed, collected and deposited. ECU has established accounts receivable management policies and procedures and has incorporated guidance from the Office of State Controller’s “Statewide Accounts Receivable Program.” Please reference Statewide Accounts Receivable Program G. S. 147-86.22.

a) Student Receivables Management: ECU’s Student Financial Services (SFS) is responsible for billing, collecting, and depositing tuition and fee amounts for Main Campus, Offices of Continuing Studies, Global Affairs, Brody School of Medicine and School of Dental Medicine. SFS bills student accounts weekly and uploads billing statements via TouchNet for students and authorized users to view.

SFS expects accounts to be paid in full by the published Academic Calendar deadlines to avoid schedule cancellation for non-payment. Student sponsorships, outside scholarships, military benefits, financial aid and other identified funding sources are taken into account when determining if a student’s schedule is paid – thus protected against schedule cancelation. SFS utilizes account holds routinely to prevent future registration as long as balances on student accounts are still outstanding.

SFS works diligently with enrolled students to ensure balances are paid timely. Once the student is no longer enrolled, the student’s account is subject to formal collection procedures including but not limited to: (a) Assessment of interest at the current published rate set by the North Carolina Department of Revenue; (b) Assessment of a one-time late payment penalty of 10% prior to the delinquent account being referred to the Attorney General’s office; (c) Referral to the Attorney Generals’ office; (d) Submission to the North Carolina Department of Revenue for set off; (e) Submission to collection agencies under contract via the bid process managed by the Attorney General’s office; (f) Review for State Employees Debt Collection; (g) Securing a formal pledge to pay by executing a promissory note; and (h)Participating in payroll deduction.

SFS defines its receivable system, and its collection processes in its Standard Operating Procedures. Please reference Student Account General Collections.

SFS establishes an allowance for uncollectible accounts annually. The analysis takes into account annualized write-off percentages, aging of accounts and some specific identification of accounts as needed. The allowance account is replenished by debiting a contra revenue account. Please reference Student Allowance for Doubtful Accounts.
SFS has established procedures for writing off uncollectible accounts. The guidance recognizes threshold limits approved by the Attorney General’s Office and the Office of State Controller. Additionally, other circumstances that may result in an account being written off are identified. Please reference Student Accounts Bad Debt Write Off.

b) ECU Physicians (ECUP) Patient Receivables Management: ECU Physicians is the clinical practice plan of ECU’s Brody School of Medicine within the Health Sciences Division. ECUP is responsible for billing and collecting patient charges. Receipts are forwarded to Health Sciences' Depository Services and that office is responsible for accumulating receipts and for preparing a consolidated deposit. Patient accounts are billed monthly.

ECUP derives charges for the provision of medical services. The accounts receivable is primarily comprised of balances due from insurance companies and government payers, such as Medicare and/or Medicaid. These receivables are managed in accordance with insurance contractual and regulatory standards. Amounts due from patients, including residual balances after third party payment, are billed on a monthly basis and considered delinquent when they become 90 days in arrears.

ECUP’s threshold for pursuing delinquent amounts is $3.00, based on Medicaid recipient’s co-pay rate being set at $3.00. Medicaid expects providers such as ECUP to vigorously pursue collection of the co-pay if this amount is not paid at the time of service.

ECUP works diligently with patients to ensure balances are paid timely. Patient accounts are considered past due when they are 90 days in arrears and are subject to formal collection procedures including submission to collection agencies under contract via the bid process managed by ECU’s Materials Management.

Effective July 1, 2012, G.S. 147-86.11(e)(4a) permits but does not require ECU’s Division of Health Sciences to turn over delinquent accounts to the Attorney General’s office for collection purposes. Effective July 1, 2012, G. S. 147-86.23 exempted ECU’s Division of Health Sciences from charging interest and late payment penalties on patient accounts. Effective January 1, 2014, G.S. 105A-2.2.(f) defines a state agency to exclude any school of medicine, clinical program, facility or practice affiliated with one of the constituent institutions of The University of North Carolina that provides medical care to the general public. Therefore, effective January 1, 2014, the East Carolina University Practice Plan no longer utilizes the Set-Off Debt Collection Act as a means of collecting delinquent practice plan medical bills. Effective 2012, G. S. 143-553 excluded ECU’s Division of Health Sciences from collecting debt owed from employees paid in part or whole with state funds.

ECUP patient receivables are maintained on an electronic health record accounts receivable system (EPIC) that is hosted by Vidant Health Systems. Patient receivable balances are generally paid by insurance companies, government payers and self-payments from patients.

