

**BOARD OF TRUSTEES OF THE NEBRASKA STATE COLLEGES**  
**ITEMS FOR DISCUSSION AND ACTION\FISCAL, FACILITIES AND AUDIT**

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**ACTION:** **First and Final Round Approval of Revisions to Board Policy 6003 - State Treasurer; 6004 - Cash Funds; 6005 - Establishing and Use of Reserves; 6006 - Depositories and 6030 - Foundation; Annual Reports**

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The following policies have been reviewed by the Colleges and legal counsel and put in the new format:

<b>Current Policy Number and Title</b>	<b>New Number and Title</b>
6003 - State Treasurer	6305 - State Treasurer
6004 - Cash Funds	6004 - Cash Funds
6005 - Establishing and Use of Reserves	6005 - Reserve Requirement
6006 - Depositories	6006 - Depositories
6030 - Foundations; Annual Reports	6900 - Foundations

Policy 6003 - State Treasurer - The policy number is being changed to 6305 and the policy is being put into the new format.

Policy 6004 - Cash Funds - A definition of cash funds is being included in the policy. Charges, fines, ticket sales and miscellaneous revenues are also sources of cash funds and that is now reflected in the policy.

Policy 6005 - Establishing and Use of Reserves - The policy title will be shortened to "Reserve Requirement" and guiding language about use of the reserve and reporting requirements to the Board have been added.

Policy 6006 - Depositories - The policy is being put into the new format with minor changes.

Policy 6030 - Foundation; Annual Reports - The name of the policy has been shortened to "Foundations" and the policy number is being changed to 6900.

The number changes reflect a plan to put similar policies together within the 6000 series.

The System Office recommends approval of the Revisions to Board Policies in the 6000 Series.

**ATTACHMENTS:**

- Revisions to Board Policy 6003 (PDF)
- Revisions to Board Policy 6004 (PDF)
- Revisions to Board Policy 6005 (PDF)
- Revisions to Board Policy 6006 (PDF)

- Revisions to Board Policy 6030 (PDF)

## Board of Trustees of the Nebraska State Colleges

### Fiscal Operations

POLICY  
NAME: State Treasurer

POLICY  
NUMBER: 60036305

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#### A. PURPOSE

To identify the authorized agent for processing warrants and making expenditures for funds not assigned to a trustee.

#### B. DEFINITIONS

None

#### C. POLICY

##### 1. State Treasurer

- 1.1. The State Treasurer is **the authorized** treasurer of the Board **of Trustees and the Colleges** by virtue of **his/her/their** office.
- 1.2. The State Treasurer shall pay, out of proper funds, all warrants for money to be expended. The warrants are to be drawn by the Director of Administrative Services on certificates by the **p**Presidents **of the Colleges** or their designee for **e**College-related expenses and the Chancellor for the System Office.
- 1.3. The Treasurer shall assure **him/herself** that all monies due and payable to the **e**Colleges are received, and payments are made on the basis of audited and certified vouchers evidencing payment for services rendered or materials received, and that the amounts to be paid are those agreed on for the specific services rendered or for the specific kind, quality and quantity of goods received.

#### FORMS/APPENDICES:

None

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**SOURCE:**

Legal Reference: RRS 81-1107      Director of Administrative Services; ~~D~~uties, powers, and responsibilities; ~~Improvement of administrative procedures; Control over services; Adoption of seal~~

RRS 84-602      State Treasurer; ~~D~~uties

RRS 85-302      Board of ~~T~~rustees; ~~O~~fficers; ~~B~~ody ~~C~~orporate; audit.

RRS 85-316      State ~~C~~olleges; ~~F~~unds; ~~C~~ontingencies; ~~D~~isbursements; ~~T~~ravel ~~E~~xpense.

**Policy Adopted:** January 1977

**Policy Revised:** February 1983, February 1989, March 1994, September 2006, April 2022

## Board of Trustees of the Nebraska State Colleges

### Fiscal Operations

POLICY NAME: ~~Cash Funds; Source and Use~~ Cash Funds

POLICY NUMBER: 6004

#### A. PURPOSE

To identify the sources and uses of cash funds.

#### B. DEFINITIONS

1. Cash Funds: Includes tuition and fees, with the exception of student activity fees and room and board fees. Also includes miscellaneous cash revenues assessed and collected locally by the Colleges.

