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10 Controller Definition

In the community and technical college system a controller may go by various titles including Director of Finance, Fiscal Director, Accounting Manager, etc. but the duties are usually similar with variation from college to college.

- A controller is responsible for overseeing the accounting operations of a college or district. Some of the most common controller duties and responsibilities include:
  - Collecting and consolidating financial data
  - Supervising accounting and finance departments
  - Creating strategic plans for financial operations
  - Preparing financial statements, both internal and external
  - Ensuring compliance with applicable rules, laws, and regulations

As the leader of the accounting team, a financial controller oversees the college or district’s financial health and compliance with the Northwest Commission on Colleges and Universities (NWCCU), State Board for Community and Technical College, State of Washington, and Federal fiscal requirements.

Controllers typically maintain, manage, and analyze financial statements, payroll, budgets, tax compliance issues, and more.

10.10 Common Controller Oversight Areas

For each area of responsibility, the controller is usually tasked with overseeing staffing. Duties like developing job descriptions (off in cooperation with human resources, hiring, evaluating performance, training, disciplinary actions, commendation, and morale.

10.20 Finance Office Responsibilities

- General Accounting
  - Accounts Payable (including travel)
  - Cashiering
  - Receivables
  - Collections
  - Fixed Assets
  - Bank Reconciliations
- Internal Controls
- Student Financials Item Type configuration
- Student Financials Financial Aid reconciliations
- State Auditor audit liaison
- Reporting
  - OFM (State Financial Statement & Single Audit)
  - College Financial Statements
  - SBCTC (risk management, legislative, budget, etc)
  - IPEDS (financial data for Department of Education)
  - College Board (management fiscal reporting)
- Tuition and fees
- Investments
- Certificates of Participation (COPs)
- Develop and monitor budgets in finance/accounting areas
- Maintain district department tables, program tables, combo codes (payroll)
• Monitor state allocations – operating and capital
• Monthly and annual closing
• Staff training

10.30 Student Financials Responsibilities
• Updating tuition, fees, and charges
• Maintaining correct chartstrings for item types and second journal set for financial item types
• Cashiering
• Reconciliation of Student Finance transactions to the general ledger
• Reconciliation of student Financial Aid to the general ledger
• Estimating tuition and fee revenue for college budget development
• Ensure tuition and fee rates are updated for new academic year

10.40 Purchasing Office Responsibilities
• Staffing – position descriptions, hiring, evaluating, disciplinary, training, rewards and staff morale
• Requisitions, purchase orders and procurement
• Procurement/purchasing cards (PCards)
• Travel (training - credit cards – flights, etc)

10.50 Payroll Office Responsibilities
• PAY journal upload/posting
• Payroll balancing/reconciliation
• Payroll handwrite/manual check balancing
• Payroll vendor check balancing

10.60 Budget Office Responsibilities
• State allocation balancing
• Fund monitoring and revenue projections
• College board and campus budget managers reporting
• Budget planning process
• Campus budget staff training

10.70 Risk Manager Responsibilities
• Campus risk assessments
• Internal Controls
• Insurance reporting & payments
• Campus policies
• Communication and campus staff training

10.80 Banking & Investment Management Responsibilities
• Cash management
• Monitor banking fees
• Credit cost analysis
• Campus ATMs
• Expenses of banking – budget
• Investment management
20 Controller Daily Responsibilities/Tasks

20.10 Review Bank Statement Reconciliations

It is important to review and reconcile bank statements daily. This will reduce the number of transactions to be reconciled, quickly identifies bank/colleges errors and reduces the risk of falling out of compliance with state requirements.

If the controller is not performing bank reconciliations, then the controller should set up reports to allow for review and verification that reconciliations are performed regularly and timely. For example, using Reconciliation Manager (NavBar > Menu > Banking > Reconcile Statements > Reconciliation Manager).

![Reconciliation Manager](image)

20.20 Review/Reconcile Procurement Cards (PCards)

- Run PCard Stage and upload procurement card (PCard) statement. See QRG_PCard_Upload.
- Run P-Card Bank Statement Workflow process. See QRG_PCard_Workflow.
- Run Load Voucher Stage Process. See QRG_PCard_Vchr_Stage.
- Run P-Card Grace Period Expired Workflow

20.30 WorkCenters

For each of the following areas, controllers are strongly encouraged to configure reports to quickly review the status of daily tasks performed either by the controller or assigned staff.

