

FINANCIAL MANUAL

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SECTION 100 INTRODUCTION**101 Purpose of Manual**

- A. The Manual of Accounting Policies of the Northwest Indian College is the official document of the Organization for the conduct of business and the accounting and administration for grants and sub-grants with the U.S. government and other funding sources.
- B. The purpose of the Manual of Accounting Policies is to provide detailed information on the accounting and administration of grants. This Manual should guide employees of Northwest Indian College in the application of various Federal and state laws and regulations to grants awarded by the U.S. government and other funding sources.
- C. This Manual constitutes all current fiscal policies and standards that have been developed by the Northwest Indian College, unless otherwise noted, through the time of issuance.

103 Scope and Organization

The general organization of the Manual of Accounting Policies is as follows:

Section 100 Introduction -- provides a description of the purpose of the Manual of Accounting Policies and its organization.

Section 200 Internal Control Policies – describes the system of organizational, systems and human controls in place to safeguard the assets of the Northwest Indian College and to ensure business is conducted in an ethical manner.

Section 300 Financial Management Policies – sets forth policies for the operation of the financial management structure of the Northwest Indian College.

Section 400 Accounting for Assets, Liabilities and Fund Balance – establishes policies for accounting for the Organization's assets, liabilities and fund balance.

Section 500 Revenue Policies – reflects when and how to recognize income from tuition and services of the Northwest Indian College to its funding sources.

Section 600 Cost Accounting Policies – deals with the measurement, assignment and allocation of costs of the Northwest Indian College to its various cost objectives.

Section 700 Cost Estimating Policies – describes those policies to be used in applying for grants with the U.S. government and the Organization's other funding sources.

Section 800 Property Management Policies – presents policies and practices over the identification, control and disposition of government property and Northwest Indian College owned property, equipment and materials.

Section 900 Compensation Policies – establishes policies over the control of compensation, cost-related fringe benefits, the status of employees and consultants, and the expenditure of funds on behalf of the Corporation by its employees.

Section 1000 Purchasing

105 **Definition of Terms**

When reference is made to terms herein, the terms defined in OMB Circulars A-102 and A-87

107 **Amending the Manual of Accounting Policies**

This Manual contains the essential fiscal policies of the Northwest Indian College, as determined by the U.S. government and other funding sources of the Northwest Indian College, applicable to grants and sub-grants as of the date of promulgation. From time to time, as additional matters require promulgation or changes to this Manual are appropriate, officials of the Northwest Indian College may amend this Manual.

SECTION 200 INTERNAL CONTROL POLICIES**201 General Business Conduct and Disclosure**

In general, the Code of Ethics of the Board of Trustees and the Staff of Northwest Indian College shall govern questions of ethical concern.

203 Compliance with Laws**A) Disclosure of Organization Information**

The organization's student, grant, financial and administrative information are valuable, intangible property assets. Protection of this information is vital to NWIC's continued growth and ability to provide quality services to students. Besides, unauthorized licensure of student information may be violation of the Privacy Act or applicable state law.

Under our country's laws, this type of information is treated as intellectual property, usually in the form of information, knowledge or know-how, the possession of which gives the owner some advantage over other organizations that do not possess it. To be protected under law, such information must not be generally or publicly know or must be patented or copyrighted if publicly disclosed. The organization's intellectual property assets are not always of a technical nature. Typical of such information are:

- A. Service information about specific students or grants
- B. Organization business, research and new service plans
- C. Operating plans
- D. Salary, wage and benefits data
- E. Employee, funding source and student lists

This list, while obviously not complete, suggests the wide scope and variety of organization information that must be safeguarded. Special safeguards should be observed for organization student, grant, financial, or administrative information. Such information is usually marked with a notice that imposes restrictions on the need to know within the organization. Even without these classifications, knowledge pertinent to work should remain in the office upon completion of the day's work. Upon leaving the employment of the College, the former employee's legal obligation is to protect the organization's intellectual property until it becomes clear that it has become publicly available or the organization no longer considers it necessary to restrict its use. Correspondence, printed matter, documents or records of any kind, specific process knowledge, procedures, and special organization ways of doing things are all the property of and must remain at the organization.

B) Political Contributions

No government funds or assets of the organization must be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office. The direct or indirect use of any funds or other assets of the College for political contributions in any form, whether in cash or other property, services, or the use of facilities, is strictly prohibited. This rule applies both inside and outside the United State, except in those cases permitted by law and expressly authorized by the Governing Body of the Northwest Indian College.

Following are examples of prohibited activities:

1. Contributions by an employee that are reimbursed through expense accounts or in other ways.
2. Purchase by the organization of tickets for political fundraising events.
3. Contributions in kind, such as lending employees to political parties or using organization assets in political campaigns.
4. Indirect contributions by the organization through suppliers, funding sources or agents.

C) Government Officials

Employees and related personnel of Northwest Indian College are legally prohibited from offering, promising, or bestowing money, gifts, loans, rewards, services, use of facilities, lavish or extensive entertainment, or other favors to a government official or employee with a view toward influencing or inducing such official or employee to use his/her influence to effect an action or decision. Employees must refrain from such acts.

This includes any employee of a Federal, state or local government agency.

No employee of Northwest Indian College will offer, give, or promise to offer or give, directly or indirectly any money, gratuities or other thing of value to any U.S. government employee with current or possible responsibility on an award of the organization.

The provisions of this code apply fully to anyone who acts for the organization. For example, an employee may not allow an agent to act on behalf of the organization. If anyone knows or has reason to believe that the agent would disregard the code or any law in performing duties, bring it to the attention of the President.

The provisions in this section are not intended to prohibit traditional native practices of gift-giving in thanks or recognition.

D) Commercial Bribery

Employees and related personnel are not allowed to make a payment either directly or indirectly or as a kickback to influence someone else, nor are you allowed to accept anything of value from someone who wants to do business with the organization. With the exception of government officials acting on a procurement, inexpensive advertising and promotional items are not considered to have “value,” and an occasional business meal may be accepted or given if it has a value of under \$25.

In some business relationships outside the government, an occasional gift is appropriate as provided for in the College Code of Ethics.

If you are asked to make or accept a payment or gift in any form prohibited by this code, report the matter to your supervisor immediately.

E) Record Keeping

To provide an accurate and auditable record of all financial transactions, Northwest Indian College books, records, and accounts must be maintained in conformity with generally accepted accounting principles. Managers and directors are responsible for safeguarding organization assets and for maintaining an auditable record of financial transactions.

Further, the organization specifically requires that:

1. No funds or accounts may be established or maintained for purposes that are not fully and accurately described on the books and records of the organization.
2. Receipts and disbursements must be fully and accurately described on the books and records of the organization.
3. No false entries may be made on the books or records nor any false or misleading reports issued.
4. Payments may be made only to the granting party or a valid assigned party and only for the actual services rendered or products delivered. No false or fictitious invoices may be paid.

If you have reason to believe that the organization’s books and records are not in accord with the forgoing requirements, report the matter to the president.

205 Employee Conflict of Interest

Please refer to NWIC Policies and Procedures and Board Code of Ethics and Conflict of Interest statement. A conflict of interest exists if certain of our outside business or other

interests may adversely affect your motivation or performance.

207 Ethical Standards in Bidding, Negotiation and Performance of U.S. Government Awards

- A. The organization will strictly observe the laws, rules and regulations that govern acquisition of goods and services as they apply to non-profit, post- secondary institutions. Northwest Indian College will compete fairly and ethically for such business opportunities.
- B. Employees involved in the negotiation of grants will make all reasonable efforts to assure that all statements, communications and representations to funding source representatives are accurate and current. Care should be taken by personnel in a position to know that there are no material substitutions from specifications and the products meet or exceed contractual specifications.

208 Organizational Conflict of Interest or Self-Dealing

Organization will strictly observe the laws, rules and regulations, which govern acquisitions of good and services by the U.S. Government. Northwest Indian College may not be organized and operated for the benefit of an affiliated or unaffiliated organization or an individual in his or her own private capacity, unless the private benefit is considered merely incidental. This private benefit preclusion will extend to:

- A. Sale or exchange, or leasing, or property between the agency and an affiliated or unaffiliated organization or a private individual
- B. Lending of money or other extension of credit between an agency and an affiliated or unaffiliated organization or a private individual
- C. Furnishing of goods, services or facilities between the agency and an affiliated or unaffiliated organization or a private individual
- D. Payment of compensation, unless authorized by the Board of Trustees, to an affiliated or unaffiliated organization or a private individual
- E. Transfer to, use by, or for the benefit of a private individual of the income or assets of the College.

209 Governing Body Authorities

The authority of the Board of Trustees is described in the College Charter and Bylaws.

Further, the Board shall have the sole authority to approve and will incorporate into its own minutes such matters as: (1) incurrence of debt, mortgages or other encumbrances and their covenants and restrictions, (2) payment or performance guarantees of third parties, (3) investment policies (4) depository and investment banks and brokerage firms (annually), (5) purchase or sale of property, (6) contracts or subcontracts of over

\$1,000,000, (7) entering into any license or technology transfer agreement, (8) leasing of real property involving a duration of over 5 years, (9) risk management decision involving more than \$50,000, (10) institution, termination or settlement of any litigation in controversies, (11) opening up or closing checking or savings accounts, (12) selection of the College’s public accounts.

In reference to acquisitions of property such as land, please refer to charter

213 Signature Authorities

A. Expenditures for:		
Type of Expenditure Or Transaction	Amount	Authority by Position
1. Major investments (capital construction in progress; sale/leaseback arrangements; major modifications or betterment; intangible assets.)	Up to \$499,999	President
	\$500,000 or more	Board of Trustees
2. Capital asset purchases (e.g. vehicles, equipment, etc.)	Up to \$249,999	President
	\$250,000 or more	Board of Trustees
3. Leases and rental transactions (direct or indirect)	Up to \$9,999	Vice President
	\$10,000 to \$249,999	President
	\$250,000 or more	Board of Trustees
4. Legal fees and retainers	Any Amount	Board of Trustees
5. Other Contracts	Any Amount	President or delegate

B. Business Commitments and Authorizations – INSTITUTIONAL BUDGET		
1. Budget Modifications	Up to 10,000	Between departments with President or discretion of budget authority
2. Expenditure of additional institutional funds, including Reserve	Up to \$20,000	Vice President
	20,001 to \$99,999	President
	\$100,000 or more	Board of Trustees
3. Increase in revenue line item	Over \$100,000	Board of Trustees

C. Banking and Financing		
1. Password access to Bank accounts		Finance Director and President
2. Authorized to negotiate and commit the college to financing more arrangements	Any Amount	Board of Trustees
3. Authorized to execute investments		Finance Director President

4. Debt authorizations – Consistent with authorities in A.	a. Use Line of Credit	President/delegate Foundation Secretary
	b. Short-Term debt (less than 2 years)	President
	Long-term debt	Board of Trustees
D. Relocation Expense	Any	President
E. Other Costs		
1. Time card approvals		Immediate Supervisor
2. Exempt overtime authorization		Immediate Supervisor
3. Association dues		Department Manager
4. Compensatory time off		Immediate Supervisor
5. Travel authorization	All	Supervisor
6. Temporary Travel Advance	All	Supervisor
7. International Travel	All	President
F. Other matters		
1. Disposal of capital assets	Up to 24,999	Vice President
	Over \$25,000	President
2. Land Transactions	All	Board of Trustees
3. Authorized to apply and accept grants or contracts	All	President or delegate

*Proposed by the Admin Team – 8/03/2011
 First Reading of the Board of Trustees – Sept 2011
 Review by the Admin Team – 5/30/2012
 Final Approval by the Board of Trustees – June 13, 2012*

*Reviewed by Finance Committee –6/25/2013
 Review by the Admin Team – 7/03/2013
 Approval by the Board of Trustees – 9/11/13*

215 Endorsement Requirements for Northwest Indian College Checks

A. All checks issued by the Northwest Indian College should be signed by two authorized officials, each of whom is independent of the control of the other person.