ECUP offers self-administered payment plans with one (1) year terms. Patient Accounts are re-evaluated annually.
ECU SoDM derives charges for the provision of dental services. The accounts receivable is primarily comprised of balances due from insurance companies and government payers, such as Medicaid and/or Medicare and self-pay patients. SoDM has contractual agreements with several private insurance companies, including BCBSNC, Cigna, Guardian, Delta Dental and United Concordia.

Payments are accepted at the time of service via cash, check, money order, point of sale credit card terminals, and PIN based debit cards. Amounts due from patients, including residual balances after third party payment, are billed on a monthly basis. Mailed payments from self-pay patients and insurance companies are received at a designated lockbox in Charlotte, NC. ACH/EFT payments are received directly into an ECU SoDM bank account, which is certified daily by Health Sciences’ Depositary Services. Payments received at the SoDM are forwarded to Health Sciences’ Depositary Services and that office is responsible for accumulating receipts and for preparing a consolidated deposit.

Daily deposits are required for School of Dental Medicine operations, except for the CSLC in the rural communities. Due to the remote/rural locales, they have an approved exemption from Office of State Treasurer for daily deposits. Deposits in these locations should be made at least once a week, or once the collected funds have reached $5,000, whichever comes first. Offsite clinic deposits are transported via armored car service to local Wells Fargo branch banks. Receipt and deposit information is forwarded to Health Sciences’ Depositary Services for certification.

ECU SoDM works diligently with patients to ensure balances are paid timely. Patient accounts are considered past due when they are 90 days in arrears and are subject to formal collection procedures including but not limited to: (a) Submission to collection agencies and (b) Submission to the North Carolina Department of Revenue for set off (SODCA).

ECU SoDM patient receivables are maintained on our Dental Management Software System called Axium. These electronic health records are hosted on servers with the SoDM and do not interface with ECU systems.
d) **Main Campus Grants and Contracts Receivables Management**: Grants and Contracts requests Letter of Credit (LOC) funding for sponsor payments and federal awards. Funding requests are made on a cost-reimbursement basis, thus eliminating the possibility of excess cash. All funding requests are approved by the Office of Grants and Contract’s Director. Individual cash draw files are maintained for each LOC. Files contain all relevant documentation to substantiate the funding request, receipt of funds, and entry in the University’s receipts system.

The Office of Grants and Contracts requests Title IV Federal Financial Aid funds via the federal funding G5 system. At the beginning of each academic term, Student Financial Services coordinates with the Office of Financial Aid to estimate the dollar value of funds needed to support aid disbursements. Funding requests are sent to the Office of Grants and Contract (OGC) and that office in turn enters the funding request in G5. The Cash Management office within Compliance Management reviews Title IV funds for excess cash and sends requests funding returns to OGC for entering into G5.

Throughout the academic terms, Compliance Management initiates the wires of loan funds and reviews the status of Title IV funds and requests and/or returns funds as needed.

c) **Division of Health Sciences Grants Receivables Management**: The Division of Health Sciences manages grants receivables by purpose in three areas as follows:

1) **Brody School of Medicine**: The Brody School of Medicine (BSOM) manages grants specific to the Brody School of Medicine except Federal Grant receipts are managed by the Main Campus Grants and Contracts Office. In general, state grants are invoiced and paid on a reimbursement basis. All state grants are billed using the invoice template provided by the State of North Carolina.

BSOM Departments and/or study coordinators bill for Clinical Trials (CT) if required. Some CT’s do not require invoicing; rather, most CT payments are based on Case Report Forms (CRF). The payor automatically sends payment as CRF’s are processed. The BSOM Grants Office request copies of all invoices processed by departments/study coordinators so that payments received in the lockbox can be matched to invoices. All CT billings are tied to the CT agreements.

Payments on BSOM Clinical Trials come in as wire/ACH payments, checks received by Health Sciences Depository Services, or a Wells Fargo lockbox. Electronic payments are directed to the Cash Management office within Compliance Management. They work with Office of Grants and Contracts who notifies BSOM Grants to determine the appropriate FOAP for posting. OGC handles the posting in Banner. Health Sciences Depository Services (HSDS) reviews lock box activity daily, certifies the funds in the State’s Cash Management Control System and notifies the BSOM Grants Office when payments are received. Additionally, a Grant Deposit Daily Summary Sheet is prepared and provided to the BSOM Grants Office. BSOM Grants Office reviews the lockbox receipts, determines the appropriate data (account number, sponsor name, check number, amount, and Principal Investigator and/or department) necessary to post the receipt and enters the amounts received via a receipt adjustment (journal entry) in Banner. Amounts received are reconciled to amounts posted. A copy of the receipt
adjustment and supporting documentation is uploaded into Xtender. The original documentation remains on file in the BSOM Grants Office.

