



**Guam Community College**  
**Accounting Procedures Manual**  
**October 2021**

# TABLE OF CONTENTS

INTRODUCTION .....	2
GCC MISSION STATEMENT .....	2
GCC VISION STATEMENT .....	2
BUSINESS OFFICE STATEMENTS .....	2
BACKGROUND AND PURPOSE .....	3
ORGANIZATIONAL CHART .....	5
FINANCE & ADMINISTRATION DIVISION ORGANIZATION CHART .....	6
ACCOUNTING BASIS .....	7
ACCOUNT STRUCTURE.....	7
GENERAL LEDGER .....	8
<b>ASSETS</b> .....	8
<b>LIABILITIES</b> .....	8
<b>NET ASSETS</b> .....	10
<b>REVENUES</b> .....	11
<b>EXPENDITURES</b> .....	12
FINANCIAL REPORTING .....	12
OTHER REPORTING .....	14
ACCOUNTING PROCESSES .....	14
<b>Cash Management</b> .....	14
<b>Petty Cash</b> .....	15
<b>Bank Reconciliation</b> .....	15
<b>Accounts Receivables/Revenues</b> .....	16
<b>Inventories</b> .....	17
<b>Fixed Assets</b> .....	17
<b>Accounts Payable/Expenditures</b> .....	18
<b>Payroll</b> .....	19

## **INTRODUCTION**

The purpose of this manual is to present in an organized manner, the accounting functions at Guam Community College (GCC). This manual will serve as an orientation for new employees as well as a reference manual for experienced employees.

The manual begins with an overview of the institution's and the Business Office's mission and vision statement, the organization of the areas supervised by the Vice President for Finance and Administration, continues with an overview of the financial management system, explains the account structures, and ends with a detailed explanation of policies and procedures.

Since the accounting system continues to be reviewed and revised to meet necessary changes, this manual will be updated as appropriate.

## **GCC MISSION STATEMENT**

Guam Community College is a leader in career and technical workforce development, providing the highest quality, student-centered education and job training for Micronesia.

## **GCC VISION STATEMENT**

Guam Community will be the premier educational institution for providing globally recognized educational and workforce development programs.

## **BUSINESS OFFICE STATEMENTS**

### ***Mission Statement***

The Business Office maintains the College's financial integrity by supporting the thoughtful allocation and management of institutional resources. The Business Office does this through the accurate recording of financial transactions, providing timely reports on the financial condition, and through implementing, revising and maintaining internal controls for the College's resources.

### ***Vision Statement***

The vision of the Business Office is to provide the opportunity for all members of the College community to participate in the thoughtful allocation and management of institutional resources.

## **BACKGROUND AND PURPOSE**

Prior to September 2007, the College operated on two different systems, NIAS and Dynalogic. The NIAS software system, implemented in 1999, supported admissions, registration, catalog, scheduling, degree audit, graduation, grades individual student ledger accounts, which included information pertaining to student schedules, transcripts, and student payments and receipts. The Dynalogic system implemented prior to 1990 was used to support the accounting and payroll functions of the College. Dynalogic housed the general ledger, payroll, and accounts payable modules. The NIAS and Dynalogic system did not interface nor interact. This meant daily revenue and cash receipt transactions and balances were batch totaled from NIAS and inputted manually into Dynalogic. On a monthly basis, the A/R balance in Dynalogic was reconciled to the NIAS balances. Due to the limitation issues with space, features, and duplication of manual entries with both these systems, GCC decided to search for an integrated system.

In 2005, the College issued a request for proposal for an integrated database system. This was a multi-step bid that required vendors to analyze and provide a solution to address the College's needs. Later that year, GCC awarded the contract to SunGard Higher Education. SunGard Banner provided the integrated system that would best fit the College needs and scope. The specifications of the system called for the implementation of a system that integrated the finance, payroll, accounts payable, financial aid, and student modules. In FY07, the College rolled out its new website through the web portal system, called MyGCC and the student module, through the college's Integrated Data Base System (IDBS). The student module provides on-line registration and self-advising for students; on-line access of student grades; class and course management for faculty. The MyGCC portal provides intranet services through the Banner interface for students, faculty, staff and administrators. MyGCC gives the college the opportunity to establish the foundation for a unified digital environment.

The rollout of finance module occurred in October 2007. The finance module integrated the student module, with the general ledger, accounts payable, and accounts receivable. The College continued the implementation of the Integrated Data Base System (IDBS) with the rollout of the human resources module and financial aid module in January and June 2008, respectively. The human resources module automates payroll processing, employee tracking and information processes. Banner Financial Aid automates the disbursement of awards directly to the student accounts. Students can be monitored for progress and tracking. The Banner Human Resources and Financial Aid modules allow the College to keep up-to-date on regulations and requirements governing these modules as the updates are integrated into the maintenance plan. The Financial Aid module provided increased efficiency and monitoring of student awards and allowed information to be electronically processed through the finance module. Advancement was the last module to come online in 2009.

The timeline from the Banner system purchase to the Finance module implementation was very tight. The training period lasted for approximately 12 months. At that time, the College made the decision not to hire additional staff to help with the implementation, but to utilize the current staff