<u>Title of Official</u>	<u>Maximum Check-Signing Threshold</u>
President & Board of Trustees Chair	All Amounts

B. The practice of pre-signing blank checks is a specific violation of the Organization’s internal control.

217 Political Activity

- A. The Hatch Act and the Intergovernmental Personnel Act of 1970 preclude Federal funds from being used for partisan political purposes of any kind by any person involved in the administration of Federally-assisted programs.
- B. Employees of Northwest Indian College are precluded, during periods of compensated time, from lobbying, preparing political publications or materials, making partisan political speeches or engaging in related activities intended to influence legislation or to promote a political party or candidate.

219 Equal Opportunity, working conditions and Environment

Refer to NWIC Personnel Policies and Procedures

221 Davis-Bacon Compliance

- A. For all construction, etc., covered by the Davis-Bacon Act, all laborers and mechanics employed by grantees or sub-grantees to work on construction projected financed by Federal assistance must be paid wages not less than those established for the locality of the project by the Secretary of Labor.
- B. Northwest Indian College will insert the appropriate contract provisions regarding the Davis-Bacon Act in all applicable invitations for bid/requests for proposal, and resulting contracts.
- C. Northwest Indian College will require all contractors and subcontractors to which the Davis-Bacon Act applies to certify all salaries and wages in compliance with the Act. Appropriate personnel of Northwest Indian College will examine the payroll records of such contractors on a sample basis to determine compliance with the Davis-Bacon Act.

223 Relocation Assistance Compliance

For grant activity involving displacing residents or businesses in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. Northwest Indian College will make arrangement for locating adequate replacement housing or facilities and paying any appropriate compensation.

225 Control of Non-Contemporaneous Cost Transfers

For all transfers of costs from one grant to another, and from a direct cost to an indirect cost or vice versa, made on other than a contemporaneous basis, Northwest Indian College will:

- A. Have available in its accounting records an appropriate written justification statement for any cost transfers.

- B. Obtain the written approval of the Finance Director
- C. Reflect the adjustment in its General Ledger

228 Retention of Records

- A. Northwest Indian College will retain Financial Records consistent with guidelines established by appropriate and relevant authorities.
- B. In accordance with the “Guide to Record Retention Requirements,” National Archives and Records Administration, U.S. Department of Commerce, for the Internal Revenue Service, the following records will be retained for the indicated minimum periods:
 - 1. For six years after the close of the fiscal year is completed, accounts payable and accounts receivable ledger, payroll register, inventory ledger, bad debt write-off supporting details, cash book check register and checks, invoices (funding sources and vendors), and insurance safety reports.
 - 2. **Permanently:** Audit reports, chart of accounts, financial statements, general ledger, fixed asset records, journal vouchers, profit and loss statements, tax returns, annual corporate reports, charters and by-laws and minutes, grants and agreements, tax and legal correspondence, incorporation records, labor grants, insurance claims and policies, accident reports and retirement and pension records.
- C. The disposal date determined under this policy will be the end of the fiscal year in which occurs the anniversary date of the required number of years from the act specified or, where not specified, from completion of a grant, date of final payment of a grant or year in which an entry is made charging or allocating a cost to a government grant, as the case may be.
- D. All records not supporting government grants or otherwise covered by rules of the Internal Revenue Service will be retained for three years from the end of the fiscal year in which the records were originally prepared.
- E. If any litigation, claim, negotiation, audit other action involving the records has been stated before the expiration of the three-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.
- F. All financial records will be maintained in chronological order, organized by fiscal year, starting with the fiscal year commencing July 1, 1996. No separate files or accounting records will be maintained by individual grants.
- G. In connection with the disposal of any records, a memorandum of record disposal will be prepared by the designated Records Disposal Officer listing the record or the class of records disposed of. This memorandum of records disposal will be certified by the Finance Director.

Approved by Board of Trustees – 10/19/11

229 Government Access to Records

The Finance Director will provide access to the organization’s records to the Comptroller Federal or his designee and provide supporting records as requested by government auditors to facilitate the completion of such audits or reviews.

231 Security of Financial Data

- A. The organization’s automated accounting system will have sufficient build-in general controls and application controls to preclude unauthorized access to data.
- B. Access to any computer based financial data will be granted on a need-to-know basis and will be restricted by a series of passwords to be revised as needed.
- C. The system’s accounting data will be backed up after use and stored in a safe location.

233 Security of Corporate Documents

Originals of the following important corporate documents will be maintained at the indicated location and its presence verified on a periodic basis:

Document	Location	Frequency of Inventory
Minutes of Governing Body	President’s Office/Library	Annual
Banking agreements	Finance Director	Annual
Securities	Safe in Accounting	Monthly
Financing Documents	Finance Director	Annual
Leases	Account’s Payable	Annual
Insurance Policies	Finance Director	Annual
Contracts and Sub-Contracts	President’s Office	Annual
Joint venture agreements	President’s Office	Annual

235 Use of Northwest Indian College Assets

- A. No employee of Northwest Indian College may use any Northwest Indian College, equipment, materials or supplies for personal use without the prior approval of President.
- B. Any such uses of Northwest Indian College assets for personal purposes may be reportable to the Internal Revenue Services for tax purposes.

237 Other Internal Control Policies

As an organization doing business with the U.S. government, Northwest Indian College has instituted the following additional internal control policies related to its government grants:

- A. Cost data will be reconciled on a sample basis with labor and materials distributions and verified with source records (i.e., time cards, purchase orders, etc.)
- B. Labor charges will be periodically compared with work actually performed on a sample basis.
- C. Any alteration made to the time card by an employee or a project supervisor will be justified in writing on the source document.
- D. Costing data will be periodically reconciled with the books of account or, if not integrated, with control accounts.
- E. Government invoices will be periodically compared on a sample basis with the underlying time charges and the timesheets.
- F. Charges on representative invoices will be compared with the timing of labor and materials payments.
- G. Representative invoices will be compared with approved costs in the cost proposal before submission.

SECTION 300 FINANCIAL MANAGEMENT POLICIES**301 Fund Accounting**

- A. Northwest Indian College's accounting system will be organized and operated on a fund basis. As such, Northwest Indian College will maintain and general fund and such special funds as circumstances dictate.
- B. Northwest Indian College's general fund will account for all financial resources except those required to be accounted for in another fund.

303 Special Funds and Account Groups

- A. Northwest Indian College will maintain separate restricted fund.

The funds that Northwest Indian College will maintain are as follows:

- Unrestricted Fund
- Restricted Fund
- Temporary Restricted Funds

- B. Account groups will be maintained for fixed assets of Northwest Indian College and General Fixed Assets Account Group.
- C. Expenditures and operating transfers will be recorded when the related liability is incurred.
- D. Inventories for the bookstore will be accounted for using the first in first out basis. Other items under the purchase method.

307 Fund, Transfer, Revenue and Expense Account Classification

- A. As stated in NCGA-1, inter-fund transfers and proceeds of general long-term debt issues should be classified separately from fund revenues and expenditures or expenses.
- B. Governmental fund revenues should be classified by fund and source. Expenditures should be classified by (i) fund, (ii) program, (iii) location (iv) department, (v) principal object cost categories (i.e., salaries and wages).
- C. Proprietary fund revenues and expenses should be classified in essentially the same manner as those of similar business organizations, k functions or activities.

309 Incurred Costs

Outlays or expenditures represent charges made to the project or program. They may be reported on a accrual basis. For reports prepared on a cash basis, outlays are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expense charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to sub-grantees. For reports prepared on an accrual basis, outlays are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expenses incurred, the value of in-kind contribution applied, and the net increase (or decrease) in the amounts owed by the grantee for goods and other property received, for services performed by employees, grantees, sub-grantees and other payees and other amounts becoming owed under programs for which no current services or performance are required such as annuities, insurance claims and other benefit payments.

311 Repayments

Payments for prepaid goods and services such as insurance and rent will be allocated between or among accounting periods.

313 Elements of an Acceptable Financial Management System

- A. Northwest Indian College will maintain records and make reports in such form and containing such information as may be required by its funding sources. Northwest Indian College will maintain such accounts and documents as will serve to permit expeditious determination of the status of funds and the levels of services, including the disposition of all monies received from its funding sources and the nature and amount of all charges claimed against such funds.
- B. Title 45 Code of Federal Regulations Subpart 74.61 (b) and the administrative rules of other Federal agencies require that grantees or sub-grantees have records that identify adequately the source and application of funds for grant or sub-grant-supported activities. At a minimum, these records will contain information Pertaining to grant or sub-grant awards, authorizations, obligations, unobligated balances, assets, outlays, income, and, if the recipient is a governmental entity, liabilities.
- C. Northwest Indian College will maintain on a current basis at a minimum:
 - 1. General Journal,
 - 2. General Ledger,
 - 3. Separate or combined Cash Receipts and Disbursements Journal or Voucher Register,
 - 4. Payroll Register,

5. Fixed Assets Register for all owned and leased property and equipment,
6. In-Kind Journal/Worksheets,
7. Project Cost Control Subsidiary Ledger/Worksheets, and
8. Bank statements reconciled.

314 Requirements of sub-grantees, grantees, contracts, and sub-contracts

The provisions of #314 C shall apply to all grantees, sub-grantees, contractors and sub-contractors of Northwest Indian College.

