

I. GENERAL ACCOUNTING

1.1 OVERVIEW

Lamar University has some periodic contact or provides some services to the following entities:

Lamar Institute of Technology (L.I.T.)
Lamar State College-Port Arthur (LSC-PA)
Lamar State College-Orange (LSC-O)

Additional units of note would include other entities in The Texas State University System (TSUS).

Texas Revised Civil Statutes, Annotated, article 4345a (Vernon's Supplement 1990), requires that the financial records of all State agencies reflect compliance with applicable State statutes and regulations, as dictated by the Office of the State Comptroller. Assuring compliance with, and interpretation of, these statutes and regulations are the responsibility of the State Auditor's Office. Accounting and reporting procedures are to be in accordance with Generally Accepted Accounting Principles (GAAP) and, insofar as possible, the provisions of the financial accounting and reporting manual published by the National Association of College and University Business Officers (NACUBO). [Reference: *State Comptroller letter, July 25, 1990*]. The accounting policies used by Lamar University are in accordance with *College and University Business Administration*, fourth edition, 1982, and *Financial Accounting and Reporting Manual for Higher Education*, National Association of College and University Business Officers, 1990.

All University financial records are subject to review by the Finance Office, the Internal Audit staff, and various state and federal auditors. Management responses to audit findings are the responsibility of the President.

1.2 FUND GROUPS

Principles of Fund Accounting are followed for maintenance of financial records in order to insure observance of limitations and restrictions placed on the use of the funds of Lamar University. Resources subject to similar restrictions, or available for like purposes, are assigned to fund groups, with each group treated as a separately-balanced entity. All financial transactions are recorded separately by these fund groups.

Income derived from investments must accrue to the fund owning the investment, except for income derived from the investment of endowments and similar funds. Fund groups used by institutions of higher education include six broad categories:

- Current Funds
- Loan Funds
- Endowment (and similar) Funds
- Annuity and Life Income Funds
- Plant Funds
- Agency Funds

These, in turn, contain several subcategories with very specific definitions and guidelines.

1.2.001 Current Funds

Those funds which are available for current operation and maintenance purposes, as well as those restricted by donors and other outside agencies for specific current operating purposes.

A. Educational and General Funds

These funds provide for resident instruction and support for areas such as administration, physical plant, and library services. The main source of support for the Educational and General operation is State Legislative Appropriations. These monies are appropriated, according to elements of institutional cost, in the form of direct commitments of the General Revenue Fund of the State of Texas (Fund 001) and Legislative projections of locally-collected Educational and General income (Fund 256). It is important to recognize that the term "*Educational and General Funds*" includes both appropriations of the General Revenue Fund of the State (Fund 001) and locally-collected Educational and General revenues (Fund 256).

Fund 256 represents State funds which are collected locally by the University. Fund 256 income includes all cash receipts accruing to the University from all sources except auxiliary enterprises, non-instructional services, agency, designated, and restricted funds, endowment and other gift funds, student loan funds, funds retained under chapter 145 of the Education Code, and Constitutional Building Amendment fund groups to the Educational and General Fund.

All of these items of income must be deposited with the State Treasurer within seven (7) days of collection, per 51.008 of the Texas Education Code.

Interest income on State appropriations of Educational and General funds (Fund 001) becomes an asset of the State's General Revenue fund and does not belong to the University.

Locally collected Educational and General funds are deposited with and invested by the State Treasurer. Interest earned on these funds belongs to the University. The State Treasurer reports the interest earned on the local Educational and General monies.

After the TSUS Board of Regents approves the University's budget, the Vice President for Finance and Operations forwards it to the State Comptroller to establish budgeted allocations of the University's appropriation, by the element of institutional cost and by source of funds (001, 256). Expenditures of locally-collected funds are limited to the amount of actual revenue collected and placed in the State Treasury. Expenditures of these monies are made by voucher request to the State Comptroller.