Most WorkCenters included customizable reports and queries to allow the user to limit the results.
20.40 Expenses WorkCenter

NavBar > Menu > Travel and Expenses > Expenses WorkCenter

Main

Welcome to the Expenses WorkCenter

Reports/Queries

Welcome to the Expenses WorkCenter
20.50 AP WorkCenter

Navbar > Menu > Accounts Payable > Accounts Payable WorkCenter

Main

Welcome to Accounts Payable WorkCenter

Welcome to the WorkCenter. This WorkCenter has one "Task Panel" and one "Work Area." The "Task Panel" is on the side displaying the pagelets assigned to the WorkCenter page and the "Work Area" displays transaction pages such as this page.

Each pagelet may have the following actions depending on its configuration: Hide/Show, Reload, Personalize.

Within each pagelet there may be "Open the content in a new window," "Collapses a group of links," and "Expands a group of links" actions available depending on the pagelet.

Welcome to Accounts Payable WorkCenter

Welcome to the WorkCenter. This WorkCenter has one "Task Panel" and one "Work Area." The "Task Panel" is on the side displaying the pagelets assigned to the WorkCenter page and the "Work Area" displays transaction pages such as this page.

Each pagelet may have the following actions depending on its configuration: Hide/Show, Reload, Personalize.

Within each pagelet there may be "Open the content in a new window," "Collapses a group of links," and "Expands a group of links" actions available depending on the pagelet.
20.60 AR WorkCenter

NavBar > Menu > Accounts Receivable > Receivables WorkCenter

Main
Reports/Queries

AR WorkCenter

Welcome to the Receivables WorkCenter

Welcome to the WorkCenter. This WorkCenter has one "Task Panel" and one "Work Area". The "Task Panel" is on the side displaying the pagelets assigned to the WorkCenter page and the "Work Area" displays transaction pages such as this page.

Each pagelet may have the following actions depending on its configuration: Hide/Show, Reload, Personalize.

Within each pagelet there may be "Open the content in a new window", "Collapses a group of links" and "Expands a group of links" actions available depending on the pagelet.

20.70 Review Cash Management

NavBar > Menu > Cash Management > Treasury WorkCenter

Main

Treasury WorkCenter

Welcome to the WorkCenter. This WorkCenter has one "Task Panel" and one "Work Area". The "Task Panel" is on the side displaying the pagelets assigned to the WorkCenter page and the "Work Area" displays transaction pages such as this page.

Each pagelet may have the following actions depending on its configuration: Hide/Show, Reload, Personalize.

Within each pagelet there may be "Open the content in a new window", "Collapses a group of links" and "Expands a group of links" actions available depending on the pagelet.
20.80 Review General Ledger

Navbar > Menu > General Ledger > GL WorkCenter

Main

Links

Daily the controller should ensure all journals are posted using links found in the WorkCenter or creating a saved journal search in Create/Update Journal Entries.

For example, both methods allow the user to enter criteria to find journals with error, incomplete, etc. to easily identify journals that should be posted.
30 Controller Monthly Responsibilities

30.10 Month-End Closing
Prior to sub-module closing the controller must ensure the following items have been reviewed and processed: Available Prepayments, Vouchers Rejected by Approvers, Transactions Ready for Asset Management.

30.10.10 Accounts Payable
On the day the submodules close, any vouchers submitted for approval should be reviewed and posted. This ensures the current month vouchers will be staged for posting that occurs tonight.

- **Vouchers**
  - Vouchers Submitted for Approval (6)
  - Available Prepayments **
  - Unpaid Voucher Status
  - Incomplete Vouchers
  - Vouchers Rejected by Approvers **
  - Vouchers Ready for Posting
  - Transactions Ready for Asset Management **

Review the AP WorkCenter to ensure no vouchers remain in the Voucher Exception or Matching section.

- **Voucher Exceptions**
  - Recycled Vouchers **
  - Budget Check Errors **

- **Matching**
  - To Be Matched
  - Match Exceptions Exist
  - Match Dispute
  - Manually Overridden

- **Payments**
  - Scheduled Payment on Hold
  - Paycycle Manager
  - Payments Ready for Posting

30.10.20 Accounts Receivable
On the day the submodules close, ensure all payments are complete and ready for posting and all billing interfaces should be run.
Correct all posting errors prior to submodule closing cutoff.

