

BONDS, CRIME & PROPERTY

Introduction

The Bonds, Crime, & Property Program is intended to protect the State from financial and/or property losses resulting from any act and/or omission by any state public officials, appointees and employees in the performance of their respective duties.

The ORM policy guidelines outlined in this document are not a substitute for the accounting control guidelines established by the Office of Statewide Reporting and Accounting Policy (OSRAP), found here: <http://www.doa.louisiana.gov/OSRAP/PPM.htm>. Conformance by an agency with all relevant OSRAP policies regarding fiscal controls and safeguards shall satisfy ORM's requirements. The agency shall be responsible for complying with any other ORM requirement or exception not specifically addressed by OSRAP policy, as relates to this program.

The purpose of the Bonds, Crime, & Property Program is to:

- a) Assign responsibility for developing and managing fiscal controls in state agencies.
- b) Establish each individual's accountability for the performance of his/her duties in compliance with the agency's fiscal control program.
- c) Reduce the State's exposure and losses and to safeguard state assets against theft, robbery, abuse, etc.
- d) Maintain the public's confidence in the ability of state officials, appointees, and employees' to conduct the State's business in an honest and professional manner.

Responsibilities

Each agency is responsible for developing and implementing a written Bonds, Crime & Property Loss Control Program that shall include:

- Procedure (for managing assets and the fiscal internal control system to minimize potential losses and damages) these procedures shall address, at a minimum:
 - Handling/processing negotiable items such as: cash, checks, and postage stamps.
 - Employee accountability for equipment assigned to them.
 - The securing of vaults and safes.
 - Purchasing procedures.
- Implementation of training programs for employees. Training can include formal and on-the-job training. All training shall be documented.
- Conducting regular internal audits at the various stages of the business process. These should include internal reviews and analysis conducted at the agency level such as a petty cash review or inventory review, and to ensure that these records are reconciled at least annually.

- Procedures for Dept/Agency Heads to evaluate and respond to the Internal and/or Legislative Auditor's findings and recommendations expeditiously. The response should include a corrective action plan with estimated implementation dates to resolve findings, whether or not the availability of resources is a restraining factor. Such lack of resources shall be documented.
- Investigation/reporting procedures for incidents involving losses/damages to assets that include corrective action to prevent recurrence. There must be a method for reporting discrepancies or problems to supervisors and/or management.
- The responsibilities and accountability for managers, supervisors, and employees who have duties requiring Bonds, Crime, & Property coverage.

These policies/procedures shall be given to employees involved in the fiscal control program and form the basis of the Bonds, Crime, & Property Program. Only those individuals authorized and trained to manage or handle cash, property, stamps, fees, licenses, permits, securities and other State assets shall be assigned to those duties.

“Manage” is defined as including “approval of transactions and/or directing the approval of transactions.”

The Loss Prevention Unit

The Office of Risk Management's Loss Prevention Unit shall, upon request, assist agencies in organizing, directing, implementing, and controlling a Bonds, Crime, & Property internal control program that minimizes the potential for financial and/or property losses.

Department and Agency Heads

These individuals are responsible for the implementation of an internal fiscal control program that includes operating guidelines and the specific duties of all employees involved in the program. Department heads or their designees are responsible for reviewing the fiscal control program regularly for efficiency and effectiveness. Recommendations contained in internal control audits should be implemented promptly.

Supervisors or Program Designee

Supervisors must ensure that employees are properly trained in the program's policies, procedures and guidelines so that all safeguards are followed at all times. Supervisors should review the program's internal controls to ensure protection of the State's assets and property from losses. No safeguard of the internal control plan is to be eliminated or bypassed.

Bonds and Crime Coverage

Fidelity Bonds: (Mandatory)

The employees' Faithful Performance Blanket Bond covers loss sustained by insured because of dishonest or fraudulent acts of employees. "Faithful Performance" provides coverage for loss caused by failure of employee to perform duties faithfully. This bond is required by the Legislative Auditor. There is a \$250 deductible for this coverage. Coverage is provided against loss through forgery or alteration of checks drawn by the insured.

Property Manager Bond: (Mandatory)

This bond covers dishonest or fraudulent acts or failure to perform duties faithfully, in connection with the handling and control of the System's property, resulting in loss to insured. This bond is required by revised statutes. There is a \$250 deductible for this coverage. This exposure is covered by Fidelity Bonds above.

Notary Bond: (Mandatory)

This bond guarantees that a notary public shall comply with applicable law and regulations. This bond is required by revised statute.

Postal Bond: (Mandatory)

This bond guarantees that a post office contract, branch, or station located at a university or college shall faithfully discharge all duties required under rules and regulations of the U.S. Post Office Department. It must account for delivery, and pay over monies, mail matters, and other properties that come in its possession to the proper post office official. There is no deductible for this coverage. This exposure is covered by Fidelity Bonds above.