B. Higher Education Assistant Funds

These funds are also referred to as Prop II or HEAF, and have been appropriated since fiscal year September 1, 1985, and each fiscal year thereafter. These funds are to be used by eligible agencies and institutions of higher education for the purpose of acquiring land (with or without improvements), constructing and equipping buildings, major repair/rehabilitation of buildings or other permanent improvements, acquisition of capital equipment, library books, and library materials.

C. Auxiliary Enterprise Funds

These are funds from activities providing services. Auxiliary enterprises are intended to be self-supporting or supported by student service fees. They include (but are not limited to) areas such as the Health Center, Setzer Student Center, and various athletic programs.

D. Designated Funds

These are funds which have been designated by the University for specific purposes. Restrictions for use of these funds can be established, removed, or changed at the discretion of University management within guidelines established by the TSUS Board policy.

E. Restricted Funds

These funds are available for current operations and their use is restricted by outside agencies or persons. For financial reporting purposes, restricted fund revenues are recognized only to the extent of expenditures.

1.2.002 Loan Funds

These funds are made available from federal, state, and local agencies. These funds are utilized for attendance to any school of Higher Education. Loan Funds are:

- 1) Federal Funds - Federal Perkins Loan, and the Federal Family Education Loan Program.
- 2) State Funds - College Access Loans and Hinson Hazelwood Loan Programs.
- 3) Local Funds - Texas Public Education Grant Loan (Texas and Non-Texas), and United Student Aid Loan Program.

1.2.003 Endowment and Similar Funds

These funds are provided by a donor or other outside agency, with the stipulation that the principle be maintained inviolate and expenditures be made only from investment income. Income derived from the investment of endowment funds is accounted for in the fund to which it is assigned (generally in the restricted fund).

Quasi-endowment funds created by the TSUS Board of Regents are not restricted as to principle and any portion of these funds may be expended.

1.2.004 Plant Funds

This generally refers to the cost of the fixed assets of the University. This classification may be separated into several balanced fund groups:

- A. **Unexpended Plant Funds** - Used for the construction, rehabilitation, and acquisition of physical properties for institutional purposes.
- B. **Renewal and Replacement Funds** - These are used for the rehabilitation of existing physical properties for institutional purposes.
- C. **Retirement of Indebtedness Funds** - Accumulated as a required reserve for the retirement of indebtedness of outstanding bond issues and interest payments, as due.
- D. **Funds Invested in Plant** - Those already expended for plant properties. Physical properties are stated at cost at the date of acquisition or at fair market value at the date of donation in the cases of gifts. State law provides for the recording or reporting of

depreciation or obsolescence on capital property.

1.2.005 Agency Funds

Funds held by the University as custodian or fiscal agent for students, faculty members, and/or others.

The University presently has a limited number of agency funds held for retirees' insurance, leave of absence, COBRA insurance, student clubs, and the Cardinal Club. The University is responsible and accountable for the assets in the agency funds.

I.3 COST CENTERS

Cost Centers are established by the State Comptroller for Fund 001 monies and locally-collected Educational and General funds which are on deposit in the State Treasury. Cost Centers provide a means of controlling funds, as appropriated by the State Legislature. They operate essentially as bank accounts and are reconciled on a monthly basis and completed before the end of the next month (e.g., September reconciliations are completed before November 1) under the supervision of the Director of Accounting.

At the end of the month-end closing, Data Entry runs an FBM091 for the FRS accounts associated with the USAS cost centers. The first Friday following month-end close, on the USAS system, DAFR7460 is run for the month. The FRS and USAS reports are compared for outstanding items. A copy of the prior month reconciliation is used as working papers for the current month reconciliation. Any corrections that are needed in the FRS system are done by a Journal Entry and in the USAS system by an Expenditure Transfer Voucher or Journal Voucher.

"Cost Center" is an attribute in the Chart of Accounts and is entered in the "Report Distribution" field.