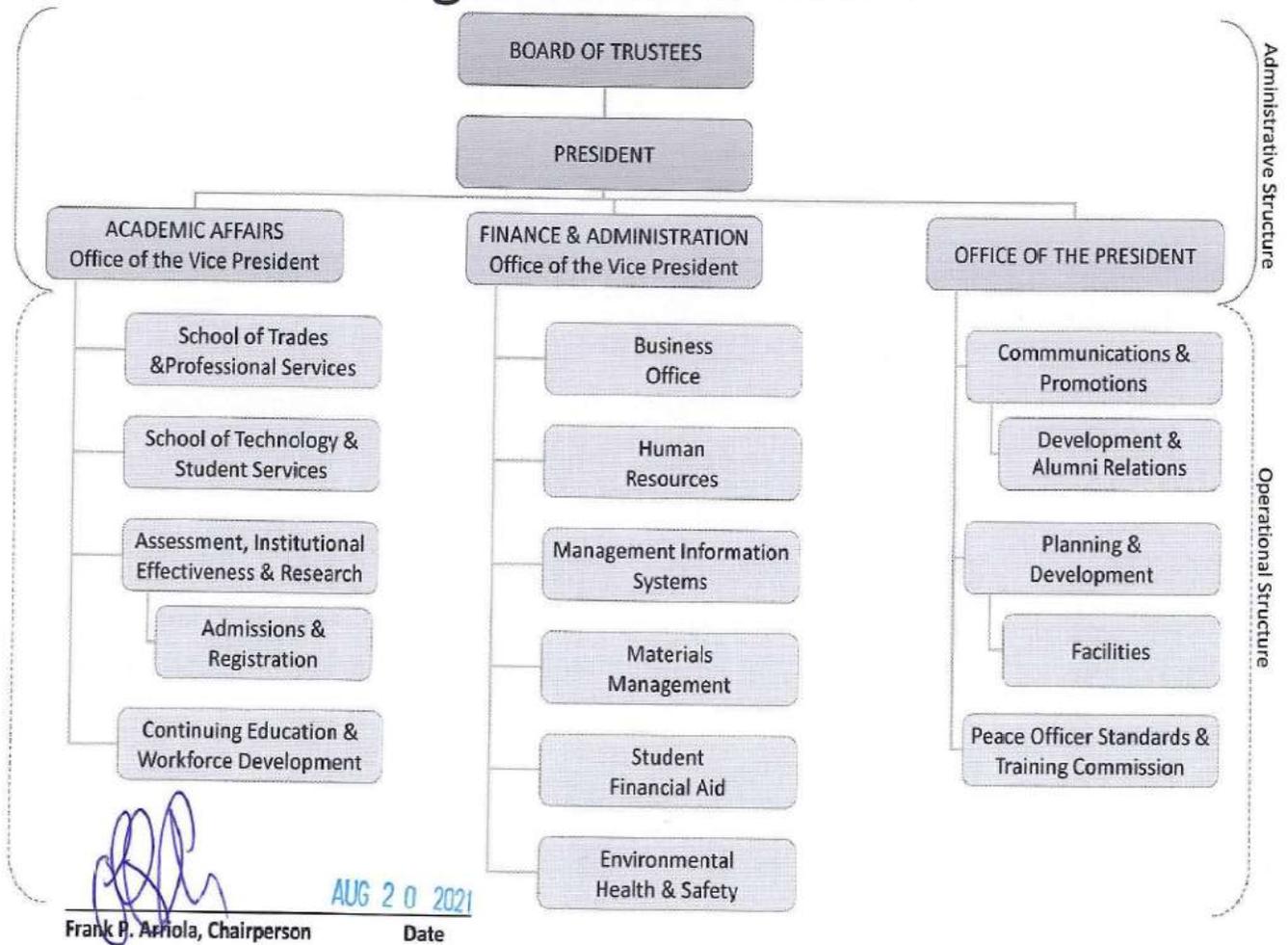
and provide them with overtime compensation or flex time. During the training period, there were many challenges encountered due to the instability of the system. Most of the training was done in a sandbox or with no test system, due to a down test system. This led to a very difficult training environment with little to no hands-on instruction. The Management Information System (MIS) department was able to stabilize the system prior to implementation.

In preparing for the go live of the Finance module in September 2007, a decision was made to transfer only the balances from the NIAS student accounts into the Banner accounts receivable module. This was completed through the MIS personnel in-house extraction. The implementation of the finance system occurred on September 30, 2007, which coincided with the end of the College's fiscal year. The College stopped using the old Dynalogic and started the new fiscal year 2008 in the new Banner system. The payroll/HR and A/P system implementation ran parallel systems for one concurrent period. The Business Office faced many challenges during the first two years after implementation due to changes in key personnel, staff shortages, and lack of knowledge of the new system. As with any new system implementation, the Business Office had to revisit the information provided during the pre-trainings.

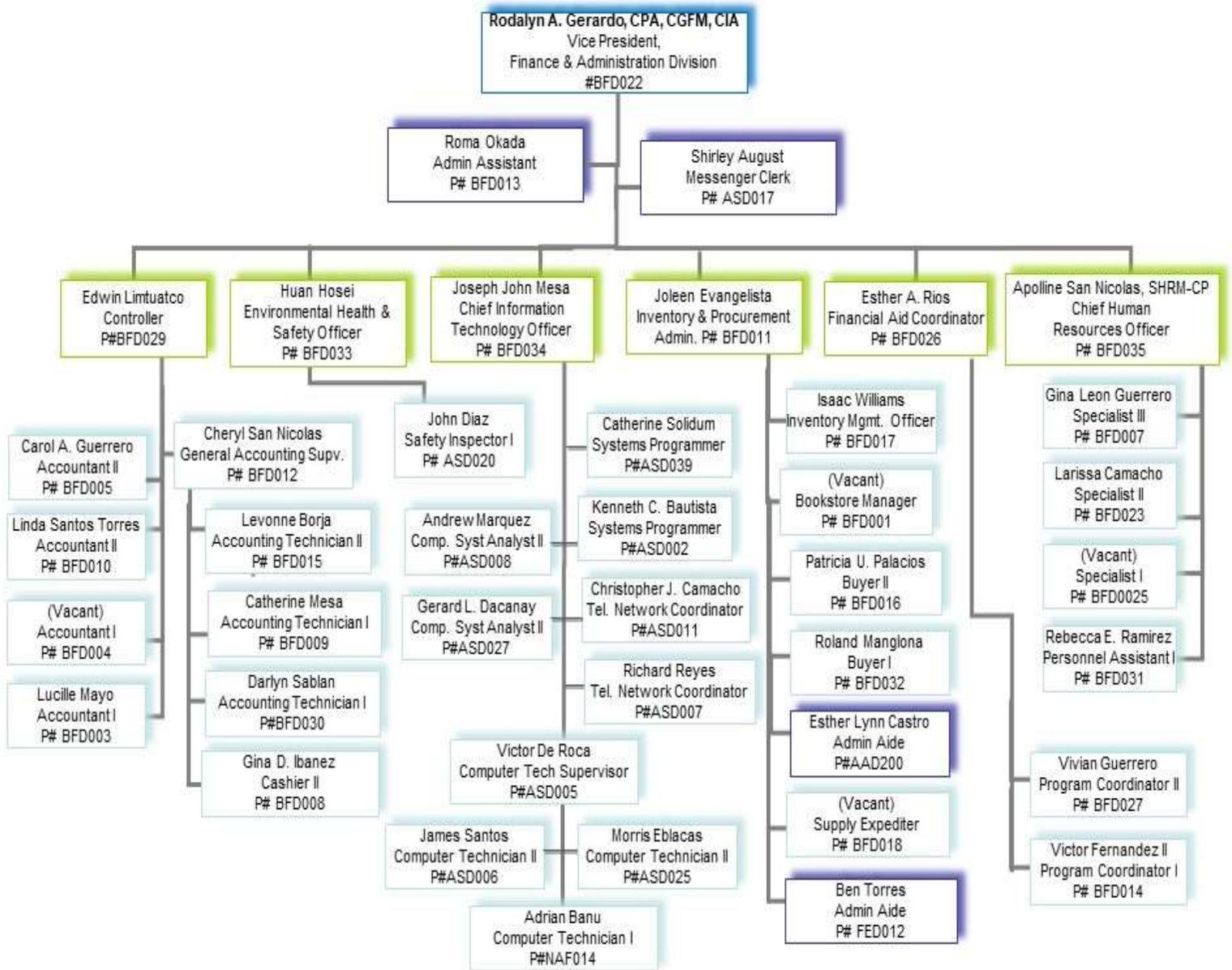
The Finance module is fully functional and is currently used to for the general ledger, accounts receivable, payroll, and other accounting functions. Updates to the Banner system occur periodically, which may affect one or more of the Business Office's functions.