Public Official Bond: (Mandatory)

Such a bond is required by law for persons elected or appointed to fill positions of trust. It protects against dishonest and fraudulent acts as well as a persons' failure to perform duties required.

Crime: (Mandatory)

Inside and Outside Premises; Money and Securities

Depositors, Forgery (Usually Secured by Combination Crime Policy):

This policy covers all perils except those that are excluded by the policy on money and securities within premises and outside premises while conveyed by messenger. Property other than money and securities are insured against robbery (not theft) or safe burglary. Coverage is provided against loss through forgery or alteration of checks drawn by insured.

Income Loss or Increased Costs

BRCC does not own or operate income producing facilities outside of tuition collection such as stadiums, dormitories, fairgrounds, etc. In the event of an emergency, classes can be rescheduled at other facilities with approval of the Chancellor.

Minimizing Liability to Others

Harmful actions of state employees concerning purchase orders, leases, service contracts:

1. BRCC follows the state purchasing regulations when processing requisitions/purchase orders for this institution.
2. This region follows guidelines set forth for lease agreements and service contracts as required by the Louisiana Community and Technical College System. Agreements must be submitted to the system office for review and approved by the governing board. (Note: These agreements have specific statements about limits on liability resulting from the agreement.)

Policies and Procedures for Financial Management

Audits

The BRCC's financial records are maintained as part of the LCTCS Banner System. Procedural steps involving a review of transactions by different persons assure internal control over receipts and disbursements. Every year an audit of all fiscal records, authorized by the State Legislature, is conducted by the Legislative Auditor. The Legislative Auditor furnishes the LCTCS, the Board of Regents, and the Legislature with a copy of the Audit report. The report is also available for viewing on the Legislative Auditor's Internet site.

Checking Account

BRCC maintains all bank accounts at JP Morgan Chase. Bank reconciliations are prepared monthly and timely for accuracy. Differences are reported to the bank and interest and bank charges are recorded in Banner.

Bonding of Employees

Employees are expected to follow the program fiscal controls and to report any deviations. Deviations include but are not limited to:

- deliberate recording of a transaction with inadequate documentation, inadequate information, and/or approval
- deliberate omission of information in a financial/statistical report
- failure to safeguard an asset (e.g., equipment left in an insecure environment [such as a laptop with no lock], left on a desk, or in an unlocked room)
- unauthorized use (e.g., personal use of a computer and/or use of unauthorized/unlicensed programs on a computer)
- failure to safeguard fiscal/personal information (e.g., computer left unattended with 'desktop' open)

- failure to secure files with confidential information (should use encryption and/or password protection)

The employee should report the deviation in accordance with agency policies/procedures. The specified individual should forward the deviation to the appropriate person at the Office of Risk Management (ORM).

The following employees have exposure to negotiables and are authorized and bonded:

- Campus Administrators
- Accounting Personnel
- Instructors (In the event that they have to collect funds for school-related business, activities, or functions).
- Classified Staff
- Maintenance Staff

At this time, the duties and responsibilities of these positions vary at each campus for fiscal affairs depending upon available staff.

Training for employees with exposure to agency funds is a continuous documented process. Employees are given written and verbal instructions on the process for handling a variety of situations. New employees shadow "seasoned" employees and question processes and procedures. This process is repeated as many times as possible prior to the complete assumption of duties by the new employee.

Cash Receipts Procedure

The Louisiana Constitution Article VII, Section 9 (A) requires "all monies received by the State or by any state board, agency, or commission shall be deposited immediately upon receipt in the State Treasury, except for certain exceptions listed herein." NOTE: "Immediately" is defined as "within 24 hours of receipt." The State Treasury cash management practices requires state depositing entities to deposit receipts in the State's central depository account or designated regional depository accounts. The depositing agency is responsible for revenue classification in the accounting system.

1. All cash receipts to include must be recorded on pre-numbered receipts generated manually and/or in Banner.
2. The original receipt is given to the student, a copy remains in the receipt file, and a third copy is kept with the deposit information. If a receipt must be voided, the word "VOID" is written on the original receipt, along with the other two copies which must remain attached to the deposit information.
3. Funds are placed in a locked metal container and are secured in a fireproof filing cabinet or safe.
4. Reconcile collections for sales, membership registration, etc., with receipts timely, being careful to account for all receipts.

5. Deposited are made daily
6. Involve more than one person in the collection and recording of receipts. When possible, both persons should sign receipts and count collections.
7. Someone other than the person receiving funds or writing checks is required to reconcile the bank statements.
8. All Certificates of Deposit (CDs) must be recorded - i.e., issue date, dollar amount, bank location, etc., - in the office responsible for administering the program as well as in the Accounting Bureau.
9. All required Federal (IRS) and State reports and forms are submitted on a timely basis.