**30.10.30 Treasury/Cash Management**

All transactions should be set to final, and the treasury process should be run to stage for GL processing.

**30.10.40 Travel & Expenses**

On the day the submodules close, it is especially important that all items staged for payment have been processed.
30.20 General Ledger

For the general ledger, ensure all journals are posted by 5 pm of monthly closing day, especially the sub-system journals. If the sub-system journals are not posted, the sub-system will not reconcile to the general ledger.

The GL WorkCenter allows the user to customize the parameters for each report. This example above shows six (6) journals with errors and one (1) journal ready to post. These should be corrected prior to month-end close.
30.20.10 General Ledger Error Journals
By navigating to the following page, it is also possible to see which journals still must be corrected or modified: NavBar > Menu > General Ledger > Journals > Create/Update Journal Entries > Find an Existing Value

30.20.20 General Ledger – PAY Journals
All PAY journals must be posted. Journals unpostable due to errors should be corrected. However, the fund must not be changed when posting PAY journals – instead a GL Journal Payroll Transfer (Source = PTR) journal should be created to move transactions to the correct fund.

30.20.30 General Ledger – Payroll Expense Transfers
All payroll expense transfers/corrections should be posted prior to month-end close. See CLAM 40.10.30.a and T-Transfer Recommendations.

30.20.40 General Ledger – TIAA Payroll Benefits Transfer
Effective 7/1/2011 the legislature passed a law limiting contributions to TIAA from state funds to 6% of retirement gross. Depending on age, college match for TIAA is 5%, 7.5% or 10%.

The SBCTC recommends colleges make these entries at least monthly and must be finalized by the end of the fiscal year.

To run the report for a selected time frame, navigate to HCM > NavBar > Menu > Payroll for North America > CTC Custom > CTC Reports > TIAA-CREF Over 6 Pct.

For instructions on running the report, see the QRG 9.2 TIAA-CREF Over 6 Pct Report.

30.30 AFRS Errors
When a college records transactions that pass the ctcLink combo edit rules, the transactions may not pass the State of Washington edit checks. Controllers must address all AFRS errors brought to their attention by SBCTC staff.

30.30.10 ctcLink/AFRS Reconciliations
A series of reports are available to assist controllers in assuring the district’s accounting entries comply with system and state business rules. Since all system accounting entries must be uploaded to the state accounting system (currently AFRS; future to be One Washington), controllers should run the SMARTer reports to identify possible invalid accounting entries and make corrections.
SMART (Standard Monthly Analysis and Review of Transactions) was originally developed for the Legacy accounting system (FMS) to identify invalid accounting entries or balances. With the implementation of the enterprise system, ctcLink, the reports were updated and added to the ctcLink query system as SMARTer (Standard Monthly Analysis and Review of Transactions Enterprise Reporting). Currently 36 reports plus a consolidated report that outputs all the SMARTer queries in a single report.