2) College of Nursing: The College of Nursing (CON) oversees grants specific to the College. In general, CON grants are administered by the Main Campus Grants and Contract Office (reference item d). Cash Management procedures for CON are the same as for the Main Campus Grants and Contracts Office as any funds collected on CON grants are directed to Main Campus Grants and Contracts Office.

3) College of Allied Health Sciences: The College of Allied Health Sciences (CAHS) oversees grants specific to the College. In general, grants are administered by the Main Campus Grants and Contract Office (reference item d). Cash Management procedures for CAHS are the same as for the Main Campus Grants and Contracts Office as any funds collected on SAHS grants are directed to Main Campus Grants and Contracts Office.

f) Division of Health Sciences Contracts Receivables Management: The Division of Health Sciences manages contracts receivable by purpose in two separate areas as follows:

1) Vice Chancellor’s Office – Contracts Receivable Management:  
For contracts with variable billing hours, the faculty member will indicate dates, times, hours of service and other information as needed and/or required by the terms of the contract. Preferably, the external agency’s billing report form with a corresponding signature from the external agency will be used when available; otherwise an internal form will be used. Actual signature by the consulting faculty member is required.

To create an invoice for services provided by ECU, a completed Billing Request Form signed by the unit administrator must be sent to the Contracts Office. If required, the timesheet or log supporting the services provided must be attached as backup. All timesheets and logs must be signed by the provider of the services or appropriate departmental designee. The Contracts Office will create an invoice and send it to the external agency. Remittances are directed to the Division of Health Sciences’ Lockbox.

Copies of invoices are emailed to Depositary Services as a reference for determining receipts that will be recorded as Division contract revenue. The daily contract revenue deposit summary and the original backup will be provided to the Contracts Office.

The Contracts Office will ensure that journal entries are processed to reclassify division contract revenue from Practice Plan revenues to the appropriate state or special fund revenue account.

After the ID/JE form is prepared and approved, the form is forwarded to DHS Financial Accounting to be processed. Once the ID/JE has been keyed, the original will be returned to the Contracts Office for data entry verification. A copy of the ID/JE, check and invoice will be e-mailed to the appropriate offices, including the originating unit. The original documentation will be filed.
2) Brody School of Medicine (BSOM) ECU Practice Plan (ECUP) Contracts Receivable Management:

All BSOM contracts are routed through the BSOM Contract Management office. Approved contracts are invoiced for services provided based on documentation from BSOM departments.

The documentation is required within 30 days of the services being provided. The BSOM Contract Office creates the invoices and submits to the contracting agency within 5 business days.

All contract payments are received in a Lock Box in Charlotte, NC. These payments are processed through the BSOM Depositary Services area and the information is relayed to the Contract Management office for posting to the appropriate contract receivable and to Banner Finance.

Any receivable over 60 days past due is reviewed and the appropriate BSOM department is contacted for follow up with the outside agency. Invoices over 90 days past due are reviewed to determine if the account is uncollectable and should be written off of the Contract Management system.

If an account is determined to be uncollectable, the BSOM department completes the Write-Off Request form and obtains departmental signatures. The form is returned to the Contract Management office and is then sent to the Chief Financial Officer of ECU Physicians for signature. The fully signed Write-Off request form is returned to the Contract Management office and the invoice is removed from the Solomon Contract System.

g) Federal Funds Receivables Management:
Federal funds received for major federal assistance programs that are governed by the Cash Management Improvement Act of 1990 must be drawn in accordance with the current State/Federal Agreement.

All federal fund draws should be timed so that the funds are on deposit with the State Treasurer no more than two business days prior to the disbursement.

h) Other Receivables Management: Departments involved in the receivable process must develop internal procedures per the Office of State Controller’s Statewide Accounts Receivable Program and Guidelines to Departments for Cash Receipting and Receivables. A template is available to assist departments in developing policies and procedures – reference Cash Receipting Procedures Template.