#### C. POLICY

##### 1. **Source of Cash Funds**

###### 1.1. Tuition and Fees

The Board will adopt a tuition/fee schedule each spring for the following fiscal year. The Colleges are authorized to collect those fees and tuition from students, as well as other cash funds received in connection with ~~the~~ operations ~~of the college~~. A record shall be kept by each College separating such money into individual accounts for undergraduate, graduate, resident, non-resident, off-campus and online tuition and fees.

###### 1.2. Charges, Fines, Ticket Sales and Miscellaneous Revenues

The Colleges are authorized by the Board to assess charges and fines, and collect ticket sales and all other miscellaneous revenues to support operations.

##### 2. **Managing Cash Funds**

###### 2.1. Regular Deposits

As cash funds are collected by the Colleges, they shall generally be deposited each business day in federally-insured banks until such time that a transfer is made to the State Treasurer. All short-term deposits shall be placed into interest-bearing accounts such as money market funds. Any

cash funds ~~held received after the deposit~~ shall be locked in a College-designated location.

## 2.2. Cash Bank

~~Except that e~~Each College may retain in its possession a sum, not to exceed fifty thousand dollars (\$50,000), to function as a cash bank for make conducting cash transactions settlement and equitable adjustments with students so entitled, or to make payments for day-to-day operations calling for immediate payment, and to provide for contingencies. All such funds shall be maintained in an interest-bearing account such as a money market fund account.

## 3. Ownership and Use of Cash Funds

### 3.1. College Cash Funds

All ~~The Board shall cause all~~ money considered cash funds belonging to these funds, which are received under the authority delegated to the College administration, will to be deposited paid over to with the State Treasurer and to be placed to the credited to of each institution's Cash Fund.

### 3.2. Appropriated Cash Funds

All money shall become available when appropriated by the Legislature for ~~the use by of~~ the Colleges and shall, at all times, be subject to any limitations the orders by of the Board, ~~accordingly~~. No warrant shall be issued against such funds unless there is money in the hands of the State Treasurer to pay the same.

## FORMS/APPENDICES:

None

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## SOURCE:

Legal Reference:	RRS 84-602	State Treasurer; <del>d</del> Duties
	RRS 85-307	State <del>C</del> olleges; <del>p</del> resident; Collection of fees
	RRS 85-311	State <del>C</del> olleges; <del>M</del> atriculation fee; <del>i</del> nstitutional cash fund
	RRS 85-316	State <del>c</del> olleges; <del>f</del> unds; <del>c</del> ontingencies; <del>d</del> isbursements; <del>t</del> ravel <del>E</del> xpense
	RRS 85-501	State <del>e</del> ducational <del>i</del> nstitutions; <del>N</del> on-resident fees

**Policy Adopted:** March 1994

**Policy Revised:** August 1997, February 2006, June 2010, April 2022

## Board of Trustees of the Nebraska State Colleges

### Fiscal Operations

POLICY NAME: ~~Establishing and Use of Reserves~~ Reserve Requirement

POLICY NUMBER: 6005

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#### A. PURPOSE

To identify an appropriate reserve requirement to meet emergency needs, unexpected expenses and circumstances.

#### B. DEFINITIONS

None

#### C. POLICY

##### 1. Reserve Requirement

###### 1.1 Minimum

~~Beginning in 2019-20, t~~The eColleges are required to ~~maintain~~ build a reserve fund ~~into their succeeding annual operating budget~~ that is no less than eight percent (8%) of the ~~previous~~ current year's general and cash fund appropriations. ~~and to use those reserve funds when needed to address operating budget deficiencies.~~

###### 1.2. Purpose of Reserve

In any one fiscal year, there may be unexpected circumstances whereby current appropriations are insufficient to cover expenditures of an emergency or unpredictable nature. There may also occur extraordinary and unforeseen fluctuations of inflationary costs that would require the eColleges to draw upon contingent funds in order to adequately meet their current obligations. In addition, there may be instances where revenues fall short of planned or anticipated revenues. The reserve should be used as a last resort after adjusting budgets and expenditures, to cover the unexpected circumstance.

###### 1.3. Approval to Drop Below Minimum

~~If any circumstance causes a college to reduce reserve funds from the previous year's reserve, the college shall consult with the Chancellor in advance.~~ Approval must be requested from the Chancellor before initiating any action that would cause the reserve to drop below the eight percent (8%) minimum reserve. The

approval to drop below the minimum will be reported to the Board along with a plan and timeline to return the reserve to the minimum level.

## FORMS/APPENDICES:

None

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## SOURCE:

**Policy Adopted:** March 1994

**Policy Revised:** August 1997, September 2006, June 2008, November 2018, January 2020,  
April 2022



## Board of Trustees of the Nebraska State Colleges

### Fiscal Operations

POLICY  
NAME: Depositories

POLICY  
NUMBER: 6006

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#### A. PURPOSE

To provide direction on lawful bank accounts and security requirements for those banks.