315 Cash Management

- A. Only cash necessary to meet anticipated day-to-day outlays plus a reasonable cushion of 5% for contingencies will be kept available.
- B. Any excess cash will be invested in short-term investments having maturities of less than one year.
- C. A schedule of aged accounts receivables will be prepared quarterly and reviewed for collection. Appropriate collection procedures will be initiated. Follow-up contacts will be recorded and maintained in a log for used in any legal proceeding.
- D. Northwest Indian College will maintain a financial forecasting system to adequately forecast its fund flows – intake and outgo – and needs.
- E. According to Treasury Circular 1075, the time elapsed between the transfer of funds from the U.S. Treasury and disbursement by Northwest Indian College should be minimized and should be limited to the actual, immediate cash requirements of Northwest Indian College.
- F. If required by the Federal agency, Northwest Indian College will insofar as feasible, limit cash advances in the hands of their sub-grantees or grantees to not more than three day's needs.
- G. Fiscal personnel of Northwest Indian College will ascertain through telephone contact and other means the actual cash balances held by its sub-grantees and grantees.

317 Cash Concentration and Investment Policy

- A. On a nightly basis, excess funds will be swept into an overnight investment account at the College's duly designated bank. \$100,000 will be maintained in the account, overnight to defray bank charges.

319 Cash Forecasting

- A. The Finance Director will be responsible for preparing and maintaining a cash forecast.
- B. The cash forecast will be updated monthly, except when cash balances are of concern and then weekly.

323 Accounts Receivable Aging Criteria

Accounts Receivable outstanding will be aged on a thirty/sixty/ninety/over-one hundred eighty day basis.

327 Selection of Lenders

- A. Northwest Indian College will select banking and other financial institutions from which to borrow based on preferential terms obtained and minority-ownership status/accessibility consistent with other factors/potential business contacts/etc.
- B. Various capital sources will be compared by Finance Director and President before financing arrangements are decided.

329 Institutional Budgeting

A. The NWIC Board of Trustees grants appropriate autonomy to the Administration of NWIC with regard to all institutional finance and budgetary business. This practice is consistent with the Charter and Bylaws of NWIC Board of Trustees.

1. The Fiscal Year of NWIC begins July 1 and ends June 30
2. The Board evaluates and approves the annual operational revenue and expenditure budgets presented by the management of NWIC prior to the beginning of the fiscal year and, if necessary, a budget modification mid-year.
3. The Board will consider a three year projection of basic operational revenues and expenditures each year with initial approval of the annual operational revenue and expenditure budget, and mid-year, if necessary.
4. The Administration will implement a process for development of the institutional budget that results in a balance of revenue and expenditure, inclusive of an initial annual reserve, if feasible.
5. Budgeting for capital construction shall occur in a separate process, facilitated by and through the President's office and shall report to the Board of Trustees, as agreed.

*Reviewed by the Finance Committee – 11/09/2010 – Approved for review by Admin Team
Reviewed by the Admin Team – 11/23/2010 – approved for Board of Trustees
Approved by the Board of Trustees – 10/19/11*

335 Budgeting - Reserve Account

- A. Purpose:
The intent of this policy is to monitor and manage cost savings throughout the year within the existing budgeting process by institutionalizing a process wherein anticipated cost savings are transferred into an internal Reserve Account.
- This policy is not intended to represent or refer to an Institutional Cash Reserve (Ref: Section #445) that exists outside of the annual budgeting process and is intended to support institutional operations in the event of revenue short fall.
- B. Policy:
1. This policy outlines:
 - a. The creation of a Reserve Account
 - b. The budget authority of the Reserve Account
 - c. Management of the Reserve Account
- C. Administration:
1. The Finance Office shall have the responsibility to establish a separate account within the institutional budget entitled Reserve Account and making the debits and credits to the account, consistent with established procedure.
 2. Budget authority for the Reserve Account shall reside in the President's office
 - a. The President may delegate, at their discretion, budget authority for the Reserve Account
 - b. Such delegation shall be in writing and shall be on file in the Finance Office.
- D. Procedures:
1. The Finance Office shall establish a separate account entitled Reserve Account.
 - a. The President may request delineation of the Reserve Account into separate accounts as necessary to manage reallocation. The Finance Office shall ensure the Reserve Account can accommodate this flexibility
 2. The President, or their delegate, shall initiate transfers/entries into the Reserve Account.
 - a. Upon identification of potential cost saving – such as unfilled or eliminated positions/projects – the President, or their delegate, shall complete a Reserve Account transfer form.
 - b. The President may also re-allocate funds from the Reserve Account, at her discretion, utilizing the Reserve Account transfer form.
 - c. The Reserve Account transfer form shall be sent to the Finance Director for processing.
 1. The Finance Director shall ensure entries to the Reserve Account are made in a timely way.

2. The Finance Director shall maintain all records of the Reserve Account activity, according to audit guidelines.

*Reviewed by Administrative Team – 11/3/2010 – approved for BOT Review
Approved by the Board of Trustees – 10/19/11*

337 Financial Reporting

The Finance Director will maintain supporting records in sufficient detail to prepare financial statements or reports for the reporting entity as defined by GASB 14, including:

A. Annually:

1. Governmental financial report according to NCGA-1, including:
 - a) General purpose financial statements
 - b) Combining financial statements (by fund type)
 - c) Individual fund and account group statements
 - d) Schedules
2. Annual budget(s)
3. Indirect cost submission to the organization's cognizant audit agency

B. Monthly:

1. Trial balance
2. Invoices to the organization's funding sources
3. Cost summaries and analyses, by grant and group of grants

C. Quarterly:

1. Financial status report
2. Record of cash transactions
3. Quarterly progress report

D. Periodically:

1. IRS forms 941, and payroll tax returns and comparable state taxing authority returns.

2. Other reports upon request.

339 Audit

- A. Northwest Indian College will have conducted annually a full-scope audit by a qualified independent public accountant. The audit will be conducted in accordance with generally accepted government auditing standards covering financial and compliance audits.

341 Scope of Audit Report

The Single Audit provides that the audit will cover the entire operation of Northwest Indian College.

1. The financial statements and the accompanying schedules of the College present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles.
2. The organization has internal accounting and other control systems to provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations.
3. The organization has complied with laws and regulations that may have a material effect on its financial statements and on each major Federal assistance program.

343 Procuring Audit Services

- A. In arranging for audit services, NWIC will follow the procurement standards for retaining professional services. Small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals will have the maximum practical opportunity to participate in audit contracts awarded under this section.
- B. In soliciting and retaining auditors to conduct the annual audit, NWIC must make specific reference in its request for proposal and any resulting contract that the auditor would be required to conform its audit to the contract requirements in the Single Audit Act of 1984, PL 98-502, and OMB Circular A-128. This would relate to the scope of the audit, standardize audit report, reportable events, monitoring by the granting agency and quality assurance review, access to audit work papers, plan for corrective action and resolution of audit finding.
- C. The audit solicitation and any resulting contract for audit services will make specific reference that "if it is determined that the contractor's audit work was unacceptable as determined by the granting agency or a Federal supervisory

agency, either before or after a reasonable time after a draft for final report was issued because it did not meet the granting agency's standards, the AICPA Standards or those promulgated by the Comptroller General of the United States, the contractor may, at the written request of Northwest Indian College, be required to re-audit at its own expense and resubmit a revised audit report which is acceptable."

- D. Northwest Indian College may award multi-year audit contracts of not longer than three-year duration.
- E. The audit report will be submitted to the granting agency by Mar 31st, 9 months following the close of the fiscal year.

345 Audit Resolution

- A. Northwest Indian College will systematically assure the timely and appropriate resolution of audit findings and recommendations.
- B. Northwest Indian College will ensure that appropriate corrective action, including settlement and payment of any unacceptable costs, is taken within six months after receipt of an acceptable audit report for a sub-grantee in instances of non-compliance with Federal or state laws and regulations.

347 Auditor Selection

The NWIC Board of Trustees selects the auditor following an appropriate procurement process.

349 Internal Audit Capacity

- A. The Finance Director will have responsibility to assure that there are:
 - 1. Controls in place to safeguard assets.
 - 2. The accuracy, completeness and timeliness of financial and operating information.
 - 3. Compliance with policies, laws and regulations.
- B. Internal audit activities will be coordinated, to the extent practicable, with the organization's public accountants so as to enhance audit efficiency.

351 Chart of Accounts

The principal account groupings in the chart of accounts of Northwest Indian College are as follows:

- **01-1-00000-000-00000-1005 to 1499 - Current Assets** - Cash and other assets that will be realized in cash, sold or consumed during the normal operating year of business.
- **01-1-00000-000-00000-1100 to 1105 – Cash** on deposit with banks and on hand at offices exclusive of time deposits shown below: Do not include funds that are in blocked accounts or bank overdrafts.
- **01-1-00000-000-00000-1110 to 1999 – Marketable Securities** - Securities held on a non-permanent basis and readily marketable.
- **01-1-00000-000-00000-2100 to 2500 – Current Liabilities** - Debits or obligations that are payable out of Current Assets within the current operating year.
- **01-1-00000-000-00000-2115 – Bank Short-Term Fixed Rate Loans, Unsecured.** Bank Loans for periods up to one year at a set rate without security pledged by the borrower.

370 Student Accounts – Registration/Transcript Hold

I. Purpose

A. The purpose of the Student Accounts – Registration/Transcript Hold is to:

1. Insure Students Account debt is minimized
2. Maximize payment of tuition and fees
3. Define the process of a Registration/Transcript Hold
4. Define the impacts of a Registration/Transcript Hold

II. Implementation of Registration/Transcript Hold

A. Establishing a due date for payment of tuition

1. All tuition is due, in full, before early registration opens for the following quarter. Currently, this requires tuition to be paid, in full, by the end of the 7th week of the quarter.
2. The Due Date for tuition payment shall be published in all registration, financial aid and student accounts related materials, offices and processes.

B. Identification of Students for Registration/Transcript Hold

1. Students with a balance of \$500 or more after the due date for tuition payment has passed will have a Registration/Transcript Hold applied to their account.

C. Application of the Registration/Transcript Hold

1. The Business Office will be responsible for application of a Registration/Transcript Hold
2. The Business Office will provide a list of students affected by a Registration/Transcript Hold to Student Services within one week of the application of the Registration/Transcript Hold
3. The Business Office will make sure the Student Invoices/Statements clearly and visibly state the timeline for payment of accounts and the Registration/Transcript Hold, if it is applicable.
4. In addition to a hold on registration and transcripts, students with a Registration/Transcript Hold cannot receive their diplomas or participate in graduation ceremonies.

D. Response by Student Services

1. Student Services will have a “response plan” for supporting students affected by a Registration/Transcript Hold which includes, but is not limited to: Notification to the Student; Financial Aid and scholarship application support, and; Financial Literacy training.
2. Students Services may implement a Payment Plan with students with account balances, but this will not affect the application of the Registration/Transcript Hold process.

III. Removal of Registration/Transcript Hold**A. The Business Office will be responsible for the removal of a Registration/Transcript Hold****B. Removal of a Registration/Transcript Hold For Reenrollment**

When the student account balance is less than \$500, the student will be allowed to register for classes.