A list of all queries with descriptions can be found here: SMARTer Queries

### 30.30.10.1 SMARTer Query List

<table>
<thead>
<tr>
<th>Query Name</th>
<th>Description</th>
<th>Folder</th>
</tr>
</thead>
<tbody>
<tr>
<td>QFS_GL_QA_106_FUND_WISE_BAL</td>
<td>#106 - Prepaid Expenses</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_108_FUND_999</td>
<td>#108 - Fund 999</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_201_FUND_WISE_BAL</td>
<td>#201 - Expenditures w/o S &amp; T</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_202_OBJECT_T</td>
<td>#202 - T-trans in Fund Type 4</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_203A_SUB_OBJ_PA_PD</td>
<td>#203A - Sub Object PA &amp; PD</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_203_SUB_OBJ_PA_PD</td>
<td>#203 - Sub Object PA &amp; PD</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_204_OBJECT_J_K</td>
<td>#204 - Object J &amp; K</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_206_OBJECT_S</td>
<td>#206 - Object S</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_207A_DEPRECIATION</td>
<td>#207A - Depreciation</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_207B_DEPR_FUND_TYPE</td>
<td>#207B - Depreciation Fund Type</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_207C_DEPR_FUND_997</td>
<td>#207C - Depreciation Fund 997</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_208_REIMBURSEMENTS</td>
<td>#208 - Reimbursements Verify</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_209_FUND_TYPE_4_EXP</td>
<td>#209 Fund Type 4 expenses only</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_210A_REVENUE_STATE</td>
<td>#210A - Revenue in State Funds</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_210_OP_OVERSPENT_2</td>
<td>#210 - Overspent Op Fund 1-132</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_212A_INDIR_ELIM</td>
<td>#212A Indirect Elimination</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_212_OBJ_T_ELIM</td>
<td>#212 - Object T Elimination</td>
<td>SMARTER</td>
</tr>
<tr>
<td>Query Name</td>
<td>Description</td>
<td>Folder</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>QFS_GL_QA_213_PROP_BAD_DEBT</td>
<td>#213 Fund Type 4 expenses only</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_301_REVENUE</td>
<td>#301 - Revenue</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_302A_OP_TRANS_NOT</td>
<td>#302A - Op Transfer Not Allowed</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_302_OP_TRANSFR</td>
<td>#302 - Operating Transfers</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_303_INTRA_FUND</td>
<td>#303 - Intra-Fund Transfers</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_305A_CLEARING</td>
<td>#305A - Suspense, Clearing, Errors</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_305B_REV_SRC_149</td>
<td>#305B - Revenue Source 149</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_305C_REV_SRC_FUND</td>
<td>#305C - Revenue Source Funds</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_401_DUE_TO_FROM_FUND</td>
<td>#401 - Due To-From Other Funds</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_503_ASSET_BALANCES</td>
<td>#503 - Asset Balances</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_504 LIABILITY_BAL</td>
<td>#504 - Liability Balances</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_508_NEG_CASH</td>
<td>#508 - Negative Cash</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_CERT_OF_PART</td>
<td>COP activity end yr balancing</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_INTERNAL_CASH</td>
<td>Internal Cash</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_LEASE_PAYABLE</td>
<td>Lease Payable end yr balancing</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_LEASE_RECEIVABLE</td>
<td>Lease Rec’ble end yr balancing</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_MISSING_SUBSID</td>
<td>Missing Subsid Values</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_RVL_SRC</td>
<td>GL journals w/source RVL</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_QA_TUIT_REV_DIST</td>
<td>Tuition Revenue Distribution</td>
<td>SMARTER</td>
</tr>
<tr>
<td>QFS_GL_SMARTER_REPORTS</td>
<td>College SMARTER Reports (List)</td>
<td>SMARTER</td>
</tr>
</tbody>
</table>

Reviewing all reports regularly should minimize errors when the ctcLink system accounting coordinator uploads ctcLink data to the state accounting system.
30.30.10.2 Reconcile Internal Cash
Use SMARTer query QFS_GL_QA_INTERNAL_CASH to determine if internal cash is out of balance. Since internal cash is only used for transactions within the college, it must net to zero by month-end.

30.30.10.3 Operating Allocation vs Expense Balances
Use SMARTer query QFS_GL_QA_210_OP_OVERSPENT_2 to review expenditures in state funds compared to authorized appropriations. Colleges are not allowed to exceed the appropriations. Also see CLAM 20.20.40.2 Comparing Expenditures to State Appropriations.

30.30.10.4 Capital Allocations vs Expense Balances
The controller should review capital allocations vs expenditures regularly, and at least monthly. Although capital projects funds are appropriated by the Legislature, the process is sufficiently different to require a separate application to track.

To become more familiar with the process, review CLAM Section 20 Capital Budget and the Capital Budget Allocation and Monitoring web page.

To compare capital allocation versus expenditures, see the Capital Budget Tracking system.

30.30.20 Drawdowns and Remittances
Colleges are required to draw funds from the State Treasurer (the appropriations) and remit funds to the State Treasurer (building and innovation fees). In addition, colleges are required to remit funds to the SBCTC for ctcLink operating costs.

30.30.20.1 VPA – State Reimbursement
For the month-end process review, see Section B of the State Reimbursement Processes (VPA) document found on the Accounting and Business Services webpage.

The request must equal the amount by fund from the Vendor Payment Advance Reimbursement Report generated, adjusted for any errors from prior requests and other requests for reimbursement made during the period (i.e. large capital project requests). This report excludes all PAY journals as the requests for reimbursement are handled separately.

Record the receivable and revenue in Fund 790 as directed in the above referenced document.

The controller should also ensure the A7 form for non-payroll VPA Reimbursements is submitted to the State Treasurer.