# ORGANIZATIONAL CHART

## Guam Community College Organizational Chart



# FINANCE & ADMINISTRATION DIVISION ORGANIZATIONAL CHART



## ACCOUNTING BASIS

For financial statement purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

## ACCOUNT STRUCTURE

The accounting structure is a predefined part of the Banner Finance System, and starts with the chart of accounts. The chart of accounts defines the distribution of accounts used when all transactions are posted. The defined chart of accounts for GCC is **M**. Following the chart of accounts is the account structure known as the FOAPAL. The elements of the FOAPAL string are made up of the **Fund (F)**, **Organization (O)**, **Account (A)**, **Program (P)**, **Activity (A)**, and **Location (L)** codes. The Fund, Organization, Account and Program codes are the primary chart of accounts elements used for classification, budgeting, recording, and/or reporting. The Activity and Location codes are used to provide more specific performance-related detail for transactions. These codes are not designed to accommodate budgeting purposes. The Business Office has defined the elements of the FOAPAL to be in agreement and compliance with its financial reporting requirements.

A detailed description of each FOAPAL element follows:

- The **Fund (F)** Code is the user-assigned alphabetic/numeric designation for a fiscal and accounting entity with a self-balancing set of accounts in which transactions are recorded and segregated to carry on specific activities or attain certain objectives in accordance with the prevailing regulations, restrictions, or limitations. **See EXHIBIT 1**
- The **Organization (O)** Code is the user-assigned alphabetic/numeric designation for departmental/budgetary subdivisions within the larger entity, taken as a whole. **See EXHIBIT 2**
- The **Account (A)** Code is the user-assigned alphabetic/numeric designation for individual asset, liability, equity, revenue, expenditure and/or transfer account classifications. **See EXHIBIT 3**
- The **Program (P)** Code is the user-assigned alphabetic/numeric designation for group activities, operations or other units directed to attaining specific purposes or objectives. **See EXHIBIT 4**
- The **Activity (A)** Code is the user-assigned alphabetic/numeric designation for temporary units of work, subsidiary functional classifications, or short duration projects. **See EXHIBIT 5**
- The **Location (L)** Code is the user-assigned alphabetic/numeric designation for the location in which a specific activity, equipment, etc. is or will be assigned. **See EXHIBIT 6**

## **GENERAL LEDGER**

### ***BALANCE SHEET ACCOUNTS***

#### ***ASSETS***

##### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and cash in banks.

##### Petty Cash

A minimal amount of money is kept on hand to meet small expenditures (i.e., batteries, emergency supplies and materials, etc.). A custodian is responsible for the fund to maintain control. The cash is available currency and is periodically reimbursed, usually monthly. At any point, the fixed amount of the fund consists of the total currency left and the vouchers (receipts) for the expenditures made.

##### Investments and Investment Income

Investments in marketable securities are stated at current market value. Market value is determined using quoted market prices. Investment income consists of interest and dividend income, realized gains and losses, and the net change for the year in the fair value of investments carried at fair value.

##### Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and charges for auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also includes amounts due from U.S. Federal agencies for various federal grant awards, as well as amounts due from GovGuam for local appropriations. Accounts receivable are recorded net of an estimated allowance for doubtful accounts, an amount which management believes will be adequate to absorb possible losses on accounts receivable that may become uncollectible based on evaluations of the collectability of these accounts and prior collection experience. The allowance is established through a provision for bad debts charged to expense.

##### Property, Plant and Equipment

Physical plant and equipment are stated at cost at date of acquisition or fair value at date of donation in the case of gifts. The College capitalizes assets with costs greater than \$5,000. The cost of property, plant and equipment is depreciated using the straight-line method over the estimated useful lives of the related assets.

##### Inventory

Inventory is stated at the lower of cost (first-in, first-out) or market (net realizable value).

#### ***LIABILITIES***

##### Accounts Payable

It is an obligation to pay for contracts, goods and services that have been acquired or contracted from suppliers. It is the College's policy to pay vendors 30 days from the time of receipt of goods and services. Accounts payable is a current liability in the balance sheet.

### Accrued Expenses

Accrued expenses are transactions incurred at the end of the reporting period, but not yet paid.

### Deferred Revenues

Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

### Compensated Absences

Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick benefits. Public Law 26-86 allows members of the Defined Contribution Retirement System (DCRS) to receive a lump sum payment of one-half of their accumulated sick leave upon retirement. A liability is accrued for

### Deferred Outflows of Resources

Deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (reduction of net position) until the applicable future period.

### Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (additions to net position) until the applicable future period.

### Pensions and Other Postemployment Benefits (OPEB)

Pensions are required to be recognized and disclosed using the accrual basis of accounting. GCC recognizes a net position liability for the defined benefit pension plan in which it participates, which represents GCC's proportional share of excess total pension liability over the pension plan assets- actuarially calculated- of a single employer defined benefit plan, measured one year prior to fiscal year-end and rolled forward. The total pension also includes GCC's proportionate share of the liability for ad hoc cost-of-living adjustments (COLA) and supplemental annuity payments that are anticipated to be made to defined benefit plan members and for anticipated future COLA to DCRS members. Changes in the net position liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the changes, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the qualified pension plan and recorded as a component of pension expense beginning with the period in which they are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of

resources and are amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

OPEB is required to be recognized and disclosed using the accrual basis of accounting. The College recognizes a net OPEB liability for the defined benefit OPEB plan in which it participates, which represents the College's proportional share of the total OPEB liability-actuarially calculated- of a single employer defined benefit plan, measured one year prior to fiscal year-end and rolled forward. An OPEB trust has not been established thus the OPEB plan does not presently report OPEB plan fiduciary net position. Instead, the OPEB plan is financed on a substantially "pay-as-you-go" basis.

Changes in the net OPEB liability during the period are recorded as OPEB expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net OPEB liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected and actual experience are amortized over the weighted average remaining service life of all participants in the qualified OPEB plan and recorded as a component of OPEB expense beginning with the period in which they are incurred.

#### Income Taxes

As an instrumentality of GovGuam, the College and all property acquired by or for the College, and all revenues and income there from are exempt from taxation by GovGuam or by any political subdivision or public corporation thereof and from all taxes imposed under the authority of the Guam Legislature, or with respect to which the Guam Legislature is authorized to grant exemption.

#### Grants-in-Aid

GovGuam law requires that the College waive the tuition and fees for credit classes for senior citizens. Effective Fall 2012, the Board of Trustees voted to approve the Guam Community College Tuition Benefit Program for Employees' Spouse and Dependents.

#### Long Term Debt

It is the monies owed for a period exceeding one year. Examples are bonds and long term notes payable. The major features of the debt (i.e., interest rate, maturity date) are disclosed in the financial statements, usually in footnotes. Long term liabilities are distinguished from long-term debt because the former include obligations requiring the rendering of future services (e.g., unearned revenue).

### ***NET POSITION***

Net position represents the residual interest in the College's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consist of three sections: invested in capital assets, restricted expendable and non-expendable, and unrestricted. Net investment in capital assets include capital assets, restricted and unrestricted, net of accumulated depreciation, reduced by outstanding debt net of debt service

reserve. Net position is reported as restricted when constraints are imposed by third parties or enabling legislation. All other net position is unrestricted.

## **REVENUE AND EXPENDITURE ACCOUNTS**

### **Classification of Revenues and Expenses**

The College has classified its revenues and expenses as either operating or non-operating according to the following criteria:

*Operating Revenues and Expenses* – Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state and local grants and contracts and federal appropriations, and (4) investment earnings.

*Non-operating Revenues and Expenses* – Non-operating revenues and expenses include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue and expense sources that are defined as non-operating revenues and expenses by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting*, and GA SB Statement No. 34, such as state appropriations.

### **REVENUES**

Revenues consist of student tuition and fees, federal grants and contracts, Government of Guam grants and contracts, auxiliary enterprises, contracted educational services, and other revenues.

Student tuition and fees rates are established through board policy. The current rate of tuition for Fall 2021 is \$130 per credit hour. Established fees for the current semester can be found in the College Course catalog. Tuition and fee revenues are recognized when the students enroll for courses either through online enrollment or by directly registering at the Admissions Office. The Registrar controls the terms and the date that each term opens and closes. Additionally, the Registrar has full control over the rate tables used for tuition and fee charges. The Business Office (BO) verifies these rates periodically. All revenue related items are assigned a detail code that is setup by the BO. The detail code defines the FOAPA behind the posting of the debit and credit accounts.

Auxiliary revenues are recognized from the College Bookstore activities as well as café rental. The current POS system used by the Bookstore is not directly integrated with the Banner system and requires the POS system to be closed on a daily basis, the transactions downloaded and then uploaded to the Banner system by an assigned member of the MIS

department. The manual deposit form is prepared and submitted with the cash receipts and daily sales to the Business Office the following day. All sales and student account charges are posted by the Cashier to the appropriate accounts on the day of receipt of the documents.

Contracted educational services consist of courses that are processed through the Continuing Education and Workforce Development (CEWD) department. FOAPAs are established by the Business Office based on approved and authorized course/event permission forms. CEWD personnel assigns the detail code and the BO sets up the detail for the detail code.

Other revenues consist of interest income, administrative cost recoveries, and other revenue generating accounts not listed above.

*Scholarship Discounts and Allowances* - Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

## ***EXPENDITURES***

Expenditures are classified into object accounts as noted in EXHIBIT 3. These accounts are based on the actual type of expenditure such as travel, contractual, supplies, equipment, utilities, or miscellaneous. These object accounts are defined under (A) account of the FOAPAL account structure. For financial statement reporting purposes, the expenditures are reported based on the functional account, which is defined under (P) program of the FOAPAL account structure.

## **FINANCIAL REPORTING**

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis- for Public Colleges and Universities*, establishes the financial statement presentation for the College and provides a comprehensive, entity-wide perspective of the College's assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows.

The College has adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and presents the Guam Community College Foundation (the Foundation), a legally separate, tax-exempt entity, as a discretely presented component unit. The Foundation provides financial support for the objectives, purposes and programs of the College. Although, the College does not control the timing, purpose, or amount of receipts from the Foundation, the resources (and income thereon) which the Foundation holds and invests are restricted to the activities of the College. Because the resources held by the Foundation can only be use by, or for the benefit of, the College, the Foundation is considered a component unit of the College and its Statements of Financial Position and Statements of Activities and Changes in Net Assets are separately presented in the College's financial statements. In addition, significant notes are summarized under Foundation Investments.