C. Removal of a Registration/Transcript Hold For Transcript Release

When the student account balance is zero, the student will be allowed to request an Official Transcript.

D. Removal of a Registration/Transcript Hold With a Third Party “promise to pay”

1. If a Third Party provides the Business Office with a legitimate “promise to pay” a student account, in full, the Registration/Transcript Hold will be suspended only through the end of the current quarter.
 - a. A legitimate Third Party shall be defined as a State, Federal or Tribal program typically connected to payment of student tuition and fees

- charges. This includes an assurance from the Financial Aid Office that student aid is pending and assured by the end of the current quarter.
- i. A legitimate “promise to pay” may come in the form of an email from a program official, a document containing a program official’s signature or a documentable phone call to the business office from a program official.
 - b. If the “promise to pay” is not fulfilled by the end of the current quarter, the Registration/Transcript Hold will be upheld and student will be responsible for payment.
 - i. If the “promise to pay” is not fulfilled by the end of the current quarter and the student has registered for the following classes during early registration, the students will be withdrawn from the classes via Administrative Withdraw.
 - c. A Permanent employee of NWIC who has a active and current payroll deduction that will result in their student debt being paid in full by the end of the current quarter will be extended the considerations of a Third Party “promise to pay” waiver.
2. When a Registration/Transcript Hold is suspended due to a Third Party “promise to pay”, the student will not be entitled to an Official Transcript and will not be provided a credit for purchase of books through MBS.
 3. A “promise to pay” by a Third Party does not eliminate the student’s responsibility for payment of the student account.

*Electronic Review by Finance Committee – August 31, 2012
Approved by Admin Team – September 5, 2012
Presented for Board 1st Review – September 19, 2012
Approved by the Board – November 2, 2012*

**SECTION 400 POLICIES RELATED TO ASSETS, LIABILITIES AND FUND
BALANCE****410 ASSETS****411 Bank Accounts**

- A. Bank accounts for the indicated purpose(s) and limitation(s) shall be authorized by the Board of Trustees of Northwest Indian College on an annual basis at the annual meeting and only at an FDIC insured bank.
- B. To the maximum extent practical, Northwest Indian College funds will be maintained in interest-bearing accounts.
- C. In addition to maintaining its accounts in FDIC-insured banks, Northwest Indian College has taken the following additional precautions to ensure the security of its funds: (1) sweeping all amounts daily beyond \$100,000 into interest-bearing accounts backed with U.S. government securities, (2) negotiating with the bank or obtaining separate coverage for additional insurance on its overall deposits beyond \$100,000, and/or (3) periodically obtaining and reviewing the credit rating of each financial institution it does business with.
- D. Consistent with the organization's goal of expanding opportunities for minority business enterprises, banks which are minority or women-owned, to the extent they are available locally, will be given preference in the selection of the Organization's banking establishment(s)

415 Account's Receivable

As the terms and conditions of grants with the states, tribes and U.S. government permit, Northwest Indian College will progress and provisionally invoice for costs incurred/milestones met.

417 Excess Costs

Provided they can be estimated and realized, costs in excess of billings and estimated earnings will be treated as current assets if collections is expected within one year. Otherwise, such excess costs will be treated as a non-current asset.

419 Allowance for Doubtful Accounts

The Northwest Indian College maintains a reserve for accounts and notes receivable which may not be ultimately collected. The balance maintained is based upon historical collection experience, current aging of amounts due and specific evaluations of the collectability of individual balances. Individual accounts and notes are written off against the reserve when they are deemed to be uncollectible.

421 Leases

Leases, which meet the accounting criteria for capital leases in accordance with GASB 13 and Statement of Financial Accounting Standard No. 13 are recorded as property, plant and equipment, and the related capital lease obligations (the aggregate present value of minimum future lease payments, excluding executory costs such as taxes, maintenance and insurance) are included in Long-Term Debt Account Group for financial reporting purposes. All other leases are accounted for as operating leases, and rent payments are charged to expense as incurred.

423 General Fixed Asset Account Group

- A. To be classified as a fixed asset, a specified piece of property must possess three attributes: (1) tangible nature, (2) a useful life of one year or more, and (3) a value of \$5,000 or more.
- B. All fixed assets acquired either by purchase from granting agency, local funding or donated the agency, will be recorded in the General Ledger, Purchased fixed assets are valued at cost. Donated fixed assets are recorded at their estimated fair value at the time received by the agency. All fixed assets owned by the agency should be substantiated with adequate records.

The Fixed Assets Account Group will be organized as follows:

- 1 Land
- 2 Buildings
- 3 Equipment

425 Capitalization of Equipment

- A. All tangible personal property with a useful life of more than one year and a unit acquisition cost of \$5,000 or more will be capitalized and depreciated over its useful life using the straight-line method of depreciation, in accordance with GASB #35. Northwest Indian College will expense the full acquisition cost of tangible personal property below these thresholds in the year of purchase.
- B. The basis of accounting for depreciable fixed assets is acquisition cost, and all normal expenditures, including installation costs, architect-engineer fees, etc., of readying an asset for use will be capitalized. However, unnecessary expenditures that do not add to the utility of the asset will be charged to the period incurred.

427 Impairment of Assets

A recognized impairment of an asset will be reflected when circumstances warrant. For disclosure purposes, any recognized impairment loss will be accompanied by a

description of the impairment asset or group of assets and the measurement assumptions used in determining the impairment loss.

431 Title or Lien-Interest to Acquired Property with Federal Funds

A lien-interest in all equipment with a unit acquisition cost of \$5,000 or more for governmental entities and material or property acquired as a direct cost with funds granted by the awarding agency will vest with the awarding agency during the duration of the grant. Upon termination of such a grant, the grantees may arrange for acquisition of such equipment or property at a fair and reasonable price, seek temporary custody of such equipment or property if service will be continued with other funding, or make arrangements for a duly authorized representative of the granting agency to obtain custody.

433 Donation Property or Equipment

Donated assets, which, at the time of receipt, meet the organization's criteria for capitalization will be capitalized at their fair or appraised value.

435 Self-Constructed Fixed Assets

A. For all long-lived assets constructed by Northwest Indian College, the following costs will be capitalized at their fair or appraised value.

437 Betterments

Expenditures for significant betterments of existing properties are capitalized at cost. The Corporation has engineering and construction staffs responsible for the majority of plant expansion projects and installation of machinery and equipment. Capitalized costs of projects undertaken internally consist of direct materials, labor and allocated overhead and general and administrative expenses. Maintenance and repairs are expensed as incurred.

439 Property Insurance in Excess of Acquisition Cost

In the event that property insured in excess of acquisition cost is involuntarily converted, the new asset will be valued at the book value of the replaced asset plus or minus adjustments for differences between insurance proceeds and actual replacement costs.

441 Deferred Grant Costs

With prior agreement of the cognizant Granting Officer, Northwest Indian College will defer research and development/bid and proposal/product development costs and treat these as non-current assets in accordance with Accounting Research Bulletin No. 43.

443 Automated Data Processing Equipment

A lease-versus-payment analysis will be performed annually by Northwest Indian College for all automated data processing equipment (ADPE) under an operating lease as Defined in Statement of Financial Standard No. 13. A written justification statement will be prepared for all automatic data processing equipment under operating leases comparing the cost of leasing versus owning such equipment.

445 Authorized Investments

This policy shall govern investment of all NWIC funds, except as governed by #317 Cash Concentration and Investment Policy

The Investment Objective for all NWIC funds includes preservation of capital, investment liquidity and maximum income returns.

A. Short Term Investments

1. Funds not required to be used on a current basis will be invested in short-term interest-bearing investments consisting of income-producing securities with maturities of less than one year. These investments should be readily convertible to cash and stated at the lower of cost or their market value.

B. Long Term Investments- Institutional Reserve Account

The purpose of this section is to establish an Institutional Reserve Account – an account separate from and in addition to the Budgetary Reserve account noted in #335.

1. Funds not required for use in the current budget cycle may be allocated to a separate investment account and invested in longer term interest-bearing investments, consisting of income producing securities, with maturities not more than 3 years, for the purposes of establishing an Institutional Reserve Account.
2. These investments should be readily convertible to cash and stated at the lower of cost or market value.
3. Investments in the Institutional Reserve Account shall be governed by the current Investment Plan – see Appendix A.
4. Interest Income from the Institutional Reserve Account shall be maintained in the Institutional Reserve Account
5. Interest Income from other accounts may be deposited into the Institutional Reserve Account, as determined in the FY Budgeting process.
6. Withdrawals from the Institutional Reserve Account shall be made only with consultation and approval of the President and the Board of Trustees.

- ##### **C. The Finance Director is authorized to execute investments according to this policy on behalf of the College. The Finance Director will regularly report to President regarding investment matters.**

*Reviewed by the Finance Committee – July 26, 2011
Reviewed and approved by the Admin Team – August 3, 2011
Approved by the Board of Trustees – 10/19/11*

450 LIABILITIES**451 Encumbrances**

In order to control the level of expenses, Northwest Indian College has chosen to use the encumbrance system. The resources of the organization are committed for future payment when executory grants are signed. An actual expense is not recorded until the goods are received or the service is rendered. Encumbrances outstanding at the end of an accounting period will be reversed. The amount of the organization for the period.

453 Accounts Payable

- A. Only valid accounts payable transactions based on documented vendor invoices, receiving report or other approved documentation shall be recorded as accounts payable.
- B. A voucher system, composed of the vendor invoice, packing slip, purchase order, requisition, receiving report, authorization of acceptance of goods or services, etc. will be observed by Northwest Indian College. As such, a voucher register or purchase journal will be maintained.

455 Accounts Payable Payment Policy

Vendors, suppliers and sub-contractors will be paid on a date due basis.

457 Advance Payments

- A. Northwest Indian College receives payment on some grants in advance. These revenues are deferred and recognized as income in the period in which the related products or services are delivered.
- B. Advance payments (which differ from progress payments in that they are not related to progress of work on a grant) are reported in a manner similar to progress payments. However, advance payments received in excess of unbilled receivables and accumulated costs are classified as a liability.

459 Excess Billing

Billing in excess of cost estimated earnings will be treated as a current liability.

461 Accrual of Unpaid Salaries and Wages

Salaries and wages earned, but unpaid will be reflected as a liability when entitlement to payment occurs. Liquidation, in whole or part, will be made on a lump sum or periodic basis provided repayment is made within one year of incurrence of the liability.

463 Liability for Compensated Absences

- A. Compensated absences arise from employees' absences from employment due to vacation, personal leave, etc. When Northwest Indian College expects to pay an employee for such compensated absences, a liability for the estimated probable future payments must be accrued if all of the following conditions are met:
1. The employer's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
 2. The obligation relates to rights that vest or accumulate.
 3. Payment of the compensation is probable.
 4. The amount of compensation is reasonably estimatable.
- B. Compensated absences not to be paid upon employee termination will be reflected when paid.