30.30.20.2 VPA – State Reimbursement Reconciliation
Controllers should ensure the VPA is reconciled monthly (YTD).

See the State Reimbursement (VPA) Reconciliation Process document at the Accounting and Business Services webpage for step-by-step directions.

The request must equal the amount by fund from the Vendor Payment Advance Reimbursement Report generated, adjusted for any errors from prior requests and other requests for reimbursement made during the period (i.e. large capital project requests). This report excludes all PAY journals as the requests for reimbursement are handled separately.
Record the receivable and revenue in Fund 790 as directed in the above referenced document.

**30.30.20.3 Building and Innovation Fee Remittances**
Controllers must ensure the Building and Innovation Fees are remitted to the State Treasurer as directed by state regulations.

See the Building and Innovation Fee Remittance document at the Accounting and Business Services web page for step-by-step directions.

The report only includes cash received so colleges are not required to remit cash when students or third-party payers have not yet paid.

The controller should also ensure the A8 form for transmittals and funds are wired to the State Treasurer.

**30.30.20.4 Running Start/International Contract Fee Remittances**
Controllers must ensure the Running Start/International Contract Fees are remitted to the SBCTC as approved by the district presidents.

See the ctcLink Running Start & International Remittance Guidance document at the Accounting and Business Services webpage for step-by-step directions.

**30.30.30 Procurement**

**30.30.30.1 Purchase Requisitions**
Review Open Requisitions to identify any that may be closed.

Selecting the Requester's WorkBench will allow a search of requisitions: NavBar: Menu > Purchasing > Requisitions > Requester's WorkBench
30.30.30.2 Purchase Orders

Review Open POs to see if any are eligible to close. Also review Blanket POs to track outstanding invoices. By selecting the Review Purchase Orders link in the Buyer WorkCenter, POs may be searched by various criteria.
30.30.30.3 Post Procurement Card Batches
Ensure all PCard transactions for the month are posted. All grant expenses must be posted so grant billings are accurate.

Refer to the PCards Quick Reference Guide (QRG) for step-by-step process guidance.

30.40 Grants Reconciliation
The controller should compare Grants module queries against GL Queries to make sure all expenses match. Revenue must equal expenses in the General Ledger. Catching errors monthly saves you a lot of work at year-end.

For example, it is possible to compare the results of the query QFS_PC_PROJ_RESOURCE_PYMNT by expenditure and revenue account to a query using the General Ledger table or the Journal Line table.

The Grants WorkCenter also has numerous predefined pages, reports and queries that may assist the controller in ensuring all expenses are posted and grants are fully reconciled:
30.50 Asset Management
Controllers should ensure fixed asset additions are reconciled between AM and the general ledger prior to the fiscal month-end. See CLAM 40.40 Capital Assets.

In addition, the depreciation process should be run. Depreciation and depreciation periods should be closed. See QRG 9.2 Closing Depreciation for step-by-step instructions,

30.60 Clearing Accounts
ctcLink, by configuration uses a series of clearing chartstrings or accounts that should be monitored to ensure balances are cleared and/or errors are corrected.

Following is a list of chartstrings that must be monitored:

<table>
<thead>
<tr>
<th>Fund-Class-Dept</th>
<th>Department</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>790-285-98009</td>
<td>98009</td>
<td>Tuition Pre-Distribution</td>
</tr>
<tr>
<td>790-285-98049</td>
<td>98049</td>
<td>Fin Aid Error Suspense</td>
</tr>
<tr>
<td>790-285-98109</td>
<td>98109</td>
<td>Write-Off Clearing</td>
</tr>
<tr>
<td>790-285-98379</td>
<td>98379</td>
<td>Payroll Suspense</td>
</tr>
<tr>
<td>790-285-98389</td>
<td>98389</td>
<td>Travel Suspense</td>
</tr>
<tr>
<td>790-285-98399</td>
<td>98399</td>
<td>Clearing Acct Payroll Vendors</td>
</tr>
<tr>
<td>790-285-98489</td>
<td>98489</td>
<td>Bank Cash Pre-Reconciliation</td>
</tr>
</tbody>
</table>
The following accounts should be monitored as well as these indicate an error occurred in the recording of the transactions:

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1010220</td>
<td>Third Party Errors</td>
</tr>
<tr>
<td>1011199</td>
<td>Student Accounts Receivable Error</td>
</tr>
<tr>
<td>4000199</td>
<td>Waiver Error</td>
</tr>
</tbody>
</table>

### 30.70 Sales/Use/Excise Tax Reporting

The state of Washington requires colleges to remit sales, use, excise, and leasehold taxes either monthly or quarterly depending on the amount owed. For periods in which no taxes are owed, the college still must submit a report to the Department of Revenue showing no taxes are owed.