The Foundation is a private organization that reports under accounting standards established by the Financial Accounting Standards Board (FASB), which is the source of generally accepted accounting principles for not-for-profit entities. The financial statement presentation follows the recommendations of the Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

### **The Statement of Net Position**

The statement of net position presents the same information as a balance sheet: It assesses the balance of a government's *assets*—the resources it can use to provide service and operate the government—against its *liabilities*—its obligations to turn over resources to other organizations or individuals. The difference between a government's assets plus deferred outflows of resources and its liabilities plus deferred inflows of resources is called *net position*. The name of the statement reflects its emphasis on what a government would have left over after satisfying its liabilities and deferred inflows of resources. Net position is an indicator of a government's *financial position*—its financial standing at a given point in time (typically, the end of the fiscal year). Financial position can be tracked over time to assess whether a government's financial health is improving or deteriorating.

### **The Statement of Revenues, Expenses and Changes in Net Position**

The statement of revenues, expenses and changes in net position presents the same information as an income statement. It lists revenues and expenses or expenditures, and often calculates the difference between them. It may then show other changes that are not revenues, expenses, or expenditures (such as capital contributions or other financing sources and uses), before presenting a total change in net assets, or some other measure of financial position. This statement shows the elements used in arriving at entity's net position for the accounting period.

**See GCC's website for its audited financial statements:**  
<https://guamcc.edu/FinancialAudit>

## **OTHER REPORTING**

The College is subject to audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

See GCC's website for its compliance audits: <https://guamcc.edu/FinancialAudit>

Citizen Centric Report – this four-page report is due 60 days after the audit report is released by the Office of Public Accountability.

See GCC's website for its CCRs: <https://guamcc.edu/gcc-citizen-centric-report>

Annual Report – The annual report is due on December 31 of each year. The financial statements are a required part of this annual reporting.

See GCC's website for its annual reports: <https://www.guamcc.edu/Publications>

Board of Trustee financial reports are due to the BOT on a monthly basis. A copy is provided to the Speaker of the Legislature.

See GCC's website for its monthly financial reports: <https://www.guamcc.edu/financial-information>

## **ACCOUNTING PROCESSES**

### **Cash Management**

Cash management is the management of the cash balances of a concern in such a manner as to maximize the availability of cash not invested in fixed assets or inventories and to avoid the risk of insolvency. There are several factors for holding cash: the transaction's motive (improper transaction), the precautionary motive (insufficient budget), and the speculative motive (uncertainty of fund). However, the most useful technique of cash management is the cash budget. Bank accounts can easily be accessed via online to further monitor the cash flow situation. Collections for the local appropriation are followed up on a regular basis. Also, aggressive collections from the students are implemented. Checks are prioritized released and based on the payment due date. Purchases are closely monitored to ensure that there is sufficient cash flow and budget to obligate and pay for the service, supplies, equipment, or other items. The management of cash is a function of the Controller and is managed on a daily basis.

## **Petty Cash**

A petty cash fund is established by GCC to improve the efficiency of the College's operations. These funds are available to purchase minor items when it would be otherwise impractical to purchase items through the usual purchasing methods. The maximum petty cash fund amount is \$2,000.00. The maximum requested amount is \$100.00.

A petty cash voucher is accessed through the My GCC portal, or a manual voucher is completed. Requestor completes the form with pertinent information, such as:

- i. Block 1: Request Date, Division, Contact Number, Pay To,
- ii. Block 2: Item, Account No. (FOAP), and the Amount.
- iii. Block 3: Justification (specific and detailed information for targeted event):
- iv. Block 4: Appropriate Signatures
- v. Block 5: Signature of Recipient or designator Recipient upon approval and availability of funds.
- vi. Block 6: To be completed by Finance and Administration Petty Cash Custodian

The requestor completes the Petty Cash voucher form justifying the need for a petty cash fund. The Supervisor or Department Chair and the Dean approve the request at the Department Level. Once approved, the requestor gets the appropriate Accountant's signature on the availability of funds.

Upon obtaining all signatures, the Controller approves the final authorized document and submits the petty cash voucher to the Petty Cash Custodian.

The Petty Cash Custodian manually:

- reviews the petty cash voucher request for all necessary information
- Assigns a control number
- Posts the Petty Cash Voucher
- Disburses the requested amount or call the requestor to pick up petty cash.

The petty cash ORIGINAL receipt is submitted within five days of the requested items purchase. The correct change (if any) must be submitted with the original receipts.

If items are not purchased within the week or by the date approved by Controller, the petty cash fund must be returned to the Petty Cash Custodian to refund the petty cash box.

Petty cash fund is replenished as soon as the fund balance reaches \$50.

## **Bank Reconciliation**

The Bank Reconciliation process reconciles the balances in the monthly bank statement with the GCC general ledger accounts. Accounts consist of the general fund, federal, payroll, capital projects, and savings accounts. If there are any differences in either statement, a

reconciling process is conducted to research and prepare necessary steps to attain the correct balances. The reconciliation process is performed on a monthly basis for all bank accounts.

The accountant receives the monthly bank statement and performs the following procedures in reconciling bank accounts.

- A report is generated from the Banner system - General Ledger Transaction Activity – (FGRGLTA).
- Parameters are targeted to the correct Fund (9910) and Account (i.e.1013) with the beginning and end dates of each month.
- The ending balance of this report is not necessarily the same as the ending balance of the bank statement as there may be reconciling items such as wire transfer, federal draw down, bank service charge, interest income/expense. Journal Vouchers are prepared and posted to process reconciling items. Any reconciling items are adjusted and posted to the ledger report to reflect the transactions in the appropriate month.
- The Controller reviews the bank reconciliation, i.e., bank statement, FGRGLTA report, Journal Vouchers, and any pertinent supporting documents.