465 Provisions for Anticipated Losses on Grants

- A. Losses on grants are to be accrued when the losses become evident, regardless of the method of accounting for the grant. Such losses will be deducted first from any related accumulated costs included in the balance sheet and the balance, if any, separately shown as a liability.
- B. Losses will be included in the income statement as an element of grant cost rather than as a reduction of grant revenue.

467 Obligations for Equipment Purchased from a U.S. Government Grant

Obligations for equipment specifically purchased for, and expected to be used solely on, and individual government grant or group of related grants – regardless of the payment terms of the obligations – should be treated as a liability.

469 Deferred Revenue

Many governmental entities recognize revenue upon receipt of an award of a grant or contract. However, for services against such awards to be rendered in subsequent fiscal years, the organization treats such revenues as deferred.

471 Liability for Claims and Judgments

- A. Liability for loss contingency will be reflected when (i) it is probable that an asset has been impaired or a liability incurred, and (ii) the loss can be reasonably estimated.

- B. Only the amount of the claim or judgment that will be paid out of the fund's available financial resources will be recorded as a current expenditure. The non-current portion of the claim or judgment will be reported in the General Long-Term Debt Account Group.

473 Liability for Capital Leases

The liability associated with a capitalized lease is reflected in the General Long-Term Debt Account Group.

480 Institutional Debt

- A. Purpose:
The intent of this policy is to establish and maintain the current and future debt of NWIC.
- B. Policy:
This policy outlines:
 - 1. Types of Institutional Debt
 - 2. Authority to approve debt
 - 3. Management and reporting of debt
- C. Line of Credit:
 - 1. The College currently maintains a line of credit to manage the institutional cash flow; this account is managed by the Finance Director.
 - 2. The line of credit is utilized only with the approval of the President or her/his delegate.
 - 3. Any balance due on the line of credit is paid in full at the earliest opportunity
 - 4. The Finance Director provides regular reporting on the balance of the line of credit to the President
- D. Short Term Debt:
 - 1. A Short-Term Debt obligation is defined as one lasting less than 2 years.
 - 2. The College, by and through the President, enter into Short Term debt obligations, without pre-approval of the Board of Trustees, consistent with the signature authorities established in *#213 Signature Authorities*.
 - 3. The President will report to the Board of Trustees any new short-term debt obligation entered into at the next regular meeting of the Board of Trustees.
- E. Long Term Debt:
 - 1. Long Term Debt obligation is defined as lasting longer than 2 years.
 - 2. The Board of Trustees shall approve all Long Term Debt obligations.
- F. All Institutional Debt payments due shall be recorded in the appropriate institutional budget and facilitated by the Finance Director.

G. The President shall include a Report of Debt, as requested, in the regular financial reports provided to the Board of Trustees at their regular meetings.

Reviewed by the Finance Committee – July 26, 2011
Reviewed and approved by the Admin Team – August 3, 2011
Approved by the Board of Trustees – 10/19/11

SECTION 500 REVENUE SOURCES

501 Revenue Recognition

- A. Revenues, which will be classified by fund and source, represent increases in current financial resources other than due to the issuance of long-term debt, or the receipt of transfers from other funds. General fund revenues are reflected when they are susceptible to accrual and, as such, the revenues are both measurable and available.
- B. The modified accrual method will be used to account for grants, entitlements and shared revenues.

503 Program Income

- A. Program income is gross income generated directly by a grant-supported activity or earned only as a result of the grant agreement during the grant period.
- B. In authorized by Federal regulations or the grant agreement, costs incident to the generation of program income may be deducted from gross income to determine program income.
- C. Depending on the method provided for in the grant agreement, program income will be deducted from outlays, added to the funds committed to the grant agreement, or used to meet the cost sharing or matching requirements of the grant agreement.

505 Interest Income

Interest Income is generated by investment of NWIC financial resources, as governed by *#317 Cash Concentration and Investment Policy and #445 Authorized Investments*.

*Reviewed and approved by the Admin Team – 8/03/11
Approved by the Board of Trustees – 10/11/11*

507 Rental Income

Rent payments received net of any prepayments and net of any credits for costs incurred on government awards will be recorded as income.

509 Segregation of Revenues

Northwest Indian College will separately identify the source and application of funds provided for Federally-funded activities.

SECTION 600 COST ACCOUNTING POLICIES**601 Consistency in Cost Accounting**

Practices used by Northwest Indian College will use the same accounting practices in estimating costs for grant proposals as it is used in accumulating and reporting costs and vice versa.

Moreover, all grant costs (including final cost objective) incurred for the same purpose, in like circumstances, are either direct costs or indirect costs only.

603 Unallowable Costs

Costs expressly unallowable or mutually agreed to be unallowable, will be identified in separate accounts and excluded from a billing, claim or grant applicable to a grant with the funding source. These costs will include: bad debts, contingencies, contributions, entertainment, fines and penalties, interest, and under recovery of costs under grant agreements, and revenues for equipment replacement.

605 Detailed Records Separate Records of Unallowable Costs

Northwest Indian College will maintain separate records in the form of General Ledger entries of all expressly and mutually agreed unallowable costs, in its direct cost categories and in each of its indirect cost pools.

611 Cost Accounting Period

The fiscal year of Northwest Indian College will be July 1st to June 30th. The same accounting period will be used for all adjusting entries, accruals and deferrals as well as accumulating costs in an indirect cost pool and establishing its base.

613 Allocation of Northwest Indian College Joint and Common Costs

- A. The costs of the central services of the generated entity will be allocated by Northwest Indian College according to a central service cost allocation plan as described in OMB Circular A-87 and OASC-10.
- B. Northwest Indian College joint or common costs including Office of the President, accounting, purchasing, IS, etc. will be allocated to each cost center, according to the simplified method.
- C. The indirect cost rate negotiated by the Northwest Indian College will be used in bidding, costing and billing all U.S. Government contracts, grants and cooperative agreements.

615 Direct and Indirect Costs

Costs incurred specifically for a final cost objective (e.g., a grant, etc.) will be treated as direct cost. Costs benefiting more than one cost objective will be consistently treated as indirect costs. Costs necessary for the overall operation of the organization will be treated as management and general costs.

616 Allocation of Legal Fees

Legal fees incurred specifically in connection with the final cost objective will be allocated as a direct cost. Minor amounts of direct legal fees and all legal fees benefiting more than one cost objective will be treated as an indirect cost.

619 Contributed Services and Materials

A. Contributed services in the form of volunteer services will be recognized if all of the following conditions exist.

- 1) The services performed are significant and form an integral part of the efforts of the organization.
- 2) The organization controls the employment and duties of the service donors.
- 3) The organization has a clearly reasonable basis for the amount to be recorded.
- 4) The services of the reporting organization are not intended for the benefit of its members.

B. Materials received as support will be recorded based on their estimated fair market value. When a reasonable fair market value cannot be determined, no support should be recognized.

621 In-Kind Costs

A. To satisfy a matching or cost-sharing requirement on a grant or contract, Northwest Indian College will account for the following allowable in-kind costs:

1. Charges incurred by Northwest Indian College as project costs, including non-case items such as depreciation or use charges.
2. Project costs financed with cash contributed or donated to the organization by non-Federal third parties or in the case of Federal funds, or other Federal funds specifically authorized by law for matching.
3. Project costs represented by services and real or personal property donated to the grantee by non-Federal third parties, provided such costs are:

- a) Identifiable from grantee records
- b) Not included as contributions for all other Federally assisted programs
- c) Necessary and reasonable for proper and efficient accomplishment of project objectives
- d) Allowable if the grantee itself was required to pay for them

B. Several items are not normally counted as in-kind.

- 1) Goods and services normally available free in the community and which would be available whether you operated the project or not, e.g., CPR training, space in a community center, etc.
- 2) Donated overtime of project staff whose regular working hours are paid with Federal funds.
- 3) Contributed time of elected officials of the Board of Directors and Advisory Councils.
- 4) Value of space donated for meetings and other purposes in the homes of individuals, especially staff members.
- 5) Outdoor space such as playgrounds, park space and undeveloped lots.

C. Valuation of third-party, in-kind contributions:

- 1) Volunteer services: unpaid services valued at rates paid by other activities of the organization should be consistent with those paid for similar work in the same labor market. Rates of employees of other agencies should be priced at the base compensation rate exclusive of fringe benefits and overhead costs.
- 2) Donated real or tangible personal property:
 - a) Tangible personal property and donated real property (land and buildings): purchase price or fair market value at the time of transfer.
 - b) Donated use of property: valued as if the grantee has rented the property and has paid the property's fair rental value.
 - c) Grantees may be required to establish the value of real property through the use of an appraiser.
 - d) Other charges: adequately supported and permissible. Charges must be reasonable and property justified.

623 In-Kind Contributions, Valuation of

Programs will not declare an hourly rate for volunteer time of more than \$15 an hour without granting agency prior approval. In-kind contributions for volunteer time should be listed under “Other Non-Federal Resources.

625 Accounting for In-Kind Costs, Acceptable Methods of

- A. By way of background, there are three accepted methods of accounting for in-kind costs: (1) a book of original entry, (2) general journal entries supported by worksheets detailing the in-kind costs, and (3) worksheet entries without recording in-kind in the institution’s official books of account.
- B. There is considerable concern that recording in-kind costs in the books of account could distort the financial position of the College, especially when more than minimum match is reflected. On the other hand, a true picture of the College’s ability to achieve its mission would not be reflected if in-kind costs were not fully reflected.
- C. In situations where in-kind services, equipment or space represented a major element whereby the agency can achieve its overall mission, in-kind costs should be recorded in the books of account in a special in-kind book of original entry or a general journal entry.

627 In-Kind Costs, Documentation of

Northwest Indian College will obtain the same kind of documentation, to be retained for the same period of time, as required for incurred costs. To the extent feasible and practical, the organization will obtain independently generated documentation for in-kind costs: time sheets or lo-in sheets for donated labor, written verification of the value of donated equipment or space, etc.

629 Sub-grant Awards

- A. The Federal Grant and Cooperative Agreement Act of 1977, 41 USC 501 et seq., as repealed by PL 97-258, 5(b) provided guidance to awarding agencies in making the determination between a grant vs. a contract. The Act defines two basic categories: “procurement activities,” where contracts are to be used and “assistance activities,” where grants or cooperative agreements are to be used. The major distinction is whether the transaction is an “acquisition”, in which case a contract is to be used, vs. A “support arrangement,” in which case a grant is to be used.

- B. An acquisition is found where the result of the performance is “for the direct benefit or use” of the organization. This benefit would be occasioned by the “acquiring by purchase, lease or barter [of] property or services.