1.3.001 FRS/USAS/ABEST Reconciliation - Monthly Procedures

1. At the time of month-end closing, two PRF's for an FBM095 are filled out with the following account ranges: 210000 - 213999 and 871801 - 871909. These need to be run immediately upon closing and will give totals based on PCA's. Also a print screen for HEAF accounts 870625 and 870641 needs to be done the morning following closing. These amounts are recorded in the spreadsheet entitled BESTxxxQTR. Every month these amounts change and the 1st, 2nd, 3rd, and 4th quarters' encumbrances are added to the totals.
2. A request to the State's ACO (Appropriation Control Officer) is

made for the following reports on a monthly basis:

- EXP719 xxxQTR - FYcy and AYcy
- EXP719 xxxQTR - FYcy and Ay prior yr

At the end of each quarter, an additional report ABESTxxxQTR is requested after the download is made to the Legislative Budget Board (LBB). The Method of Finance (MOF) is obtained from this report and used when reconciling ABEST/USAS. These amounts are then recorded in the spreadsheet entitled ABESTxxxQTR. Every month these amounts change and the 1st, 2nd, 3rd, and 4th quarters' encumbrances are added in the totals.

NOTE: When requesting this report, it must be done after the encumbrances are entered into USAS by Data Entry.

3. One additional report is needed for the quarterly reconciliation. Human Resources (HR) reports to the State, per quarter, the FTE's of the University. This is sent to the Finance office each quarter. An EBAF05 and EBA366 is run by PCA FTE. The total FTE should equal the sum of the HR report. These amounts are also recorded in the spreadsheet entitled ABESTxxxQTR. The FTE numbers by PCA are used for the ABEST/USAS reconciliation.
4. On a monthly basis, the amounts are analyzed and errors are researched and corrected. An example might be that an expense was put in the right PCA, however, the wrong appropriation number was recorded. Expenditure Transfer Vouchers (ETV) are needed to make corrections.

A sample of the spreadsheet used for reconciliation is attached (see *Exhibit A*).

I.4 BANK ACCOUNT RECONCILIATIONS

Prepared on a monthly basis under the supervision of the Director of Accounting. Any necessary adjusting journal entries are prepared by the reconciling accountant and are reviewed by a second accountant prior to data entry. Reconciliations are reviewed by the Director of Accounting or his/her designee.

1.4.001 Bank 75-Monthly Procedures

1. The bank tape for Current and Federal Funds Account #9406435440 can be downloaded on the 5th working day of the month. Fill out a Production Request Form (PRF) (see *Exhibit B*), file named "VJREC_N_BT", and send to the Computer Center. Bank

75 files are downloaded from the Bank and FTP downloaded to the Computer Center. This will run overnight and produce VBM001 (checks reconciled for the month and an error report if the check number did not match our list) and VBM094 (checks outstanding for the month closed). Also an FBM019 for the month following the month being reconciled is run after the VBM094 is run. This is used to identify any checks that were voided and not on the outstanding check list since the daily transactions affect the VBM094. When this report is run five (5) working days following the month being reconciled, voided checks are immediately dropped from the list.

2. Copy the prior month's file of the bank reconciliation for Bank 75. Change ending balances to the current month's balance being reconciled from the bank statement. Using the FBM019, update the ending balance and CR and CD totals of the GL for the month being reconciled.
3. A copy of the FBD017, produced by the Computer Center, is used for the detail of cash receipts. At this time, also trace the deposit, to a copy of the bank statement. Identify prior month's receipts that were recorded in the month being reconciled, so that the proof of cash may be completed.
4. Using the FBM019 (Cash Report by Bank), highlight all CRBXXX and CDBXXX items and agree to the bank statement. **Note: Batch listing debits on the bank statement sometimes contain cancelled checks and debit memos that the bank is recording as a transfer which was called in.** To verify this difference, see Bank Recap of Posted Items and compare the totals to the amount on the bank statement.
5. The NSF reconciliation is done on a separate work paper (see *Exhibit A*). The debit memos from the bank are mailed to Lamar and the cashiers post this data when received. The cashiers also write the date of the entry of the transaction on the debit memo. These are picked up by the reconciler to be used in compiling the data on the work paper. Corrections for prior months also need to be identified. After matching bank debit memos to G/L entries, record non-matched amounts and dates on the Analysis of Difference Section. From the Difference between Bank and Book Section record the balance as a reconciling item on the bank statement.
6. Report discrepancies and reconciling items to Cash Management personnel for them to research and prepare necessary adjusting entries.