All receivables of any dollar amount, due to a State agency, department or institution shall be turned over to the Attorney General for collection no more than 90 days after the due date of the billing. The University may handle these unpaid bills pursuant to its debt collection procedures as referenced above.
The University accepts electronic payments (credit/debit cards [merchant cards] and electronic fund transfer (EFT), in accordance with G.S. 147-86.22, to the maximum extent possible and consistent with sound business practices. The University obtained approval to participate in the Office of State Controller’s Master Service Agreements for Electronic Payments for MasterCard/VISA and American Express. The University also obtained approval to participate in the Office of State Controller’s Master Service Agreement for Electronic Funds Transfer Services. The University established policies and procedures necessary to facilitate the use of electronic payments. These policies and procedures incorporate the statewide electronic payment policies and procedures and are included as a part of the University’s Cash Management Plan. In addition to the Merchant Card Processing Procedure Statement and the ACH Payment and Collection Processing, the University also employs the following techniques for cash handling:

The University uses lock boxes for tuition payments, for Health Sciences patient receivables and for certain Health Sciences grant and contract payments.

During fall and spring term start-up's, the Cashier’s Office employs temporary personnel to assist with opening mail, scanning, basic cashiering, email and customer service.

Cashier bills weekly and provides billing statements on line to both students and their authorized users.

The University deposits receipts daily to receive current day credit in accordance with schedules available from the State Treasurer.

5. **Cash Management over Disbursements:** The objective of managing disbursements is to maintain funds in interest-bearing account for the longest, appropriate period of time. This allows the State to recognize the maximum earning potential on its funds. This is not intended to encourage late payment or have a negative impact on relationships with firms who, in good faith, supply goods and services to the State. To accomplish this objective, the University abides by the following:

**Rule:** Monies deposited with the State Treasurer remain on deposit with the State Treasurer until the University makes final disbursement to the ultimate payee.

a) **Purchasing:** The University utilizes a web-based e-procurement system that interfaces with our financial ERP system. ECU’s procurement system is referred to as PORT – Purchase Order and Requisition Tracking. Requestors and approvers access PORT for creating, tracking and/or approving requisitions through a web browser. PORT's workflow routes requisitions to the appropriate approver and then to Materials Management for processing. After ORG security is verified and the requisition process is completed, a purchase order is sent electronically to the supplier. As materials are received, requestors enter receiving reports in PORT that are fed to the ERP system, signifying to Accounts Payable that goods have been received. As suppliers submit e-invoices through the PORT system, PORT feeds e-invoices to the Accounts Payable office. Receiving reports are matched to invoices until the purchase order is fully receipted in the ERP system. Only then is payment made.
b) **Contracted Personal Services:** Contracted Personal Services are services provided by independent contractors. The department may process the request by using the process in (A) or by completing a *Contractual Services Payment Form* which requires contractor payee information, descriptions of services rendered, justification for requiring the service, the cost or fee and the general ledger expense account. The initiating employee, Dean, Vice Chancellor, Grants and Contracts (if applicable) and Materials Management must approve the personal service by signing the form.

c) **Direct Payment Forms:** The University uses Direct Pay Forms to pay for approved expenditures including but not limited to certification/examination fees and employee reimbursements. Materials Management must approve any employee reimbursements greater than $500.00. Once review and approval is complete, reimbursements are issued via check or ACH to the vendor/payee identified on the Direct Payment Form.

d) **Employee Travel:** Travel advances and/or travel expenses are reimbursed only upon receipt of approved travel advance requests and/or upon receipt of completed and approved travel documents. Travel expense disbursements are direct deposited to the employee(s) bank account of record used for payroll direct deposit. The travel disbursements will be made via paper check if the employee does not receive payroll payments via direct deposit.

e) **ProCard:** The University issues credit cards to approved, permanent employees for approved purchases once required training has been completed. The University partners with Bank of America and utilizes the “WORKS” system for on-line review and approval of transactions. ProCard cannot be used for unauthorized items and ProCard employs several purchasing control techniques. Each ProCard cardholder and reconciler is responsible for reviewing and approving purchases on line, for signing and reviewing the accuracy and validity of the printed statement and for maintaining supporting documentation in the form of receipts, statement of reconciled and approved charges and submitting to Materials Management. Materials Management authorizes payment. Only then are funds wired to Bank of America from Accounts Payable.