Contracts, or procurement actions, are always entered into to meet an awarding party’s need for a particular product or service. Such agreements establish mutual rights and obligations of the awarding party as buyer and the contractor as the seller. The awarding party has rights it may or may not choose to exercise.

Under contracts, the awarding party pinpoints the particular products, the awarding party pinpoints the particular product or service to be obtained. This could be stated as a unit of service provided the unit is measurable. In addition to its measurability, any quality standards should be spelled out.

Cost of the product or unit of service is usually a major factor in making an award to otherwise qualified bidders. Since the interests of the contractor are not overwhelming considerations in such relationships, an awarding party may cancel for convenience (with recovery of some costs by the contractor) and for cause in cases of significant nonperformance.

- C. The objective of a grant are defined as general support, stimulation, equalization and demonstration. Such financial assistance may be awarded for obtaining support or building capacity. This type of assistance relationship is one featured by the granting agency serving in the role of a “patron (supporter) or partner.”
- D. Finally, selection of the instrument to be used in a specific situation will determine many of the procedures to be followed in entering into the arrangement because of the regulatory guidance applicable to the different instruments. If a contract is used, the Purchasing Officer must follow the applicable procurement regulations, which are detailed in the Purchasing System Policies Manual. If a grant is used, there will be much more latitude to the awarding agency.
- E. Based upon a determination of Northwest Indian College, sub-grants may be awarded competitively or non-competitively. Irrespective of how awarded, all sub-grants should:
- 1) Contain a provision for compliance with OMB Circular A-102
 - 2) Provide for all clauses required by Federal statute and executive orders and their implementing regulations.
 - 3) Ensure that sub-grantees are aware of requirements imposed upon them by Federal statutes and regulations.
- F. Northwest Indian College will insert in any request for grant application a certificate-precluding award to “high-risk grantees” as defined by OMB Circular A-102.

631 Acquisition Cost of Material

- A. When the cost objective was specifically identified at the time of purchase or production, the cost of material acquired for a final cost objective will be treated as a direct cost of that cost objective.
- B. The cost of material, which is used solely in performing indirect functions or is not a significant element of production cost, will be allocated to an indirect cost pool.
- C. The first-in, first-out (FIFO) method will be used when issuing material from Northwest Indian College-owned bookstore inventory.

633 Depreciation

- A. Since a government fund's activity statement reports the sources and used for financial resource, depreciation is not recorded in a fun's activity statement. However, depreciation will be reflected in an entity's cost.
- B. The cost of building is depreciated on the straight-line methods over periods of 10 to 40 years. The cost of equipment depreciated on the straight-line method over periods from 3 to 10 years.
- C. Depreciation will be recorded as required by GASB 35.

637 Disposition of Assets, Gain or loss on

Gains and losses from the sale, retirement or other disposition of depreciable property are to be included in the year in which they occur as credits or charges to the cost grouping(s) in which the depreciation or amortization applicable to those assets was included. The gain or loss for each asset disposed of is the difference between the net amount realized, including insurance proceeds from involuntary conversions, and its underappreciated balance.

641 Service Lives of Tangible Capital Assets for Depreciation Purposes

Northwest Indian College will observe the estimated service lives as contained in IRS' Modified Accelerated Cost Recovery System/Asset Depreciation Ranges capital asset or group of assets.

Northwest Indian College will maintain supporting records showing acquisition, use and disposition of each tangible capital asset or group of assets.

645 Use Allowance on Fully Depreciated Assets

- A. Northwest Indian College may observe a use allowance on fully depreciated assets obtained under an advance agreement required by Attachment B or OMB Circular A-87.
- B. Accounting for such a use allowance may be performed using memorandum accounts or supplemental records.

647 Purchased Computer Software Licenses

Purchased computer software of more than \$5,000.00 is amortized by the straight-line method over the period expected to be benefited, which is generally five to eight years.

The costs to acquire licenses of certain computer software products are capitalized and amortized using the straight-line method over seven years. Certain provisions of these and other agreements require royalty payments when the Northwest Indian College recognizes revenue from licensing the products to its funding sources. These royalty payments are included in revenue, support and management and general expenses.

651 Leases, Accounting for

- A. Northwest Indian College will observe rules regarding an operating lease vs. a capital lease, contained in GASB 13 and, if it doesn't conflict, Statement on Financial Accounting Standards (SFAS) No. 13. If, according to SFAS 13, it is determined that a capital lease exists, as share of such lease payment will be capitalized and amortized over the life of the lease or the useful life of the asset, whichever is longer.
- B. In the case of long-term leases, the portion of any lease payments that represents the finance costs under an alternate acquisition will be treated as an unallowable cost.
- C. the maximum amount of cost recovery on a lease with an affiliated division or subsidiary under common control will be the amount allowed had the Northwest Indian College retained title. Thus, only the cost of depreciation, taxes, operations and maintenance costs, excluding interest, are allowable.
- D. If the rental increases in an operating lease are considered to be systematic and rational, rental expenditures should be recognized in accordance with the lease agreement.

653 Lease Abatements

For leases with an escalating rental payment schedule, Northwest Indian College will amortize the total lease payments over the term of the lease on a straight-line basis, to be in conformance with Statement of Financial Accounting Standard No. 13.

Lease payments will be reflected at the actual rate of cash payment.

655 Compensated Personal Absences, Accounting for

- A. In conformance with GASB Statement no. 16, the cost of earned, but untaken vacation will be accrued when earned, not when taken. The cost of all other compensated absences for illness, personal leave, etc., will be reflected when taken.

657 Deferred Compensation

The cost of deferred compensation will be assigned to the cost accounting period in which Northwest Indian College incurs an obligation to compensate the employee. In the event no obligation is incurred prior to payment, the cost of the deferred compensation will be the amount actually paid and will be assigned to the cost accounting period in which the payment is paid. The measurement of the amount of the cost of deferred compensation should be the present value of the future benefits to be paid by Northwest Indian College.

659 Temporary Labor

- A. The cost of all temporary labor incurred specifically for a grant, bid and proposal, independent research and development, or other final cost objective will be treated as direct labor.
- B. All temporary labor benefiting more than one grant will be treated as an indirect cost.

663 Insurance

- A. Northwest Indian College will obtain adequate insurance coverage from purchased insurance.
- B. In circumstances where Northwest Indian College's management considers prudent, Northwest Indian College will assume the risk of loss. The cost of such self-insurance will be the projected average loss for that period plus insurance administration expenses in that period.
- C. Project average loss will be computed annually for all classes of risk or for each type of self-insured risk based upon the cost or comparable cost of purchased insurance; data reflecting the grantee's experience, industry experience and anticipated conditions; or as a last resort, based on the actual amount of losses incurred.
- D. Northwest Indian College insurance is purchased with all Lummi Indian Business Council tribal entities in an attempt to maximize insurance cost savings.

- E. Northwest Indian College will maintain records to substantiate the amounts of premiums, refunds, dividends losses and self-insurance charges, paid or accrued.

665 Interest Capitalized

Northwest Indian College charges to the cost of construction projects the cost of related interest incurred during the period of construction. These costs are amortized over the useful lives of the projects.

667 Bid and Proposal Costs

The costs of the technical effort in preparing grant applications and cost proposals to the funding sources of Northwest Indian College will be treated as a management cost. The cost of work processing, printing, packaging and delivering grant applications/contract proposals will be charged as a management expense.

669 Match, Accounting for

Given the way program match was bid on each program or grant, the accounting system will accumulate and report related costs, distinguishing between agency-paid, donated services, space or equipment and any program income authorized to be treated as match.

673 Subletting, Proceeds from

The extent the application is equitable and consistent, the proceeds of all subletting or short-term rental of the College's space, equipment or facilities will be credited to the cost center to which the underlying costs were originally charged.

SECTION 700 COST ESTIMATING POLICIES**701 Responsibility for Cost Estimating**

Cost estimates for NWIC proposals to its funding sources will be prepared in a collaboration between the Finance Director (Institutional Funds) and/or Grants Manger and the individual or groups writing the proposal.

703 Authorized Cost Estimating Techniques

- A. NWIC Cost Proposals will be prepared using the following cost estimating techniques: An estimate will be made of the funding source's budget, NWIC standard costs and then comparing with similar grant work and cost experience with the proposed product or service.
- B. The estimating method will be periodically reviewed for its accuracy and reliability, and appropriate adjustments made as warranted.

705 Cost Accounting System Support For Estimating

- A. The Accounting system of NWIC will contain sufficient refinements to provide data for cost estimating purposes.
- B. Cost breakdowns are to be available for:
 - 1. Salaries by NWIC categories, with director judgment of person hours required.
 - 2. Inflation escalators.
 - 3. Separate costing for each other direct cost: travel, supplies, training, maintenance of machines.
 - 4) Current overhead rate.

707 Estimating Labor Rates

- A. As a baseline, all labor rates will be based upon rates paid to employees for the most recent month.
- B. The Director of Human Resources will maintain and publish standard composite data on merit increase, changes in salary rates due to new hires/separation, and any anticipated changes resulting from across-the-board salary changes.

709 Purchased Material Cost

For anticipated purchase of materials or parts, NWIC will use catalog prices or if unavailable, NWIC will obtain at least two vendor quotes.

711 Subcontractor Costing

- A. All subcontractors will be procured, to the maximum extent feasible, using competitive procedures with awards to qualified firms whose price and technical factors are most advantageous to the organization/U.S. government.
- B. For those acquisitions to be awarded on a noncompetitive basis, Northwest Indian College will obtain and furnish a copy of the proposed subcontractor's cost or price proposal with its price proposal.
- C. For all subcontracts over \$100,000, Northwest Indian College will either perform an audit of the proposed sub-grantee's price proposal or request field pricing support from its cognizant audit agency.

713 Costing Other Direct Costs

- A. For each "other direct cost" (ODC) proposed, the organization's cost analysts will compile historical data from similar grants or obtain technical input on the anticipated costs for such items on the anticipated grant.
- B. For all ODCs involving sub-grant activity, Northwest Indian College will obtain a sufficient number of quotes to establish a fair and reasonable price for the material or service.
- C. The organization will not bid certain costs as direct if, in like circumstances, such costs are also being bid on other grants as indirect costs.

715 Estimating Per Diem Rates

NWIC will use IRS travel per diems

719 Forecasting Inflation

Northwest Indian College will use the Consumer Price Index for its estimates of costs over a multi-period basis.

721 Management Fee or Allowance

Nothing precludes Northwest Indian College from bidding and billing for a reasonable management fee or allowance on a government grant. As circumstances permit, Northwest Indian College will bid a fee of 5% of allowable direct and indirect costs. This practice can be justified because of the need for funds for working capital

accumulation, paying for the unamortized portion of depreciable costs, plant or office expansion and covering of necessary, but unallowable, costs, like interest.