7. Remove outstanding checks over six (6) months old from the outstanding check list and record them as a liability to account #010370 2111 A/P-UNCLAIMED CHECK. These checks will remain in this account for three (3) years from the date of issue and then will be sent to the State Comptroller's Office.
8. The filing of the unclaimed property report and its remittance will be sent according to the Unclaimed Property Diskette Reporting System (UPDRS). The period of abandonment is three (3) years and will be remitted when it reaches the required abandonment period as of June 30. It may be remitted any time between July 1 and November 1 of each year.

1.4.002 Bank 70-Monthly Procedures

1. Copy the prior month's file of the bank reconciliation for Bank 70. Change ending balances to the current month's balances being reconciled from the bank statement. Using the FBM019, update the ending balance and CR and CD totals of the GL for the month being reconciled.
2. A copy of the FBD017 is used for the detail of cash receipts. At this time, also trace the credit card deposit, to a copy of the bank statement. Identify prior month receipts that were recorded in the month being reconciled, so that the proof of cash may be completed.
3. Obtain a copy of American Express monthly statement from Cash Management. Give a copy of Discover monthly statement to Cash Management.
4. Report discrepancies and reconciling items to Cash Management personnel for them to research and prepare necessary adjusting entries.

1.4.003 Bank 95 - Monthly Procedures

1. The bank tape for Payroll Account #50-00839282 can be downloaded on the 5th working day of the month. Fill out a Production Request Form (PRF) file named EJBANK - EBC370 and EBC371 (*see Exhibit C*) and send to the Computer Center. Bank 95 files are downloaded from the Bank and FTP downloaded to the Computer Center. This will run overnight and produce EBC371 (checks reconciled for the month). Any checks not agreeing with number or amount, will be identified as bank paid, check never issued.

2. Copy the prior month's file of the bank reconciliation for Bank 95. Change ending balances to the current month's balances being reconciled from the bank statement. With the FBM019, the ending balance of memo Bank 95 and Bank 28 are totaled and CR (Bank 95) and CD (Bank 95 plus Bank 28) totals of the GL are also updated for the month being reconciled.
3. A copy of the FBD017 is used for the detail of cash receipts. Prior month's receipts that were recorded in the month to be reconciled, need to be identified so that the proof of cash may be completed.
4. The FBD018 (Cash Disbursements) is not copied. Instead, with a copy of the FBM019 (Cash Report by Bank) transactions, referenced items (CRBXXX and CDBXXX) are highlighted and the date of wire transfer is identified, which can be the prior month or the current month being reconciled. At this time trace the cash disbursement to the copy of the bank statement. **Note: Batch listing debits on the bank statement sometimes contain cancelled checks and debit memos that the bank is recording as a transfer that was called in.** To verify this difference, see Bank Recap of Posted Items and compare the totals to the amount on the bank statement.
5. Throughout the year, a work paper which identifies if there are any payroll feed problems is updated after each payroll run. A copy of the page in the EBCL26 (Accounting feed Change) which shows the amount that posts to Bank 28 and the last page of the EBC345 (Payroll Register Summary) is copied and attached to the work paper. If there are any void runs, a copy of the Payroll Register for that run is also attached. If there is an accounting feed difference, it is discussed with the Director of Payroll and an entry needs to be made for any differences. **Note: When a payroll correction is run for employees who will receive a check due to a refund in their deductions, gross payroll is not involved in the transaction.** HRS cannot handle a negative or zero gross payroll and the payroll feed to Bank 28 is wrong. The EBCL26 will not be correct as compared to the EBC345 and therefore Bank 28's cash disbursement is understated.
6. The outstanding check list is verified for all checks in sequence order. Any items not listed are noted in the left side of the report. Each of these need to be identified as void or replacement. Checks that are typed as replacements (check lost by employee) are put into HRS not by voiding the original check and reissuing a new check, but by changing the original check number by the manually typed replacement check number. The VBM094 for Bank 95 is run

at the close of the month. This is updated with a manually prepared disk in Word/WordPerfect which lists the check number, amount, and bank clearing date (i.e., 0111100000003500980202 - 23 spaces) and then converted to DOS Text. The PRF VJREC� is filled out and sent with the prepared disk to the Computer Center.