f) **Capital Improvement Project Payments:** Facilities Services is responsible for managing Capital Improvement projects, for ensuring project work is completed apace with pay requests, and for approving pay applications prior to those documents being forwarded to Accounts Payable. Accounting Services submits budget revisions and allotment requests to the Office of State Budget as needed for capital improvement projects and Compliance Management enters transfer requests and requisitions for funds to the Office of State Controller. Reimbursement requests for General Obligation (GO) bond proceeds and certificates of participation proceeds (COPs) are processed twice a month in accordance with the funding schedule issued by the Office of State Budget. Accounting Services submits a funding requisition and allotment requests to the Office of State Budget. Compliance Management enters requisition for funds from the Office of State Controller. The Office of State Controller sends Accounting Services email confirmation of the pending direct deposit into the Disbursement Account with Bank of America. Accounts Payable sends the ACH payment file to Bank of America.
g) **Patient Refunds for ECUP:** Patient Refunds requests are fed into Banner from Health Span/BSOM nightly. All invoices from this feed are assigned unique invoice numbers. The feed document, invoice report and check run totals are reconciled.

h) **Patient Refunds for the School of Dental Medicine:** Patient refund requests are processed via the Banner Direct Pay form. Banner ID numbers are created for each patient and the appropriate approvals are verified. All patient documentation is maintained on file in the School of Dental Medicine.

i) **CMCS Transfers:** As a general rule, we pay the following agencies via CMCS transfer: UNC System schools, UNC System Office, Office of State Controller, Office of the State Auditor and Office of State Budget and Management. The one exception to UNC System Schools is UNC Chapel Hill medical campus. Payment requests must be approved by the funding department. Compliance Management reviews the request for payments and authorizes the transfer of funds. Payments are recorded in Banner Finance via a disbursement adjustment. Other transactions with state agencies are processed via check due to our automated electronic disbursement process via the e-procurement system, PORT.

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5.1. **Bank Reconciliation Procedures:** All Bank Statements are reconciled monthly. Brody School of Medicine bank statements and School of Dental Medicine bank statements are reconciled by Health Sciences accounting staff. All other accounts are reconciled by Compliance Management accounting staff.

Individuals responsible for bank account reconciliations are not responsible for handling cash. Additionally, these individuals only have inquiry access to Banner and CMCS thus negating their ability to record receipts or process disbursements.

All Bank Reconciliations are performed in accordance with UNC Business Process Standards and sanctioned templates are utilized. Bank reconciliation completion dates and reconciling item adjustments are reported to UNC System Office via UNC Business Process Standards monthly reporting.

All reconciliations are reviewed, signed and dated by Management. All journal entries for adjustments are prepared by the responsible party. The entries are then forwarded to Financial Services for review and posting into Banner Finance.

All State Treasurer accounts are reconciled within 15 business days, once the statements become available.

All outstanding items are reconciled prior to the end of the succeeding month. Large checks over 6 months old are reviewed monthly.

5.2. As provided in Section 147-86.10, the order in which appropriations and other available resources are expended shall be subject to the provisions of the Executive Budget Act, G.S. 143-27, regardless of whether the University’s disbursement or expensing of the monies is subject to the Act.
5.3. Federal and other reimbursements of expenditures paid from State funds shall be paid immediately to the source of the State funds.

5.4. Billings to the State for goods received or services rendered shall be paid neither early nor late but on the discount date or the due date to the extent practicable.

6. The University establishes disbursement cycles to the extent practicable so that the overall efficiency of the warrant disbursement system is maximized while maintaining prompt payment of bills due. In order to avoid disbursement account overdraws, warrants should not be released before adequate funds have been requisitioned by the University, and approved by the OSC for deposit to the applicable disbursement account. Unless indicated elsewhere, the University disburses as follows:

Cash projections are sent to Office of State Controller weekly.

Invoices are entered in Banner daily. Data entry is checked and corrections are made as needed.

Blank check stock is stored securely. Checks are generated based on due date by disburseing bank. Printed checks are stored securely overnight and a Positive Pay File is transmitted to Wells Fargo for upload to the Core Banking System. No check is mailed or released until the Positive Pay file is matched and approved.

In general, checks are mailed from Financial Services - Accounts Payable.