- Sales tax is due on sale of personal property and some services, i.e. bookstore, food service, automotive services, printing services, cosmetology services.
- Use tax is a compensating tax owed when retail tax was due, but not paid at point of sale – example is a vendor with no nexus in WA State and ships by common carrier.
- The leasehold excise tax takes the place of the property tax. Businesses leasing property from a community or technical college are responsible for paying the leasehold excise tax on the fair market rental value of the property or the actual rent paid. Colleges are required to collect the tax from the lessee and remit it to the Department of Revenue.
- See the [Department of Revenue (DOR) website](#) for information on filing requirements, instructions, current tax rates and other topics. You will owe leasehold excise tax if you lease any facilities, equipment, or other property from a governmental entity.
40 Controller Quarterly/Semi-Annual Responsibilities

40.10 Quarterly BAR Meetings
The controller (and key staff) should attend the quarterly Budgeting, Accounting and Reporting (BAR) meetings. These meetings are important for:

- Networking with other college controllers and SBCTC staff.
- Training (controllers with more experience in the system usually provided valuable training).
- The BAR representative will report on important issues during recent Business Affairs Commission (BAC – VPs of Administration) meetings.
- State Auditor regularly reports on recent areas of concerns or upcoming audit focus.
- SBCTC staff will provide updates and discussion of policy changes.
- Office of Financial Management will occasionally provide information of significant updates/changes at the state level.

40.20 Prior Year Accruals
The controller should ensure all prior year accruals are cleared by the end of the first quarter:

- Short-term payables should be reversed.
- Accounts payable accruals should now be paid.
- Accounts receivable should have been received.
- Verify remaining balances are correct.

40.30 Uncollectible Receivables
Per state accounting requirements, colleges should estimate total uncollectible receivables at least quarterly and adjusting entries should be recorded in the college's accounting records to the allowance for uncollectible receivables account (accounts 1010260, 1100020-1100050 and 1101020).

See CLAM 40.50.70.6 Allowance for Doubtful Accounts (All) and the following sections for additional information.

40.40 Sales/Use/Excise Tax Reporting
If the college does not report and remit taxes monthly the college MUST do so at least quarterly. See section 30.70 Sales/Use/Excise Tax Reporting above.

40.50 Transfer State Allocated Financial Aid
Several state financial aid sources are allocated to colleges for determination and distribution of awards. If the college initially charges the awards to Fund 846-Class 271, the expenses should be transferred to correct state operating fund and chartstring (fund-appropriation index-class) at least quarterly.

40.60 Draw Down Federal Financial Aid
Controllers should ensure funds are drawn down from G5 for all federal financial aid sources at least quarterly but can be drawn more frequently during periods large distributions of federal financial aid.

The draw MUST equal the financial aid expenses and revenue should be recorded using the correct account. See CLAM 40.20.70 Inter-Agency Financial Aid Billings.
40.70 Investments
Investment in LGIP and other financial institution statements should be reconciled to investments accounts (accounts 1000030-1000050, 1020010, 1110010-1110020) regularly. See CLAM 40.30 Accounting for Assets.

Interest earned on investment and bank balances should also be distributed to funds with positive cash balances at least quarterly. See CLAM 40.30.20.5 Investment Interest Distribution.

40.80 Certificates of Participation Debt Service
Controllers must ensure debt service payments on Certificates of Participation (COP) are remitted to the State Treasurer prior to the due dates.

Currently, all payments are due by June 1 and December 1; therefore, colleges should process the payments in May and November to ensure funds are received by the due date.

For additional information see CLAM 40.70 Certificates of Participation (COPs).

40.90 Capital Maintenance & Operations Transfers
If the college budgets its M&O capital allocation for facilities in the operating budget (i.e. Fund 149), then expenses from Fund 149 Class 09x should be transferred to the capital allocation in Fund 060 to spend it down on a monthly/quarterly basis. Then both the operating budget and capital allocation will accurately reflect the college's position.

Colleges should not wait for year-end to spend it down and adjust the operations spending.