### **Accounts Receivables/Revenues**

The Receipts System is as follows:

Cash receipts are received from the following sources:

- a. student tuition and fees
  - b. bookstore sales
  - c. other payments (i.e. local appropriation, federal grants, student activities)
1. Each student has an account and a Banner ID# in the system. The collection of student tuition and fees begins during the registration period. Student files are retrieved from the registration system (tracks student information) based on the student's ID# or social security #.
  2. Cash receipts are generated:
    - a. Upon payment by the student, a prenumbered cash receipt is automatically printed by the cashier and given to the student. A copy is kept to be filed with the other cash receipts for that day.
    - b. For collections on invoice (e.g., DOA or other government agency), the cashier enters the payment against the A/R invoice to clear the pending A/R invoice in the system.
    - c. The bookstore issues separate cash receipts for any sales made during the day. At the end of the day, the bookstore manager closes the sales and prepares a deposit slip for the cash and checks. The student receipts are on a cash report. The cash and report are submitted to the Cashier or A/R technician to verify bookstore sales and cash. The cashier then enters the bookstore sales in the cash receipts system to record bookstore sales. The Cashier submits the cash deposit bag to be deposited by the messenger clerk the following day.

3. At the end of the day, the Cashier counts the cash received and takes out \$250 for the change fund. Also, the Daily Cash Summary Report is printed from the registration system and segregated by cash, Visa, MC, or checks.
4. The cashier prepares a Cash Report from the summary of the total cash, charges, and checks. Also, reconciliation is done to ensure that the cash collected agrees with the Daily Cash Summary Report. Any differences are noted on the Cash Report and signed by the Cashier.
5. The Cashier then prepares a deposit slip, which is verified by a second person (Accountant or Accounting Tech I) to the Cash report. The daily sales collection is stored in the College's safe for deposit the following day.
6. On a daily basis, the General Accounting Supervisor/Controller closes the cashier session for posting to the General Ledger.
7. The cash receipts, deposit slip, cash report, and daily cash summary report are given to the Accounting Tech II who verifies the information, signs the cash report, and approves the cashier session log in to the cash flow worksheet. The validated deposit slip is attached to the cash report when it is received back from the bank.
8. Collection from wire/fund transfer is posted to the system once posted to the bank account. The transaction is then applied to the respective customer account.

### **Inventories**

Inventory process is maintained by Materials Management Office. Inventory counts are performed annually. Significant difference resulting from the count is adjusted from the books.

### **Fixed Assets**

1. Fixed asset (F/A) purchases are assigned a purchase order number.
2. Upon physical receipt of the F/A, the Supply Expediter will inspect the asset to ensure that the merchandise is correct and in good condition; process the receipt and forward a copy of the receiving report; vendor invoice and duplicate copy of the purchase order to the Inventory Management Officer (IMO).

*Computer related items:* MIS receives the following computer related items directly from the vendor:

1. Desktops and related parts - keyboard, mouse, monitor, CPU
2. Laptops;
2. Any other related computer item such as: CD burner, hard drive, CD drive (anything to be installed inside the computer);

3. All software and licenses will be received and maintained by MIS;
4. All other computer related items such as: line conditioners, battery (UPS), printers, flash drives, toner cartridges will be received by Materials Management and delivered by the Supply Expediter.

MIS staff will inform the Inventory Management Officer when desktops or laptops are ready to go so that the item is properly tagged prior to it being delivered to its destination

Note: Fixed assets amounting to \$5,000 and above will be capitalized. In addition, certain fixed assets (computers, laptop, projector, etc.) that are below \$5,000 will be expended.

3. Inventory Management Officer (IMO) uses the purchase order, vendor invoice and receiving report to log the asset in Banner and update the spreadsheet before assigning equipment identification tags.
4. IMO is responsible for affixing ID tags to all GCC fixed assets.
5. IMO maintains the records of fixed asset inventories and performs a fixed asset inventory every year.
6. Disposals of fixed assets must be approved by the President for proper adjustment to the fixed asset register. All disposals must be submitted through the General Services Agency (GSA). Department officials must complete the approval form and obtain the required signatures for all disposals & transfers prior to submitting the transfer form to IMO. The IMO will then coordinate the actual disposal with GSA and update Banner.

### **Accounts Payable/Expenditures**

1. The process begins when a GCC department obtains the required quotes (three price quotations for items over \$500 and one price quotation for items less than \$500).
2. Department personnel prepare a draft requisition and route it to the assigned GCC Accountant for review and electronic certification that funding is available for the requisition. The accountant verifies whether the account has sufficient funds and is within the department's budget request.
3. Department personnel completes and submits the online requisition along with relevant supporting documentation (accountant's certification, price quotes, contract, etc.).
4. The requisition is electronically reviewed and approved by the requesting department personnel and/or department chairperson and then electronically approved by the respective dean or supervisor.
2. Upon approval of the requisition, Materials Management Office personnel convert the requisition to a purchase order, which is linked to FOAPAL.
3. The generated purchase order is reviewed by the Procurement and Inventory Administrator. Purchase orders less than \$5,000 are reviewed and electronically approved by the Controller. Purchase orders greater than \$5,000 are approved by the

Vice President for Finance and Administration and President. Note: Procurement of goods and services over \$25,000 and construction over \$50,000 are processed through Invitation for Bid (IFB) or Request for Proposal (RFP). This is further detailed under Materials Management.

6. When goods/services are received, Materials Management Office contacts the requesting department to inspect the goods/services. Upon approval of inspection, the requesting department signs the purchase order, and Materials Management stamps the purchase order with a "RECEIVING DATA ENTRY".
7. The completed purchase order and vendor's invoice are submitted to Accounts Payable for payment. GCC has a 30-day policy for payment of invoices. For vendors, it is based on the date of receipt of goods or completed services. For contractors, it is based on receipt of invoice from our contracted A&E firm.
8. Student/Vendor invoice payments are processed manually (check) or electronically (ACH). Accounts Payable staff generates a manual check, which is stamped signed by the President and Vice President for Finance and Administration or Vice President for Academic Affairs. Electronic payments are processed and generated by Accounts Payable for direct payment to the vendors/students (ACH). The electronic payment file is then uploaded by MIS department to the Bank of Guam account.
9. The Accounts Payable staff enter the check numbers and total amount of disbursement in the check register and submits the checks, payable documents, along with the check register to the Controller (or Vice President for Finance and Administration) for review and approval.
10. Upon the review and approval of the Controller, checks are returned to Accounts Payable staff to be released to the vendors for payment.