7. Any checks which need to be removed from the EBC371 (o/s check list) are given to the Director of Payroll. Another PRF EJBANK will have to be run in order to correct the outstanding check list. This occurs when a replacement check is put into HRS after the close of the month and the Bank tape is run before this entry and the tape indicates the check has cleared.
8. Report discrepancies and reconciling items to Cash Management or the Director of Payroll for them to research and prepare necessary adjusting entries.
9. Outstanding checks over 60 days will be removed from the outstanding check list and will be set up as a liability to account #0100952108 A/P-PR CHECK VOIDED. These checks will remain in this account for three (3) years from the date of issue and then will be sent to the State Comptroller's Office.

1.5 STUDENT RECEIVABLE RECONCILIATION - Monthly Procedures

Reconciliations are to be performed on a monthly basis and completed before the end of the next month (e.g., September reconciliation is completed before November 1).

At the time of month-end closing the following reports are run: FMB094 (FRS general ledger by account control) and BBRL05 (Billing and Receivables debit and credit detail and summary reports).

A spreadsheet is prepared to record the balances by account and account control from FRS and by debit and credit from BR. The columns are then totaled for differences. Reconciliations are then prepared from this spreadsheet and outstanding items and/or differences researched and corrected as needed either by journal entry in FRS or by a manual administrative correction in BR.

1.6 TRANSFERS BETWEEN FUNDS

1.6.001 Interfund Loans

Represent temporary borrowing between funds to compensate for

deficiencies in cash balances. Such borrowing is necessary to pay for goods/services in a timely fashion. Interfund transfers are temporary; therefore, do not impose any interest cost to the borrowing fund. Liquidation of interfund transfers occur generally in less than one month after they are initiated.

1.6.002 Mandatory Transfers

Defined as those transfers from the current funds group to other fund groups, generally arising out of binding legal agreements. These can be for financing educational plant, such as amounts for debt retirement, interest and required provisions for renewals, and replacements of plant, not financed from other sources. They also can be due to grant agreements with agencies of the federal government, donors, and other organizations to match gifts and grants to loan and other funds. Mandatory transfers may be required to be made from either unrestricted or restricted current funds.

1.6.003 Non-Mandatory Transfers

Defined as those transfers which move monies from the current fund group to other fund groups, made at the discretion of the governing board or management. These generally are to serve a variety of objectives, such as adding to loan funds, adding to endowment funds, general, or specific plant additions, voluntary renewals and replacement of plant and prepayments on debt principal.

I-7 SYSTEM AND ACCOUNT ATTRIBUTES

1.7.001 Transaction Codes

Describe the type of financial transaction. These codes consist of three digit numbers and are categorized as follows:

- 02n Budget Entries
- 03n Cash Receipts
- 04n Cash Disbursements
- 05n Encumbrances
- 06n Journal Entries
- 090 Bank Transfers
- 098 Beginning Balances

1.7.002 Object Codes

Object codes are grouped by Revenue/Expenditure pools, with specific types of Revenues/Expenditures being assigned a specific code within

the pool. The pools are grouped as follows:

0 - 999	Revenues
1000 - 1999	Salaries & Wages
2000 - 2999	Benefits
3000 - 3999	Maintenance and Operations
4000 - 4999	Travel
5400 - 5499	Capital Outlay
5500 - 5599	Library Capital

1.7.003 Balance Sheet Categories

Account controls classify general ledger transactions by Balance Sheet category. The categories are pooled as follows:

1100 - 1999	Assets
2000 - 2999	Liabilities
3000 - 3999	Fund Balances
4000 - 5999	Fund Transfers
9000 - 9999	Revenue/Expense Summaries

1.7.004 Data Storage

Storage of financial transactions is accomplished via CRT entry to the Financial Accounting (FA) System or its satellite systems, including Financial Reporting System (FRS), Student Information System (SIS), Billing and Receivables System (BR), Financial Aid Management (FAM), Budget Development System (BDS), and Human Resources System (HRS).