40.95 Reconcile Asset Management
Colleges should reconcile the AM submodule to the general ledger at least quarterly by comparing Capital Asset additions to GL capital expenditures. Controllers should ensure capital assets are added to AM throughout the year and not wait until the end of the year. See CLAM 40.40 for additional information.

See CLAM 40.40 Capital Assets for additional information.
50 Controller Annual Responsibilities

50.10 Purchasing FYE Cutoffs
Beginning in January, fiscal year-end cutoffs should be established for purchasing so college staff can adequately manage budgets and expenses.

College managers must be aware only items in the possession of the college or an authorized agent by June 30 are legally allowed to be charged the fiscal year’s budget.

50.15 Risk Assessments
Controllers are responsible for performing annual risk assessments of the district/college.

The process should begin in February of each year to allow adequate time to review all sections.

See also:

• SAAM 20.22 Risk Assessment State Administrative and Accounting Manual
• Risk Assessment examples from OFM Internal Control website

50.20 Review Closing Rules
Contact the System ctcLink Accounting Coordinator to make changes to the college’s closing rules. Changes are due by the middle of April each year.

See CLAM xx.xx (future section) for additional information.

50.25 Record Unearned Revenue
In ctcLink, revenue and accounts receivable entries are generated as soon as a student registers. However, most of the receivables are not collectible since students may unenroll prior to the due date.

Thus, as of June 30 each year, revenue and receivables are overstated.

See CLAM xx.xx (Unearned Revenue/Accounts Receivable/Allowance for Doubtful Accounts) for step-by-step instructions.

50.30 Adjust Allowance for Doubtful Accounts
The Office of Financial Management recommends adjusting the allowance for doubtful accounts quarterly, however, they MUST be adjusted at least annually.

See CLAM 40.50 Accounts Receivable/Unearned Revenue/Allowance for Doubtful Accounts for step-by-step instructions.

50.35 Financial Aid Reconciliation
Prior to the fiscal year end, the controller should work with the Financial Aid office to reconcile financial aid awards and disbursements in Campus Solutions to expenses in the General Ledger.

The financial aid expense accounts are grouped based on IPEDS reporting requirements and should indicate the financial aid source/type.
### Accounts

<table>
<thead>
<tr>
<th>Accounts</th>
<th>Financial Aid Source/Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>5020030-5020119</td>
<td>Federal financial aid</td>
</tr>
<tr>
<td>5020120-5020229</td>
<td>State financial aid</td>
</tr>
<tr>
<td>5020230-5020269</td>
<td>Foundation and local agencies</td>
</tr>
<tr>
<td>5020270-5020299</td>
<td>Institutional restricted financial aid</td>
</tr>
<tr>
<td>5020300-5020329</td>
<td>Institutional unrestricted financial aid</td>
</tr>
<tr>
<td>5020330-5020369</td>
<td>Not reported aid (GET, VA, etc)</td>
</tr>
<tr>
<td>5020370-5020419</td>
<td>Student Loans</td>
</tr>
</tbody>
</table>

Many colleges perform this reconciliation monthly to make the year-end reconciliation much less challenging.

### 50.40 Accounts Receivable Write-Off

Prior to year-end, final write-offs should be recorded. See CLAM 40.50.70.7 Non-Student accounts 50.30.60.8 for Student Write-Offs. Most write-offs will occur on student finance using item-types since students account for most of the receivables.

This process may be performed quarterly, depending on college policy.

### 50.50 Unemployment Compensation Pool

If the college/district uses an unemployment compensation pool (instead of direct pay, the controller should establish the pool rate for the next fiscal year by May or June prior to fiscal year end.

### 50.60 1099-MISC Reporting

The college district must prepare a 1099-MISC tax form for non-employee compensation of $600 or more. See 1099 Withholding in the ctcLink Reference Center for processes related to withholding and reporting for the 1099-MISC.

### 50.65 1098-T Reporting

The college district must prepare a 1098-T tax form for eligible students. See 1098-Ts in the ctcLink Reference Center for 1098-T reporting processes and related information.

### 50.70 Tuition & Fee Updates

Controllers should work with Student Financials staff to ensure all tuition and fees are configured correctly. SBCTC staff will provide information on legislative required charges for tuition and building fees and maximum allowed rates for S&A fees. College class, course and miscellaneous must also be updated.