### **Payroll**

Payroll/Personnel System processing is as follows:

1. A timekeeper is assigned to each department. The timekeeper inputs each department employees' hours electronically via PHATIME which will then be electronically reviewed and approved by the respective Dean/Department Head/Division Head.
2. Payroll staff then electronically process the information into the payroll system. Any changes to employee deductions must be accompanied by a completed Cancellation/Authorization of Payroll Deduction form signed by the employee. Personal Action forms for other changes to include promotions, salary rate increases, etc. are approved by the President before the Payroll staff processes.
3. A payroll register (printout of all employees and hours) is generated for the Controller's review.

4. Payroll staff process the final payroll and disbursement of payroll manual checks and direct deposits.
5. Checks are stamped with the President and Vice President's signatures.
6. The beginning and ending check numbers are verified by the Controller to the Payroll Check listing. For direct deposits, the amount of the payroll register for net direct deposits is verified against the amount deducted from the bank account.
7. The list and manual payroll checks are given to the Payroll staff for distribution to respective employees. Any undisbursed payroll checks are kept in the Cashier's office for pickup.
8. The payroll system is interfaced with the Banner system. Once payroll has been processed, the payroll information is matched and fed into the finance module. Accounts Payable generates checks for the payroll deductions, which are then stamped with the President's signature and the Vice President for Finance & Administration prior to delivery or mailing.

# EXHIBIT 1 - Fund Code

← → ↻ <https://appnav-prod.ec.guamcc.edu/applicationNavigator/seamless>

ellucian Fund Code Validation FTVFUND 9.3.15 (AWS-ESTA) ADD RETRIEVE RELATED TOOLS

FUND CODE VALIDATION Insert Delete Copy Filter

Chart of Accounts	Fund Code	Fund Type	Title	Data Entry	Status	Effective Date
M	01	11	General Fund	<input checked="" type="checkbox"/>	A	10/01/2006
M	03	11	Tourist Attraction Fund	<input checked="" type="checkbox"/>	A	08/06/2013
M	04	11	Manpower Development Fund	<input checked="" type="checkbox"/>	A	10/01/2006
M	05	11	Operations Fund	<input checked="" type="checkbox"/>	A	10/01/2010
M	10	11	Non Appropriated Fund	<input checked="" type="checkbox"/>	A	10/01/2006
M	10A06	21	Vocational Education Award PY06	<input checked="" type="checkbox"/>	A	10/01/2006
M	10A07	21	Vocational Education Award PY07	<input checked="" type="checkbox"/>	A	10/01/2006
M	10A08	21	Vocational Education Award PY08	<input checked="" type="checkbox"/>	A	10/01/2006
M	10A09	21	Vocational Education Award PY09	<input checked="" type="checkbox"/>	A	07/01/2008
M	10A10	21	Vocational Education Award PY10	<input checked="" type="checkbox"/>	A	07/01/2009
M	10A11	21	Vocational Education Award PY11	<input checked="" type="checkbox"/>	A	07/01/2009
M	10A11	21	Vocational Education Award PY11	<input checked="" type="checkbox"/>	A	07/20/2010
M	10A12	21	CD Perkins Cr Tech Educ Act PY12	<input checked="" type="checkbox"/>	A	08/30/2011
M	10A13	21	CD Perkins Cr Tech Educ Act PY13	<input checked="" type="checkbox"/>	A	07/01/2012
M	10A14	21	CD Perkins Cr Tech Educ Act PY14	<input checked="" type="checkbox"/>	A	07/01/2013
M	10A15	21	CTE15 PY15 07/01/2014 - 09/30/...	<input checked="" type="checkbox"/>	A	07/01/2014
M	10A16	21	CTE16 PY16 07/01/2015 - 09/30/...	<input checked="" type="checkbox"/>	A	07/01/2015

1 of 35 | 20 Per Page Record 1 of 689

CANCEL SELECT

## EXHIBIT 2 – Organization Code

← → ↻ https://appnav-prod.ec.guamcc.edu/applicationNavigator/seamless

ellucian Organization Code Validation Form - Finance FTVORGN 9.0 (AWS-ESTA) ADD RETRIEVE RELATED TOOLS

ORGANIZATION CODE VALIDATION - FINANCE Insert Delete Copy Filter

Chart of Accounts	Organization Code	Title	Data Entry	Status	Effective Date	Termination Date
M	0000	REVENUE	Y	A	10/01/2006	
M	1	PRESIDENT'S OFFICE	Y	A	10/01/2006	
M	1000	Board of Trustees	Y	A	10/01/2006	
M	1010	Office of the President	Y	A	10/01/2006	
M	1010A1	Promotion and Developm...	Y	A	10/01/2006	
M	1010B1	Staff Development - Fac...	Y	A	10/01/2006	
M	1010C1	Professional Developme...	Y	A	10/01/2006	
M	1010D1	Pacific Postsecondary Ed...	Y	A	10/01/2006	
M	1010E1	CASE II Project	Y	A	01/26/2011	
M	1010H8	30th Anniversary Dinner	Y	A	10/01/2007	
M	1010H9	Christmass Tree Sale - F...	Y	A	10/01/2006	
M	1010HA	5K Run/Walk	Y	A	10/01/2007	
M	1010HB	Mall Event 022308	Y	A	10/01/2007	
M	1010HC	Employees Students & Al...	Y	A	10/01/2007	
M	1010HD	Harley Davidson Raffle	Y	A	05/16/2008	
M	1010HE	Harley Davidson Raffle	Y	A	10/01/2007	
M	1010HF	iPledge Graduation Drive	Y	A	10/01/2007	

1 of 27 20 Per Page Record 1 of 522

CANCEL SELECT

# EXHIBIT 3 – Account Code

← → ↻ <https://appnav-prod.ec.guamcc.edu/applicationNavigator/seamless>  ...