723 Cost Proposal Support

In support of each cost proposal submitted to the government, the Northwest Indian College grant writer will have detailed supporting information showing:

1. The basis for establishing the source and reasonableness of price for all acquisitions of materials.
2. A time-phased breakdown of the labor hours, rates and labor category and the basis for labor estimates.
3. Budgetary support for proposed indirect costs rate(s) for indirect costs and the base of allocation, by fiscal year.
4. Basis for pricing all other direct costs.
5. Copies of all quotations and sub-grant price proposals received, whether accepted or not.

725 Legal Support for Proposal Certifications

All representations and certifications for which the signer is not absolutely certain of the grantee's status should have a prior written legal opinion before executing.

800 PROPERTY MANAGEMENT**801 Property, Receipts for**

- A. Northwest Indian College will maintain written receipts for property. Northwest Indian College will also maintain proof of receipt for grant-acquired property before submitting its request for payment for the property.
- B. Northwest Indian College will take all actions necessary in adjusting overages, shortages or damage in shipment of property.

802 Identification of Property

- A. Northwest Indian College will tag all property – both government – furnished and Northwest Indian College acquired – upon receipt and will record assigned numbers on all applicable documents pertaining to the property control system.
- B. Markings will be removed or obliterated when property is sold, scrapped or donated.

803 Property, Record and Report of

Property records will be maintained that include:

1. A description of the property
2. A serial number or other identification number
3. The source of property who holds title
4. The acquisition date
5. The cost of the property
6. Percent of Federal participation in the cost of the property
7. The location

804 Material, Record of

All U.S. government material over \$5,000 furnished to the Northwest Indian College, as well as other material, title to which has passed to Northwest Indian College by reason of allocation from grant-owned stores or purchase for direct charge to a U.S. government grant, will be recorded in the property control system.

805 Equipment, Record of

- A. Northwest Indian College will maintain individual item records for each item of equipment having a unit cost of \$5,000 or more.
- B. For equipment having a unit cost of \$5,000 or more, Northwest Indian College will maintain information on:
 - 1. Serial number and year built
 - 2. Grant identification/tag number, and
 - 3. Acquisition and disposition document references and dates.

806 Real Property, Record of

- A. Northwest Indian College will maintain an itemized record of the description, location, acquisition cost, and disposition of all real property, alteration construction work and sites connected with such alteration and construction.
- B. Northwest Indian College will also maintain information on costs incurred for:
 - 1. New Construction of government real property in its possession.
 - 2. Additions expansions, extensions, conversion, alterations, and improvements that increase the value, life, utility, capability or serviceability of government real property.
 - 3. Portable buildings or facilities specifically constructed for tests.
 - 4. Maintenance, repair or rearrangements to maintain the government real property in good physical condition.
 - 5. Real property sold, transferred, donated, destroyed by fire or other cause, abandoned-in-place or condemned.

809 Physical Inventories

- A. Northwest Indian College will once every two years physically inventory all capitalized property in its possession
- B. Personnel performing the physical inventory will not be the same individuals who maintain the property records or have custody of the property unless the grantee's other staff is unavailable to perform inventory count.

810 Disposal of Property, Plant and Equipment

- A. Not item of property, plant and equipment shall be removed from the premises without prior approval from the responsible official.

- B. When property is retired, the appropriate asset and accumulated depreciation accounts and asset accountability records shall be adjusted and any profit or loss reflected.

811 Fully-Depreciated Assets

Records of fully depreciated assets shall be maintained as long as the property is in continuous use.

812 Other Records and Reports

- A. Northwest Indian College will also maintain records of completed products, transportation and installation costs of equipment, misdirected shipments and property returned for rework.
- B. Records of Northwest Indian College will provide annually the acquisition cost of property for:
 - 1. Land
 - 2. Other real property
 - 3. Capitalization equipment of \$5,000 or more
 - 4. Equipment of less than \$5,000

813 Disposal Items

All small-dollar items expected to be used and disposed within two years of purchase will not be tagged, inventoried and tracked.

814 Disposition of Real Property and Equipment

- A. When original or replacement real property or equipment acquired under a grant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency.
 - 1. Northwest Indian College may request disposition instructions from the awarding agency. The instructions will indicate whether the agency will retain title after compensating the agency, sell the property and compensate the awarding agency, or transfer title to the awarding agency or to a third-party designated/approved by the awarding agency.
 - 2. Equipment – disposition of the equipment will be made as follows:

- a. Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.
 - b. Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency will have a right to an amount calculated by multiplying the current market value or proceeds from the sale by the awarding agency's share of the equipment.
- B. In the event Northwest Indian College is provided U.S. government – furnished equipment, Northwest Indian College may retain custody, but not title, to the equipment for as long as the equipment is needed. When the equipment is no longer needed, disposition instruction will be requested from the Federal agency owning the equipment.

819 Northwest Indian College Owned, Leased and Low Cost Property and Equipment

- A. All grantee owned, leased and low cost property, equipment and materials will be controlled as described above.
- B. Use of licensed computer software will be closely monitored and practices involving unauthorized copying restricted.
 - a. Corrections are to be initialed by the employee and supervisor.

900 COMPENSATION POLICIES**901 Compensation Policy**

It is the policy of the Northwest Indian College to simply approach the total compensation-base compensation and fringe benefits—offered by other organizations for personnel performing comparable work in the same labor market area.

902 Wage and Salary Structure

- A. Northwest Indian College maintains wage and salary structures as may be necessary and required of the various classifications of employees at the College. Each wage and salary structure shall have the grades and steps necessary to provide appropriate placement for NWIC employees. This structure and the component grades are built upon designated knowledge, skills and abilities (KSAs). The salaries and grades are annually evaluated for relevance and comparability with these component KSAs.
- B. Reflecting these policies, the salary structure of Northwest Indian College is presented at Appendix A. Changes in the salary structure shall be approved by the College's Board of Trustees.

Currently the salary schedules are for:

- 1. Exempt Management
- 2. Administrative
- 3. Faculty
- 4. Classified
- 5. Part-time Faculty

905 Survey of Salaries of Key Officials

Once every three years, Northwest Indian College will survey comparable data of Fair Labor Standards Act-exempt position-holders in the labor market area. This survey data should be obtained from comparable organizations, with the appropriate same number of employees and revenue level in the local geographic area. This survey should especially seek to obtain salary data from comparable grantees. The results of this salary survey should be used to periodically adjust to the College's salaries and be maintained on file.

907 Wage and Salary Administration and Changes in Salaries

- A. Salaries and wages of all new full-time employees, quoted at hourly, weekly or will be monthly rates, established when making an and approved by the President, offer of employment
- B. The Director of Human Resources is responsible for processing all paperwork pertinent to new hires, salary changes and changes in employment status including resignations and terminations.

- C. Master personnel records shall be maintained by the Human Resources Department with payroll records maintained by the Business Office.

909 Current Job Description and Resumes

For all paid positions, Northwest Indian College will maintain an up-to-date and complete job description. This job description should cover the scope of each position-holders' duties and responsibilities and minimum entry-level standards of performance. These job descriptions should be updated as job content changes or any reorganization of duties or jobs.

911 Labor Distribution Reporting

- A. The normal hours of work are eight (8) hours, from 8:00 A.M. to 5:00 P.M., with a one-hour lunch break, each workday. Exceptions to this work schedule will be made by the immediate supervisor. Faculty work schedules are governed by the faculty handbook and related personnel policies.
- B. Charges to awards for salaries and wages, whether treated as direct costs or indirect costs, will be based on documented payrolls approved by a responsible supervisory official. The distribution of time worked must be supported by labor distribution reports.
- C. Labor distribution reports will be prepared and controlled according to the following minimum standards:
1. Employees, including subcontracted employee performing in-house work, are responsible for preparing their own timecards/timesheets.
 - a. Employees should be provided clear instructions of the work to be performed and the activity to be charged.
 - b. Timecards/timesheets should be prepared in ink.
 - c. Timecards/timesheets should be filled out as work is performed, but no less often than daily.
 - d. All supervised hours worked should be recorded on timecards/timesheets.
 2. Timecards/timesheets will be signed by employees and the supervisor only after they are filled out.
 3. Corrections are to be made by cross-out and new entry, with no erasures or whiteouts.

- a. Corrections are to be initialed by the employee and supervisor.
4. Distribution and collection of timecards/timesheets will be controlled by payroll.
 - a. Corrections are to be initialed by the employee and supervisor.
 - b. Monitoring performance to budgets.
5. Responsibility for distribution and collection of timecards/timesheets should be segregated from that for:
 - a. Preparation and approval of time and attendance records.
 - b. Monitoring performance to budgets.
6. New employees are to be fully indoctrinated on proper timecard/timesheet procedures. Employees must be made aware of their individual responsibility for accurate timecard preparation.
7. Periodic internal review are to be performed by the external auditors of the timekeeping system to assure compliance with system controls.
8. Overtime hours are to approved by the supervisor on the time card.
9. Supervisors are authorized to approve timecards/timesheets.

915 Estimating Labor Charges

In preparing payroll, timesheets are to be collected on every other Friday on the opposite week as payday. The time between the collection of timesheets and the end of the payroll period will be on week.

917 Payroll Advance

Until an accurate and complete timesheet is submitted to the payroll unit, an employee will not be paid.

For justifiable reason, an employee may be paid a salary advance prior to the regular pay date. The amount of the advance may not exceed the current net, amount earned and not yet paid. No employee may have more than three (3) advances in any fiscal year. Individuals who normally submit timecards are required to provide a copy of the current time card signed by the employee and the supervisor.

919 Overtime Pay for FLSA-Exempt Personnel

All FLSA-exempt personnel receiving supervisory authorization for overtime are to be credited at the rate of one hour of compensatory time for each hour of overtime worked. All such compensatory time will be used within the two week pay period or it will be lost.

921 Uncompensated Overtime for Fair Labor Standards Act-Exempt Personnel

- A. Employees whether exempt or no-exempt will record all hours worked as it related to time and effort reports for grant related salaries.
- B. For time worked beyond forty (40) hours in a pay period, the hourly pay rate of exempt employees will be disregarded if not material.

923 Exempt vs. Non-Exempt Personnel

- A. In compliance with 20 CFR ‘541.101, the following executives and managers will be considered exempt from payment of overtime premium pay under the executive exemption of the Fair Labor Standards Act:

All positions designed as Exempt Management

- B. In compliance with 29 CFR ‘541.201, the following administrative personnel will be considered exempt from payment of overtime premium pay under administrative exemption of the Fair Labor Standards Act:

All positions designated as Exempt Management

- C. All other regular employees of Northwest Indian College are entitled to overtime premium pay at the rate of time-and-a-half for all hours worked in excess of forty (40) hours in the seven (7) day period from Saturday to Friday. Time taken off for vacation, holidays, sick leave, and other excused absences is not to be considered in calculating the total hours worked. Compensatory time computed at time-and-one-half to be taken during the same two week pay period may also be offered.