### 50.80 Excess Enrollment

In fiscal years in which the college district exceeds the base enrollment allotment, the district may classify all tuition revenue to fee revenue for the excess enrollment. Students’ records must also be updated to indicate the non-state funded status.
This process may be performed quarterly (academic) or annually, but the final excess enrollment must only reflect the excess of the annual base enrollment.

Additional information will be provided in the ctcLink Accounting Manual (CLAM) at a later date.
60 Year-End Closing Responsibilities

60.10 Annual Closing
The controller must ensure the college district’s books are balanced and closed following GASB, State of Washington and SBCTC’s guidance by the required date.

See fiscal year-specific guidance at the SBCTC Accounting & Business Services web page.

Additional information will be provided in the ctcLink Accounting Manual (CLAM) at a later date.
70 Post Year-End Responsibilities

70.10 FISAP
The Fiscal Operations Report and Application to Participate (FISAP) is normally due to the Department of Education around October 1 of each year. This report includes fiscal information for Federal Perkins Loan (Perkins Loan), Federal Supplemental Educational Opportunity Grant (FSEOG), and Federal Work-Study (FWS) Programs.

70.20 Financial Statements
All college districts must submit audited annual financial statements to Northwest Commission on Colleges and Universities as part of the college accreditation process. The audits must be completed no later than March 31 for the prior fiscal year.

Colleges are responsible for obtaining the services of either the State Auditor’s Office or a private CPA firm to audit the statements.

70.30 IPEDS
To continue to be eligible to award federal financial aid to its students, all college districts must submit fiscal information to the Integrated Postsecondary Education Data System (IPEDS) which is part of the federal Department of Education.

The fiscal information must be submitted by April 1 for the prior fiscal year.

70.40 Year-end State and Federal Disclosures
Colleges are also required to submit:

- Certain financial information to the state needed by OFM to complete the Annual Comprehensive Financial Report
- Federal reports

SBCTC developed the SMARTer Disclosure System to assist colleges in reporting the required information.
80 Other Responsibilities

80.10 Foundation Accounting
College foundations are separate legal non-profit organizations from the college. However, many colleges have agreed to perform the day-to-day accounting for the foundations with the controller overseeing the accounting activities.

When the occurs, the college and the foundation must have a ‘quid pro quo’ agreement in which the foundation agrees to provide direct benefits to the college in an amount equal to the value/cost of the accounting services provided. An analysis must be performed annually to ensure value of services provided does not exceed the benefits received.

80.20 Physical Inventory
A physical inventory of all tagged physical assets must be conducted at least once every other fiscal year. The inventory can be performed of all assets at one time or on a revolving basis.

80.30 Federal Indirect Cost Rate Proposal
The controller will generally be responsible for developing the indirect cost proposal for the Federal Indirect Cost Rate and submitting it to the federal cognizant agency. A college may, after negotiations with the federal cognizant agency, obtain an extension of the previously approved indirect rate.

Become familiar with Federal regulations (2 CFR 200), federal training materials, and past college proposals.

80.40 Internal Indirect Costs
Colleges are permitted by state law to offer educational services on a contractual basis but are required to charge the full cost of providing those services. See RCW 28B.50.140(16).

SBCTC Policy 5.20.20 Contract classes and enrollment allows the grant or contract to cover the direct and indirect costs of the class.

Controllers should develop an internal indirect cost rate to follow state regulations, SBCTC policy and good fiscal policy.

80.50 Accreditation
As part of the accreditation process, controllers will generally be required to provide financial information for the Northwest Commission on Colleges and Universities (NWCCU).

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility Requirements 19</td>
<td>Requires the college to demonstrate financial stability, with cash flow and reserves necessary to support and sustain its mission, programs, and services.</td>
</tr>
<tr>
<td>Financial Accountability 20</td>
<td>Requires the college to undergo an annual, independent financial audit by professionally qualified personnel in accordance with generally accepted auditing standards or International Financial Reporting Standards reconciled to US-GAAP.</td>
</tr>
<tr>
<td>Standard Two – Governance, Resources, and Capacity - Financial Resources</td>
<td>Requires the college to provide supporting evidence that it meets these standards during accreditation reviews.</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>The audit is to be completed no later than 15 months after the end of the fiscal year.</td>
<td></td>
</tr>
</tbody>
</table>
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Washington State Board for Community and Technical Colleges