**ellucian** Account Code Validation FTVACCT 9.0 (AWS-ESTA) ADD RETRIEVE RELATED TOOLS

**ACCOUNT CODE VALIDATION** Insert Delete Copy Filter

Chart of Accounts	Account Code	Title	Type	Data Entry	Account Class	Status	Internal Type	Effective Date	Termination Date
M	1010	First Hawaiian Bank General Fund	11	Y		A	10	10/01/2006	
M	1011	First Hawaiian Bank Payroll Fund	11	Y		A	10	10/01/2006	
M	1012	First Hawaiian Bank Maximizer Sa...	11	Y		A	10	10/01/2006	
M	1013	First Hawaiian Bank Federal Chec...	11	Y		A	10	10/01/2006	
M	101401	FHB - GW Marketing Lab	11	Y		A	10	10/01/2006	
M	101402	FHB - SSHS Marketing Lab	11	Y		A	10	10/01/2006	
M	101403	FHB - JFK Marketing Lab	11	Y		A	10	10/01/2006	
M	101404	FHB - SHS Marketing Lab	11	Y		A	10	10/01/2006	
M	101405	FHB - Okkodo H.S. Marketing Lab	11	Y		A	10	10/01/2008	
M	1020	Bank of Guam Checking	11	Y		A	10	10/01/2006	
M	1021	Bank of Guam Payroll	11	Y		A	10	10/01/2006	
M	1025	BoG - Time Certificate of Deposit	11	Y		A	10	10/01/2006	
M	1030	Bank of Hawaii - Student Activity	11	Y		A	10	10/01/2006	
M	1040	Petty Cash - Change Fund	11	Y		A	10	10/01/2006	
M	1041	Change Fund	11	Y		A	10	10/01/2006	
M	1098	Payroll Clearing	11	Y		A	10	10/01/2006	
M	1099	Interfund Cash Account	11	Y		A	10	10/01/2006	

1 of 18 20 Per Page Record 1 of 347 CANCEL SELECT

# EXHIBIT 4 – Program Code

← → ↻ <https://appnav-prod.ec.guamcc.edu/applicationNavigator/seamless> ellucian Program Code Validation FTVPROG 9.0 (AWS-ESTA) ADD RETRIEVE RELATED TOOLS

PROGRAM CODE VALIDATION Insert Delete Copy Filter

Chart of Accounts	Program Code	Title	Data Entry	Status	Effective Date	Termination Date
M	00	Revenues	Y	A	10/01/2006	
M	11	Instruction	Y	A	10/01/2006	
M	22	Research and Planning	Y	A	10/01/2006	
M	33	Academic Support	Y	A	10/01/2006	
M	44	Student Services	Y	A	10/01/2006	
M	55	Institutional Support	Y	A	10/01/2006	
M	66	Plant and Facilities	Y	A	10/01/2006	
M	77	Scholarship	Y	A	10/01/2006	
M	88	Auxiliary Services	Y	A	10/01/2006	
M	99	Transfers	Y	A	10/01/2006	

1 of 1 Per Page Record 1 of 10

CANCEL SELECT

## EXHIBIT 5 – Activity Code

Application Navigator x +

https://appnav-prod.ec.guamcc.edu/applicationNavigator/seamless

ellucian Activity Code Validation FTVACTION 9.0 (AWS-ESTA) ADD RETRIEVE RELATED TOOLS

ACTIVITY CODE VALIDATION Insert Delete Copy Filter

Chart of Accounts	Activity Code	Title	Status	Effective Date	Termination Date
M	08LPN	FY08 LPN Carry Over	A	10/01/2008	
M	08MDF	FY08 MDF Carry Over	A	10/01/2008	
M	09LPN	FY09 LPN Carry over	A	12/02/2009	
M	09MDF	FY09 MDF carry over	A	10/01/2009	
M	09TCG	2009 Allied Health Take Care Gr...	A	12/24/2009	
M	09VOC	FY09 Voc Guidance carry over	A	10/01/2009	
M	1050AA	Graduation DVD	A	05/22/2009	
M	1050AB	Michael Jackson Tribute	A	08/01/2009	
M	10A41	Prof Dev-Adult Ed Eng Lrng Prj ...	A	10/21/2014	
M	10A71	Innovation-DE Strategic Plan Yr 2	A	12/20/2016	
M	10A81	Developmental Ed 2018	A	07/26/2018	
M	10LPN	FY10 LPN carry over	A	10/01/2010	
M	10MDF	FY10 MDF carry over	A	10/01/2010	
M	10TCG	FY10 Allied Health Take Care G...	A	12/24/2009	
M	10TF	FY10 Technology Fee carry over	A	10/01/2010	
M	10VOC	FY10 VOC carry over	A	10/01/2010	
M	11LPN	FY11 LPN carry over	A	02/27/2012	

1 of 81 20 Per Page Record 1 of 1611

CANCEL SELECT

# EXHIBIT 6 - Location Code

Application Navigator | Location Code Validation FTVLOCN 9.0 (AWS-ESTA)

ADD RETRIEVE RELATED TOOLS

LOCATION CODE VALIDATION

Insert Delete Copy Filter

Chart of Accounts	Location Code	Title	Status	Effective Date	Termination Date
M	1	Building - B Room Number	A	10/01/2006	
M	10	Building - A Room Number	A	10/01/2006	
M	100	Building - 100	A	10/01/2006	
M	1000	Building 1000	A	10/01/2006	
M	101	Building - 100 Room Number	A	10/01/2006	
M	102	Building - 100 Room Number	A	10/01/2006	
M	103	Building - 100 Room Number	A	10/01/2006	
M	104	Building - 100 Room Number	A	10/01/2006	
M	105	Building - 100 Room Number	A	10/01/2006	
M	106	Building - 100 Room Number	A	10/01/2006	
M	107	Building - 100 Room Number	A	10/01/2006	
M	108	Building - 100 Room Number	A	10/01/2006	
M	1101	TECHNOLOGY - Room No.	A	10/01/2006	
M	1102	TECHNOLOGY - Room No.	A	10/01/2006	
M	1103	TECHNOLOGY - Room No.	A	10/01/2006	
M	1104	TECHNOLOGY - Room No.	A	10/01/2006	
M	1105	TECHNOLOGY - Room No.	A	10/01/2006	

1 of 22 | 20 Per Page | Record 1 of 425

CANCEL SELECT