Cash Shortage/Overages

1. If a shortage or overage occurs in the daily cash receipts, the supervisor counts the cash drawer to verify the existence of the shortage or overage. Once the shortage or overage is verified by the supervisor, the cashier must fully explain the variance on the daily cash receipts summary.
2. All overages in the daily cash receipts are deposited to the Miscellaneous Revenue.
3. Any shortages in the daily cash receipts are recorded as a reduction of revenue
4. If excessive and /or repetitive shortages or overages persist in the daily cash receipts the college takes the applicable personnel actions to resolve the problem. This may include relieving the employee of his/her duties.

Cash Handling Procedures

Cash - any cash received should be evidenced by the issuance of a handwritten receipt or a receipt generated through the system. The student is given a copy and the system is used to reconcile cash payments at the end of each day.

Checks - All checks received should be made out to BRCC. If the payee space on the check is left blank, the school's name should be entered immediately. Checks should not be accepted payable to "cash".

All checks to be deposited by BRCC are to be endorsed with a restrictive endorsement.

For Deposit Only

Making the Deposit

To maintain proper security and good internal control procedures, the responsibility for preparing and making the deposit should be assigned to an employee other than the one assigned the responsibility for opening the mail, maintaining the check log, making the deposit, writing checks, and preparing the bank reconciliation.

The employee assigned the responsibility of deposit preparation shall prepare the deposit ticket and secure the funds.

Cash Receipts Received Through the Mail

The employee receiving the incoming mail records any checks received into a check receipt log. The checks are then signed for by the employee that prepares the deposit.

Procedures for Collecting and Verifying Tuition and Fees

1. Students may make payments for tuition and fees directly to the cashiers in the Bursar's office. Those payments are recorded in LoLa to the students account and receipts are issued.
2. Students may make payments online for tuition and fees through a secure portal. The system will post the payment directly to the students account.
3. Vendors or third party payees for student accounts may request to send funds via EFT to BRCC'S account. The requests are approved by the Vice Chancellor for Finance to accept the EFT payments.
4. Students may mail in a payment via check or money order. Mail is opened and logged by a designated person in the Bursar's Office. Checks are scanned through Chase Online and recorded by the Bursar or designee in the accounting system

Tuition and Fee Refunds

Refund of tuition and fees for the fall, spring, and summer semesters is based on the student reduction in credit hours and/or official withdrawal of the student from the college. Refunds are also processed for any excess credit on the student account due to Federal Aid or any other type of payment that has been applied to the student account.

Withdrawal Prior to the Start of the Term – Students withdrawing from classes prior to the start of the semester will receive a full refund of tuition and all fees.

Non-Refundable Fees – Per LCTCS Policy 5.007 Board approved mandatory fees, exclusive of the Excess Credit Hour Fee are nonrefundable after the college's 100% period. Board mandatory fees includes the student services, ERP, academic excellence, operational, technology, and building use fees. Student approved fees are refundable during the college's refund period. Student approved fees include the SGA and athletic fees.

Published Refund Period and Dates - Before the start of each semester the applicable refund dates will be published online via the college's [official academic calendar \(click to open link\)](#) The general guidelines of the college's refund period are as follows (*please note: Refund periods and dates are subject to the discretion of the college*).

FALL AND SPRING SEMESTERS

A. 15-Week Part of Term

- **100% Refund Period** - Students withdrawing between the 1st and 16th calendar days after the start of the term shall receive a refund of 100% of total tuition and all fees.

B. 12-Week Part of Term

- **100% Refund Period** - Students withdrawing between the 1st and 12th calendar days after the start of the term shall receive a refund of 100% of total tuition and all fees.

C. 7-Week Sessions (1st and 2nd- Week Sessions)

- **100% Refund Period** - Students withdrawing between the 1st and 7th calendar days after the start of the term shall receive a refund of 100% of total tuition and all fees.

SUMMER SEMESTER

A. 8-Week Semester

- **100% Refund Period** - Students withdrawing between the 1st and 10th calendar days after the start of the term shall receive a refund of 100% of total tuition and all fees.

B. 4-Week Semester

- **100% Refund Period** - Students withdrawing between the 1st and 5th calendar days after the start of the term shall receive a refund of 100% of total tuition and all fees.

Other Parts of Terms – There will be a three day refund for period for academic sessions that are not specifically outlined in this policy. The refund period will be as follows:

- **100% Refund Period** – 1st, 2nd and 3rd class day

Purchasing

Funds are distributed to the various departments on the basis of past and present need as determined by the instructors and the Campus Administrator.

Purchases and expenditures of funds must be approved by the Vice Chancellor for Finance & Administration if over \$10,000 when requested from instructors or other personnel. No other staff member has the authority to spend money and/or commit the schools funds. Before the purchase transaction is completed, at least two people (usually more) are involved with procedural work associated with processing and disbursing funds for purchases. Purchases exceeding certain levels are made only after obtaining price quotations or bids, or purchasing from state contracts. This ensures competitive prices for large expenditures.