1.7.005 Chart of Accounts

The Chart of Accounts is maintained by the Accounting Office. Accounts are established by General Ledger type, using a six digit number.

A. The first digit identifies the ledger type:

0	=	General Ledger
1,3,5,7	=	Subsidiary Revenue Ledgers
2,4,6,8	=	Subsidiary Expense Ledgers

B. The second and third digits refer to the fund number:

10-13	Educational and General (State) Fund
14-15	Designated Fund
16-19	Auxiliary Fund
20-28	Restricted Scholarships
29	Restricted Other
30-33	Sponsored Programs-Federal

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34-35	Sponsored Programs-State
36-39	Sponsored Programs-Other
40	Loans-U.S. Government
41-49	Loans-University
50-58	Endowments-True
59-69	Endowments-Quasi
70-72	Retirement of Indebtedness
73-75	Net Investment In Plant
79	Renewals and Replacements
90	Agency

Account attributes are assigned on the Database Definition and are fully explained in the "Help" function (F2) associated with the account setup screens 002 (General Ledger) and 006 (Subsidiary Ledger). The attributes provide for various reporting and security functions.

1.8 TRANSACTIONS

1.8.001 Financial Transactions

Financial transactions of the University are accounted for by the Finance Office, which is the central office of accounting control. All accounting procedures and fiscal transactions, either new or changes thereto, are made with the knowledge and approval of the Vice President for Finance and Operations.

Each account manager is responsible for the funds and fixed assets of his/her department. Accounts are to be maintained in such detail as necessary to furnish accurate information to the Finance Office on revenues, other credits, expenditures, encumbrances, and other charges.

Statements of the transactions in departmental accounts are available using on-line inquiry capabilities of the Financial Reporting System (FRS). Financial transactions are available for inquiry by account managers on the FRS screens. The Accounting Office may distribute monthly reports of transactions to departmental account managers. Account managers are responsible for comparing their records with those in FRS and promptly reporting any differences. Records must be maintained in sufficient detail to allow for proper budgetary control by the account manager. Individuals in each department may be designated by the account manager to approve vouchers, requisitions, and similar documents in his/her absence. These designations of authority must be created and cancelled in writing upon changes in personnel or circumstances.

1.8.002 Approval of Journal Entries

Review of journal entries may be done by the Vice President for Finance and Operations; Assistant Vice President for Finance; Director of Accounting; Director of Cash Management; Senior Accountant; Supervisor of Accounts Payable, Director of Contracts and Grants, or Director of Payroll.

In the event that one of the above named prepares a journal entry, he/she should have it signed by an Accountant in the Accounting office or another of the above named.

Those performing review functions should carefully examine the entries and supporting documentation to insure the accuracy.

1.8.003 Account Create

Accountants are authorized to create accounts. A "FREEZE" flag should be set for new accounts and is to be released by the Director of Budget when the budget is setup. A "print screen" of Screen 002 for General Ledger accounts or Screen 006 for Subsidiary Ledger accounts, signed and attached to supporting information, and filed by the Accountant in an account maintenance file, completes documentation and audit trail.

The account maintenance file is a central file where documentation for all account maintenance resides.

1. Requests to establish new accounts in FRS must be accompanied by adequate written documentation for the Accounting Department to be able to determine the appropriate fund type for the new account. Unless it is self-evident, the documentation should also include a clear statement as to the purpose of the account.
2. Each account in the FRS ledger must be assigned to a "responsible person". This person is responsible for insuring that
 - a. The account is reconciled on a timely basis, if required.
 - b. For expense accounts, the account functions within budget, and all charges to this account are appropriate to the purpose of the account.
 - c. For revenue accounts, all revenue credited to the account is appropriate to the purpose of the account, and all revenue deposited is properly credited to the account.
 - d. All supervisors in the reporting chain above the responsible

person, will have inquiry access to the account on FRS.