7. Electronic Funds Transfer (EFT) should be used for certain payments between State and local units, vendors and employees when it is determined to be mutually beneficial to both parties. The University complies with this directive and utilizes electronic payments as follows:

a. **Payroll**: Payroll liabilities are payable on various frequencies, depending on the withholding type. Regardless of the withholding type or frequency, the Compliance Management Cash Accountant forwards reports and corresponding wire payment requests to Accounts Payable. Accounts Payable re-verifies amounts to be paid and then initiates the wire transfer.

b. **Sales and Use Tax**: Each month, Sales and Use Tax documentation is submitted to Accounts Payable with wire payment requests for processing. Accounts Payable verifies the payment request and then initiates the wire transfer.

c. **Foreign Wires**: On occasion, the University is required to initiate an International outgoing wire transfer. Accounts Payable completes a “Wire Transfer International Outgoing Wire Transfer Request” form and faxes that form with all supporting documentation to State Treasurer’s Office. In conjunction with Office of State Controller, the vendor’s status is reviewed and backup withholding amounts are determined if applicable. Wells Fargo notifies Accounts Payable of the foreign currency conversion amount for wire transfer. Only then does Accounts Payable initiate the wire transfer.

d. **Domestic Wires**: The University routinely receives requests to issue payment via domestic wire. Once Accounts Payable receives a completed and approved Direct...
Payment Request Form, and the Associate Vice Chancellor for Financial Services approves the wire payment, the forms and supporting documentation are faxed to the NC Office of State Treasurer for processing.

7.1. **Electronic Warrants**: The University utilizes “templates” in Core Banking for reoccurring payments. Generally, the templates are used to facilitate payments for debt principal and interest payments and recurring vendor payments.

   a) **Bond Principal and Interest**: Bond principal and interest payments are wired using the template upon receipt of approved remittance documents from Financial Services.

   b) **Student Refunds**: ECU utilizes the TouchNet eRefunds Module through TouchNet Bill+Payment to identify university financial refunds for students, to include financial aid refunds for ACH or paper check processing. Students are required to set up an ACH profile in TouchNet in order to receive a refund electronically. Bank account numbers are masked to users based upon the level of security assigned. ECU generates a daily refund file in Banner and all refunds are identified at that time with a RRFD detail code. A daily process is run in the TouchNet eRefund Module to update detail codes in Banner to identify ACH (change detail code to ERFD) and paper check transactions (maintain detail code as RRFD) based on if the student has an ACH profile on record in TouchNet. Daily reports are generated and verified by Student Accounting, the Cashier’s Office and Accounts Payable before funds are wired to Bank of America to support the daily ACH file. On a daily basis, the Student Accounting Office uploads the ACH file from TouchNet to ECU’s bank account (currently Bank of America) for disbursement to students. The paper check file is received by ECU’s Accounts Payable Department to begin the check write process for those students that do not have an eRefund (ACH) profile in TouchNet. Paper checks are mailed to the student’s on-campus address or permanent address on file in Banner.

8. State administered procurement cards should be used to provide employees with food, lodging and other applicable subsistence in emergency situations. The University has designated specific Pro Cards for emergency use and in the case of an emergency - these cards would be updated with the designated emergency profile. These cards will have expanded purchasing limits and restrictions on purchase types are relaxed. Depending on the severity of the emergency situation, Materials Management has authority to update other card profiles as needed. Please reference the Office of State Controller’s policy statement on *Cash Management in Emergency Situations* as linked in **Additional References**.

9. “Delegation of Disbursing Authority” agreements must be kept current. The State Controller requires a Delegation of Disbursing Authority when a disbursing account(s) is authorized for a State Agency or institution. When one of the parties to the agreement changes a new agreement must be signed and forwarded to the State Controller for approval and signature. Reference is made to the State Controller’s policy: [State Disbursing: Policy - Delegation of Disbursing Authority](#). ECU’s Delegation of Disbursing Authority was last updated in 2018.

10. **Signatures and Approvals**:

    The U.S. Federal ESIGN Act of 2000 gives the same legal protection to online signing as to traditional pen-and-paper signing.
ECU utilizes DocuSign for routing of documents and for the collection of signatures.

Approval Signatures collected through DocuSign’s routing process are original and official.

E-Signatures will be affixed to this document via DocuSign as follows:

Stephanie Coleman, Assistant Vice Chancellor for Operations and Compliance Management  
Faye Steele, Specialist – Compliance Management  
Vinnie Falvo, Controller – Financial Services  
Brian Jowers, Executive Director, ECU Physicians  
Julie Cole, Director, Office of Grants & Contracts  
Gary Vanderpool, Associate Vice Chancellor, Heath Sciences Admin & Finance  
Dee Bowling, Associate Vice Chancellor for Financial Services  
Sara Thorndike, Vice Chancellor for Administration and Finance  
Taylor Brumbeloe, Central Compliance Manager, Office of State Controller  
Linda Combs, State Controller

Revision History:

February 15, 2007  
November 1, 2013  
March 27, 2018 – reviewed in its entirety and updated