



Restricted Fund Accounting Policies and Procedures

General Policies

Effective Date: July 1, 2009

Board Approval: June 9, 2009

1. Purpose.

To define accounting policies governing restricted contracts, agreements and grants (hereafter referred to as contracts) from both federal and non-federal sources, including State Custom Fit. Additional policies for federal contracts and State Custom Fit contracts are provided in Policies 06-10 and 06-20 of this manual respectively.

2. Policy.

2.1. The Campus President or designee must approve and sign all contracts prior to execution. No execution activities related to a contract shall take place prior to obtaining the Campus President's approval. Contracts generally place time restrictions on activities and expenditures as well. The Campus President or designee may grant verbal authorization in emergency or critical situations followed by formal approval.

2.2. Contracts shall only be entered into which are in harmony with the mission of the TATC, and the related benefits of each contract shall be weighed against the associated costs, both direct and indirect. A minimum contract amount of \$5,000 is encouraged for entering into contracts, with the exception of Custom Fit.

2.3. The appropriate Administrator shall be responsible to oversee the preparation of all applications and conduct all negotiations for contracts, with the exception of State Custom Fit master agreements. Administrators shall negotiate all related budget proposals and coordinate billing procedures in conjunction with the Fiscal Services.

Preparing and negotiating State Custom Fit contracts, and budgeting and accounting for these contracts shall be the responsibility of the Custom Fit staff following guidelines established in Policy 06-20 of this manual.

2.4. The Administrator or staff over the related program or activity shall be responsible to implement and administer the contract according to its terms, to monitor budgets, and to ensure that personnel and other costs made for contracts comply with all legal and contractual requirements and with all TATC policies and procedures.

2.5. The appropriate Administrator shall be responsible to monitor compliance with contract terms and to prepare and submit all compliance and management reports.

2.6. Fiscal Services shall be responsible to maintain a central file of all ORIGINAL contracts (State Custom Fit is the exception) and related proposals and accountability reports, and to ensure accounting for contracts, including expenditures, billings, and budget controls are in compliance with generally accepted accounting principles, and with contractual and statutory requirements.

2.7. As required by NACUBO accounting standards, all contracts which place restrictions on how the funds can be spent will be accounted for in a restricted fund.

2.8. Payment of salaries and benefits of full-time salaried TATC employees shall be charged against a contract when the contract requires their specific services and skills. Extraordinary circumstances shall be approved by the Campus President. Employees in positions funded exclusively by contracts shall be notified in writing each year that their position is funded by "soft money". Special circumstances may include employees funded by contracts at the time this policy is approved.

2.9. Expenditures are to remain within the approved contract budget. Contract managers are not authorized to exceed the approved budget without prior authorization from the VP Finance and Operations and the Campus President to renegotiate the contract with the original funding source.

- 2.10. In no instance shall costs be shifted from one contract to another if the shift violates the intent of either contract or is prohibited by contractual restrictions or statutes.