1.8.004 Account Modify

Accountant level personnel are authorized to enter account modifications directly to FRS using "print screen" to document and file.

1.9 FINANCIAL REPORTS

Reports of the University's financial condition are prepared in accordance with the format approved by the Texas State Auditor's Office. Financial reports which are routinely prepared include:

1.9.001 Annual Financial Report

This report must be submitted to the State Comptroller according to the announced schedule. It details the University's fiscal condition and is prepared in accordance with recommendations contained in the Comptroller's *Reporting Requirements for Annual Financial Reports of State Colleges and Universities*. Financial statements are subject to public inspection.

The Annual Financial Report (AFR) is prepared under the supervision of the Assistant Vice President for Finance and is submitted to the Vice President for Finance and Operations for final review and approval prior to printing for distribution.

1.9.002 Monthly Financial Report

A monthly financial report is prepared by the Finance Office for presentation to the University Executive Council and The Texas State University System office. The report shall show, as of the last day of the preceding month, a summary of budget position, general ledger trial balance by fund groups, statement of realization of estimated income, and statement of departmental and other balances.

1.9.003 Annual Operating Budget

The Finance Office will prepare, for the President of the University, an Annual Operating Budget for his/her review and approval and subsequent submission to the TSUS Board of Regents in accordance with the TSUS Rules and Regulations.

1.9.004 Biennial Legislative Appropriations Requests

A Request for Biennial Legislative Appropriations is prepared by the

University for submission to the TSUS Board of Regents for approval and subsequent submission to the Legislative Budget Board, the Governor's Budget Division, and the Higher Education Coordinating Board, and other agencies.

1.10 ACCOUNTING AND RECORD KEEPING FOR STUDENT FINANCIAL AID

Accounting and record keeping is performed in both the Student Financial Aid Office and Accounting Office. The Student Financial Aid Office is responsible for the processing of financial aid after receiving an application and then the notification to students that they have been awarded financial aid. The Disbursement Acknowledgment Forms (1260's) are maintained in an orderly manner, by semester in the Cashier's office.

1.10.001 Work Study Program:

Work Study payments are processed through the Payroll Department. The Student Financial Aid Office maintains files for each Work Study student to determine eligible wages to be earned and actual earnings. Payroll information will be entered through Data Collect in Financial Aid Management file (FAM) on screen 362, 363, and 364 respectively.

1.10.002 Texas Public Education Grant Loan:

TPEG loans are entered into the Student Information System (SIS)/Billing and Receivables (BR) student accounts by Accounting after receiving notification from Student Financial Aid.

1.10.003 Residual Checks:

Financial Aid payments are updated by batch processing BBD120 into the General Ledger (FRS). The Accounting Office maintains data files on various scholarship, grant, and loan programs which are reconciled monthly to the General Ledger accounts. These include a reconciliation of Perkins, SEOG, Work Study, PELL Grant, TPEG Grant, TPEG Loans and STS. Also, a yearly Fiscal Operations Report and Application to Participate (FISAP) is filed for each federal year ending June 30 for Perkins, SEOG, Work Study and PELL. The FISCAL APPLICATION/FISCAL OPERATION report is prepared jointly by the Student Financial Aid Office and the Accounting Office.

1.11 FEDERAL AWARDS

Financial Aid Federal Awards for Perkins, SEOG, PELL, or Work Study are documented by an allocation letter from the Department of Education, specifying amounts to be received by Lamar University. As these funds are used, the Director of Contracts and Grants draws down funds through the Department of Education Grant and Payment System (ED-GAPS). Because the fiscal year for the Federal Government ends June 30, and the State of Texas fiscal year ends August 31, accruals must be made for funds allocated but not yet expended as of August 31. The Director of Accounting establishes these amounts as receivables in the University's General Ledger. After closing, these entries are reversed and expenses are recorded throughout the year as the funds are actually expended. At year-end the Director of Accounting, the Director of Contracts and Grants, and the Director of Student Financial Aid must review the awards and close them out.