All request for supplies and or/equipment must be submitted on a requisition form. The employee fills out the requisition form and it is signed by the Campus Administrator. The campus faxes the requisition to the region office who signs off for verification of funding. If the requisition is over \$1,000 and not grant funded, the regional director also signs the requisition.

The region office then faxes back the approved requisition or purchase order (if applicable) to the campus.

Possible Purchases Include

Low Dollar Order: The requisition for items under \$1000.00. It is usually ordered by the end user. The purchases are charged to vendors we have accounts with and a bill is mailed to the school for payment. A bill is received and it is matched by the personnel responsible for such duties. After the Accountant reviews the documentation, the Campus Administrator approves the payment. The order is entered and set to pay. The checks are generally cut in Baton Rouge on Tuesdays and Thursdays. After the check has been issued, the Accounting personnel marks each voucher paid. These payments are filed in the vendor files.

Purchase Orders: For purchases \$1000.00 and greater, a telephone or fax quotation can be attained from 3 vendors. The lowest bidder is awarded the bid if their product(s) meet specifications. *Only Business Office Staff personnel can prepare bids for BRCC.* For items over \$5000.00, a written bid is sent out by the office/accounting personnel to five (5) vendors to be returned to the school within 10 days. The lowest bidder is awarded the bid if specifications are met as well. The processing is the same as in a LDO except that a purchase order is printed and sent to the vendor. After the items are received, the receiving ticket is given to the purchasing agent to await the invoice. Once the invoice is received, the voucher is processed for receiving and final payment process

Petty Cash: A petty cash is maintained for small purchases. A petty cash custodian is assigned the responsible for having adequate documentation of all disbursements from this fund. Purchases must be (verbally) pre-approved by the Campus Administrator. Generally only purchases that are less than \$50.00 are put through petty cash. The purchaser provides a receipt for the goods and the purchaser signs a petty cash reimbursement slip. The petty cash fund is reimbursed as needed by processing a voucher in PeopleSoft. The check is made payable to the petty cash custodian and is then cashed to reimburse the fund.

Purchasing

Funds are distributed to the various departments on the basis of past and present need as determined by the instructors and the Campus Administrator.

Purchases and expenditures of funds must be approved by the Department Head and Vice Chancellor for Finance & Administration if over \$5,000) when requested from instructors or other personnel. No other staff member has the authority to spend money and/or commit the schools funds. Before the purchase transaction is completed, at least two people (usually more) are involved with procedural work associated with processing and disbursing funds for purchases. Purchases exceeding certain levels are made only after obtaining price quotations or bids, or purchasing from state contracts. This ensures competitive prices for large expenditures.

All request for supplies and or/equipment must be submitted as an electronic requisition in Banner. The electronic requisition should contain all information about the purchase including details about the program where it will be used.

Possible Purchases Include

Requisitions: For non-state contract purchases \$5000.00 - \$15,000, a telephone or fax quotation can be attained from 3 vendors. The lowest bidder is awarded the bid if their product(s) meet specifications. The quotes must be sent to the Purchasing Department by email referencing the requisition so that they can be reviewed.

For non-state contract purchases \$15,000.00 - \$25,000, a written bid is issued by the Purchasing Department. This bidding process takes 7-10 days once acceptable specifications are received. The bid is awarded to the lowest bidder that meets specifications. Requisitions must contain detailed specifications so that the correct items are bid. This includes brand, model number, delivery details, installation information, etc. Items are bid 'or equal'.

For non-state contract purchases \$5,000.00 <, a written bid and advertised bid is issued by the Purchasing Department. This bidding process takes 30+ days once acceptable specifications are received. The bid is awarded to the lowest bidder that meets specifications. Requisitions must contain detailed specifications so that the correct items are bid. This includes brand, model number, delivery details, installation information, etc. Items are bid 'or equal'.

Payroll

The college's payroll departments works with the LCTCS System Office to conduct payroll. Payroll is a system-wide centralized serviced housed at the system's office. A bi-weekly time and attendance report on all employees is prepared and submitted to the LCTCS System office via Banner. The option of having the check sent to their home is no longer available unless a waiver is granted by the Louisiana Community and Technical College System. Payroll deductions consisting of federal withholding taxes, state income taxes, insurance payments, credit union savings and loan payments, and retirement fund payments are remitted directly from LCTCS to the appropriate agencies.

Depreciation

Depreciation is reported in the college accounting records using the straight line method. Items on inventory are given at the original price. The college is a state-supported, non-profit, public agency. It produces an Annual Fiscal Report annually to be rolled up with the LCTCS and filed with OSRAP and the Legislative Auditor.