

SOUTH DAKOTA BOARD OF REGENTS

Policy Manual

SUBJECT: Financial Accounting and Reporting

NUMBER: 5:1

1. Advance Payroll Procedures

The institutions must implement the following for the payroll process:

- A. Utilization of advance payroll procedures as provided by the Bureau of Finance and Management.
- B. All payroll warrants shall be printed on warrant stock as provided by the State Auditor and issued on the State Bank Account.
- C. Each institution must complete the agreement with the State Auditor designating and authorizing a specific individual to be responsible for the State Auditor's signature plate which shall be the mechanism for printing the State Auditor's signature on all payroll warrants.

2. Submission of Salary Lists and Operational Budgets

Salary lists for each fiscal year shall be submitted to the Board of Regents at a time designated by the Board office in accordance with the established salary policy. Operating budgets and budget requests shall be submitted to the Board in accordance with the guidelines and procedures developed and printed by the Board Office.

3. Personnel Support Pool

A Personnel Support Pool shall be maintained in the Board office to pay for accrued sick and annual leave payments for general funded employees. Campuses shall request reimbursement of expenditures for general fund accrued sick and annual leave payments according to the established guidelines. If the funds in the pool are depleted, the campuses shall pay sick and annual leave payments from institutional sources.

4. Salary Expenditure Variations

Salary expenditure variations are defined as any changes or reallocations of the original State funded Personal Services budget.

All institutions are required to maintain accurate records of salary variation sources and applications. A management account shall be established for each higher education budget entity. The accounting system shall track funding and FTE in and out of general funded faculty positions. The Faculty Management Accounting System shall track faculty salary variations created by terminations, promotions, release time, sabbaticals, positions filled at lower than budgeted salaries, and other. The status of the faculty management accounts and the transactions related to those accounts shall be reported quarterly to the Office of the Executive Director and semi-annually to the Board. All campuses shall use the same system to track and report faculty management account transactions so that reporting is done in the same way and in a timely manner. Guidelines of the Faculty Management Accounting System as established by the Business Affairs Council must be followed.

5. Institutional Representation Account

Each institution under the control of the Board of Regents may utilize an institutional representation account. The budget for the account is to be limited to \$10.00 per student based on the prior year fall headcount enrollment with a minimum of \$5,000 authorized for each campus.

6. Vending Machine Income

The profits from vending machine income shall accrue to the benefit of the students. These benefits, from student derived sources, could be in the form of: (a) Scholarships; (b) Student loan funds; and (c) Special student activities. Whenever vending machines are operated in essentially employee areas, the profits may be used for the benefit of these groups upon the President's written approval.

7. Tuition and Fee Deposits

All tuition and fee revenues shall be deposited in the state bank account within one working day after receipt. Accounting transactions shall be completed within five working days of the final fee payment date for the fall and spring semesters. All summer session revenues collected after the spring semester, but prior to the start of the next fiscal year, shall be reflected in the accounting records of the fiscal year starting July 1.

SOURCE: BOR, Sept. 1965, P. 783; BOR July 1968, P. 828; BOR August 1987; BOR, April 1989; BOR, May 1989; BOR, April 1992; BOR, September 1992; BOR, May 1993; BOR, October 1997; BOR, March 2001.