1.12 FINANCIAL AID VOUCHERS

Financial Aid Vouchers are prepared by the Supervisor of Cashiering and/or Accounting Assistant Senior in Cashiering, and approved by the Director of Cash Management. Processing of financial aid vouchers occurs within five (5) working days of receipt of the vouchers. Check generation is the responsibility of the Accounts Payable Department.

Certain checks, such as PELL, SEOG, Perkins, Scholarships, and certain loan residuals, are automatically generated based on data in the Student Information System.

Vouchers using suspense account checks will be deposited into the appropriate clearing account (0-40371-1600, 0-41375-1600, or 0-41374-xxxx). This will alleviate the writing of multiple checks. The Accounting Office must routinely clear these accounts.

1.13 RECONCILIATIONS

Reconciliations are to be performed on a monthly basis and completed before the next month (e.g., August reconciliation completed before October 1).

Corrections to the financial records, based on the reconciliations, are made by journal entries performed by an Accountant in the Accounting Office. These entries are reviewed by the Director of Accounting.

An Accountant does the reconciliations on accounts which provide information to complete the Texas Public Education Grant Report for the Texas Coordinating Board:

2-12798-3901	Texas Work Study/requested
2-12799-3901	State Tuition scholarship/requested
0-41375-1415	TPEG-Texas Loan awarded/requested

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0-41376-1416	TPEG-Non Texas Loan awarded/requested
0-40371-1410	Perkins Loans awarded/requested
2-15505-3901	TPEG-Texas Grants awarded/requested
2-15506-3901	TPEG-Non Texas Grants awarded/requested
AFSA	Receivables From the AFSA ledger/submitted

An Accountant in the Accounting office does reconciliations on accounts which have information to complete the FISAP, PELL Report, and receivables for Institutional loans:

0-41375-1415	N/R TPEG-Texas Loan receivables/requested
0-41376-1416	N/R TPEG-Non Texas Loan receivables/ requested
0-41372-xxxx	United Student Aid, Inc.
0-41370-xxxx	N/R Jefferson County Loan receivables/requested
0-41369-xxxx	N/R Consolidated Student Loan receivables/requested
0-41379-xxxx	Eber Ephlin Loan Fund
6-330XX-3901	PELL Grant expenditures/requested
6-330XX-3901	SEOG Grant expenditures/requested
6-330XX-xxxx	Federal Work Study expenditures/requested

An Accountant in the Accounting office does reconciliations on the following accounts:

0-40371-1422	Perkins Principal Collected
0-40371-1423	Perkins Loans Assigned to the Federal Gov.
0-40371-1411	Perkins Notes Receivables
0-40371-1424	Perkins Military Cancellation before 1972
0-40371-1426	Perkins Cancellation for Teaching before 1972
0-40371-1427	Perkins Cancellation for Teaching after 1972
0-40371-1428	Perkins Cancellation for Death
0-40371-1429	Perkins Cancellation for Disability
0-40371-1430	Perkins Cancellation for Bankruptcy
0-40371-1431	Perkins Cancellation for Law Enforcement
3-40401-0112	Perkins Interest Collected
3-40407-0248	Perkins Late and Penalty Charges

1.14 REQUESTING REPORTS FROM THE COMPUTER CENTER

Requesting reports from the Computer Center is done to update files, pull information for a third party, do reconciliations, or for management requests.

Updates of files can only be processed by pre-approved staff as "Finals". These PRF's (Production Request Forms) should be requested around the same time each month. This will allow Data Entry to better manage computer time.

Reports are used to provide management with information to make decisions and

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fulfill requirements mandated by state or federal law. These reports should be reviewed as soon as possible to determine if the reports are correct and if they provide the required information. Currently, the Accounting office submits a PRF via the PRF screen to Data Entry. Data Entry must transcribe this information into a Control Card. Care must be taken to review the output and verify that Data Entry has entered the correct data into the Control Card.

Exhibits

- A Bank Reconciliation Form*
- B Production Request Form - VJRECN_BT*
- C Production Request Form - EJBANK - EBC370 & EBC371*