#### B. DEFINITIONS

None

#### C. POLICY

##### 1. Local Depository Accounts

###### 1.1. Board Approval of Local Accounts

The Colleges ~~also~~ have bank accounts for which they are responsible. Such depositories, the designation of account, and the authority for withdrawal shall be approved by the Board ~~of Trustees~~. The approved depositories, description of accounts and authorized signatories to each account shall be recorded with the System Office. Recommendations for depository designation and withdrawal of such funds shall be presented to the Board prior to the start of each fiscal year. ~~for approval each year at the last meeting of the prior fiscal year.~~

###### 1.2. Authorized Accounts

All cash receipts shall be deposited in banks to the credit of the individual College or to the Board, as appropriate. No deposits can be held or placed in an account in any other name.

##### 2. State Treasurer Depository Accounts

###### 2.1. State Treasurer Oversight

The State Treasurer is responsible for certain bank accounts used by the Colleges as depositories, for which the Colleges do not have authority for withdrawal. The State Treasurer clears the deposits in these bank accounts periodically, and the amounts cleared by the Treasurer are credited to the accounts of the individual College or Board, as appropriate.

### 3. Security Requirements

#### 3.1. Legal Requirements

Each depository shall pledge a portion of its own securities as collateral for the accounts holding state funds on behalf of any of the Colleges. The collateral shall be provided using the procedures and in the forms as prescribed by the State Treasurer. prescribed in Neb. Rev. Stat. §77-2304 through §77-2306 and in the Public Funds Deposit Security Act in Neb. Rev. Stat. §77-2386 to §77-23,106.

- For the accounts under the control of the State Treasurer, the collateral shall be in the amount(s) required by that office.
- Collateral for accounts under the control of the ~~State~~ Colleges or ~~Board of Trustees~~ shall be equal to the largest amount of funds deposited and maintained in the separate accounts during the fiscal year, less the amount covered under the bank's Federal Depository Insurance Corporation insurance.

### FORMS/APPENDICES:

None

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### SOURCE:

Legal Reference: \_\_\_\_\_

RRS 77-2301 \_\_\_\_\_ State funds; deposit of funds; conditions  
RRS 77-2302 \_\_\_\_\_ Federal Deposit Insurance Corporation references; how construed  
RRS 77-2303 \_\_\_\_\_ State funds; depositories; bond required; approval; conditions  
RRS 77-2304 \_\_\_\_\_ State funds; depositories; form of bond  
RRS 77-2305 \_\_\_\_\_ State funds; depositories; limitations on amount deposited in any one bank  
RRS 77-2306 \_\_\_\_\_ State funds; depositories; security in lieu of bonds  
RRS 77-2386 - 77-23,106 Public Funds Deposit Security Act

**Policy Adopted:** January 1977

**Policy Revised:** February 1983, February 1989, March 1994, February 1995, September 2013, November 2017, April 2022

## Board of Trustees of the Nebraska State Colleges

### Fiscal Operations

POLICY NAME: Foundation; Annual Reports Foundations

POLICY NUMBER: 60306900

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#### A. PURPOSE

To identify expectations related to College Foundations.

#### B. DEFINITIONS

None

#### C. POLICY

##### 1. Foundation Agreements

The Colleges Foundations shall are required to maintain written collaborative agreements with their respective Foundations. The agreements must be approved, in advance by the Board of Trustees.

##### 1.1. Renewal of Agreements

Agreements will be generally renewed every five (5) to seven (7) years or more frequently if necessary.

##### 2. Annual Reports

##### 2.1. Financial Statements

Each separately incorporated foundation is requested to submit a copy of its annual audited financial report through the System Office at the end of each fiscal year to through the System Office, which will then be presented to the Board of Trustees, at the end of each fiscal year.

- It is understood that the accounting records of the private foundations will be maintained separately from those of the college.
- In addition, tThe Board of Trustees recommends that the private foundations incorporate those fund structures and accounting principles promulgated by the National Association of College and University Business Officers Administration and the AICPA - Audit Guide where applicable.

2.2. Foundation Support

~~In addition, e~~Each College is directed to submit an annual listing of funds, by general category and amount, provided to the College by its respective Foundation in support of the College.

**FORMS/APPENDICES:**

None

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**SOURCE:**

**Policy Adopted:** March 1994

**Policy Revised:** April 2022