- D. Authorization for all overtime must be obtained from each employee’s supervisor.

925 Fair Labor Standards Act Record Retention

For all non-exempt employees, Northwest Indian College will retain the following records for at least three (3) years: employee’s name, home address, occupation, sex and hours and days of work.

927 Consultant Utilization, evidence for

Whether used in a direct or an indirect capacity, the utilization of all consultants, grant personnel and consulting firms will be sufficiently evidenced with:

- A. Details of all agreements (e.g., work requirements, rate of compensation, and nature and amount of other expenses, if any) with the individuals or organizations providing the services and details of actual services performed.
- B. Invoices or billings submitted by consultants, including sufficient detail as to the time expended and nature of the actual services performed, and
- C. Consultant's work products and related documents, such as trip reports indicating persons visited and subjects discussed, minutes of meetings, and collateral memoranda and reports.

929 Independent Contractors, Control of

The use of consultants will be closely monitored so as not to vary from the rules of the Internal Revenue Service. In particular, consultants will:

- A. Not be controlled as to what services will be performed and how these services will be performed. Consultants will not have set hours of work.
- B. Furnish their own tools of trade – tools, materials, and the like – in performing their work.
- C. Adhere to precise contract scope of services, re-computed or at least adjusted annually. This consultant agreement should specify the obligation of the consultant to pay this or her own self-employment taxes, if applicable.
- D. Not receive any fringe benefits as such, although their fee may include provision for fringe benefits.
- E. Not be assigned a permanent work station.
- F. Make their services available or work for a number of firms or persons at the same time.
- G. Use his, or her, own stationary or timesheet in billing for services.

930 Cultural Honorariums

- A. Purpose:
The purpose and intent of this policy is to establish a reasonable and respectful means of honoring individuals who are invited to speak and/or participate in cultural activities.

- B. Policy:
1. This policy outlines:
 - a. What services are eligible for cultural honorariums
 - b. What documentation is required for payment of cultural honorariums
- C. Honorariums
1. Cultural honorariums are the culturally accepted form of acknowledging a gift of time and/or knowledge for culturally centered “services.”
 2. Cultural honorariums typically consist of a token payment (gift or cash)
 - a. Arrangements for travel for an “honoree” coming from another community can be provided as a courtesy, but are not considered a part of the cultural honorariums.
 3. Cultural honorariums paid to a group (drum, singing, family) are typically paid to the head of that group and he/she is responsible for distributing it to the members.
- D. Documentation for Cultural Honorariums
1. Documentation for payment of cultural honorariums is typically done by a staff member on behalf of the Honoree so unnecessary burden for the provision of the cultural service is kept to a minimum.
 2. Payment of a cultural honorarium totaling over \$600 (or the current threshold for notification to the IRS via submission of 1099-<http://www.irs.gov/instructions/i1099msc/ar02.html#d0e624>) shall follow the same process as submitting payments for Personal Service Contracts.
 3. Payments for cultural honorariums totaling less than \$600 must use the process for submitting payments for Personal Service Contracts but may be submitted without signature of cultural honorariums recipient, **provided** the amount of the contract does not bring total paid to the recipient to over \$600 for the calendar year (as confirmed by the Business Office).
 4. All cultural honorariums payments shall be documented by a receipt signed by the recipient.
- E. Providing Travel Arrangements
1. Travel Arrangements made within this section are the responsibility of the departmental manager or his/her designee.
 - a. The preferred method of providing Travel Arrangements for individuals within this section is to use NWIC Purchase Orders for airline and hotel accommodations.
 - b. Reimbursement for travel expenses can be made, if necessary, with an itemized receipt.

*Reviewed by the Finance committee – 11/29/10
Reviewed by the Admin Team – 12/15/10
Approved by the Board of Trustees – 10/19/11*

Northwest Indian College provides health and dental benefits to its full-time employees. Please contact the Human Resources Director for specific information regarding the benefits.

933 Other Benefits

Social Security: payroll deduction required by law and matched dollar-for-dollar by the organization; provides for benefits for retirement, permanent or temporary disability, death, and Medicare. Payments are credited to each employee's account by number; therefore, it is imperative that the correct Social Security number be kept on file.

Worker's Compensation: cost of protection paid 67% for administration, 68% for faculty and clerical and 77% for maintenance by the organization; provides for possible benefits which may be available when illness, accidental injury, or death is job-related.

Unemployment Insurance: cost of protection is borne fully by the organization; provides for possible weekly benefits in case of unemployment.

Short-Term and Long-Term Disability: (insert statement here)

935 TIAA/CREF Supplemental Retirement Annuities

All full-time employees under contract and all other employees after the 90-day probationary period are eligible to participate in the pension plan.

Northwest Indian College has a noncontributory defined benefit retirement income plan and defined contribution plan. These plans cover substantially all permanent employees. The college funds the defined benefit plan based on the requirements of the Employee Retirement Income Security Act of 1974, each employee receives \$100 monthly. All retirement funds are deposited in individual retirement plane with TIAA-CREF on an monthly basis.

937 Supplemental Retirement Annuities (SRA), Vesting of

Rights to the SRA program of Northwest Indian College will vest immediately after an employee becomes eligible.

939 403 B Pre-Tax Savings Plan

A. For employees with one year of continuous employment with the Northwest Indian College, each covered employee is eligible to participate in the pre-tax savings plan [403(b)], which is part of the pension plan. An employee may select any amount which does not exceed the current statutory limit as defined by IRS tax code.

B. Funds from the 403(B) Pre-Tax Savings Plan will be forwarded to individual accounts at employee becomes eligible.

C. Withdrawals may be made upon termination of employment or demonstrated financial hardship.

941 Pension Contributions

In order to accrue pension contributions monthly, Northwest Indian College will make payments to the pension trustee within 30 days after the close of each month.

943 Employee Mileage Reimbursement

All employees will be reimbursed at the standard mileage rate as determined by the Internal Revenue Service. In addition, parking fees and reimbursement must be accompanied by odometer readings; or be based on a standard mileage rate available from the Business Office. All other expenditures require original receipts.

945 Travel Policy

All out-of-area employee travel reimbursed will have supervisory approval. The approval of a Vice President is required for out of state travel.

947 Saturday Night Layover

To the extent it doesn't conflict with an employee's duties, employees are encouraged to avail themselves of a discounted airline fare by staying over a Saturday night provided there is a net saving to Northwest Indian College taking into considerations the additional cost of allowable hotel expenses and subsistence.

949 Employee Per Diem Rates

All organization employees while on travel status will be paid for their reasonable lodging, subsistence and incidental costs incurred, amounts should not exceed the per diem rate currently published by the IRS. Original receipts and proof of attendance are required for reimbursement or settling of travel advance. Meal per diems do not require documentation other than beginning and ending trip times, supervisory approval and proof of attendance.

951 Travel Advances

A. Northwest Indian College will make an expense advance to regular employees, upon request of the employee and appropriate signature approval for travel up to the anticipated reasonable expense, but all advances must be accounted for within 10 working days of return. (Students and others on official College business, with the

permission of appropriate Vice President/President may also receive travel advance.)

- B. All advances, whether for travel or salary, not liquidated within ten (10) days of their incurrence will be charged to the employee via payroll withholding.
- C. All employees are required to have sufficient documentation to establish the amount, date, place and the essential character of travel expenditures. This is most commonly done with original receipts, proof of attendance and documented travel times.

953 Drug-Free Workplace

In accordance with FAR Clause 52.223-5, Certification Regarding a Drug-Free Workplace, nor certifies that it provides a drug-free workplace policy.

- A. It is the policy of Northwest Indian College to prohibit in the workplace the unlawful possession, use, dispensation, distribution, or manufacture of controlled substances. Violation of this policy will result in disciplinary action up to and including termination of employment. Depending upon the circumstances, other action, including notification of appropriate law enforcement agencies, may be taken against any violator of this policy. In accordance with the Drug-Free Workplace Act of 1988, as a condition of employment, staff members must comply with this policy and notify management within five (5) days of a conviction occurring in the workplace. Failure to do so will result in immediate termination of employment. Any staff member arrested in connection with a criminal drug violation occurring in the workplace will be placed on personal leave of absence without pay and could face termination of employment pending the outcome of any legal investigation and conviction.
- B. Information on the dangers of drug abuse in the workplace will periodically be posted on the bulletin boards or be made available directly to staff members through the Human Resources Department. The Human Resources organization is aware of public and private agencies that provide support or programs in treating drug-related problems and should be contacted if information or assistance is needed. In some circumstances, the Northwest Indian College health insurance plan may provide some financial benefit in support of counseling or rehabilitation programs. In order to determine specific benefit levels that may apply, one needs to deal directly with the insurance company at the time of treatment.
- C. Since the Drug-Free Workplace Act requires that grantees be able to document the notification and receipt of its policy by each staff member, personnel will be asked to acknowledge receipt of a copy of the Drug-Free Workplace statement as part of their Personnel Policies and Procedures packet.
- D. In implementing the Drug-Free Workplace Act, the Human Resources Director will make notification to the appropriate contracting officer within ten (10) calendar days

after receipt of notice of the employee's conviction. Northwest Indian College is also to take the required personnel or treatment referred action within 30 calendar days after receipt of notice of an employee conviction. Both actions will be documented in a Drug Free Workplace file. Disclosure to such information will be strictly controlled to limit undue injury to the employee.

- E. When an employee represents the college as an escort for students on travel, the drug and alcohol policy applies as if the employee is on campus working.

1000 PURCHASING POLICIES**1001 Policies and Objectives**

- A. It is the policy of Northwest Indian College to procure only those items that are required to perform the mission and/or fill a bona fide need. Procurements will be made with complete impartiality based strictly on the merits of supplier proposals and applicable related considerations such as delivery, quantity, and Indian preference.
- B. It is the policy of Northwest Indian College to give preference to otherwise qualified bidders. The Purchasing Officer is responsible for all functions related to the acquisition of supplies and services, including overall administration. In performing the functions, the Purchasing Officer will adhere to the following objectives;
1. Make all purchases in the best interests of Northwest Indian College.
 2. Obtain quality supplies/services needed for delivery at the time and place required.
 3. Buy from responsible source of supply.
 4. Obtain maximum value for all expenditures.
 5. Develop a competitive procurement environment.
 6. Deal fairly and impartially with all vendors.
 7. Maintain dependable sources of supply.
 8. Document each transaction as required by the Internal Revenue Service
 9. Be above suspicion of unethical behavior at all times; avoid any conflict of interest or even the appearance of a conflict of interest in all Corporation-supplier relationships.
 10. Report any wrongdoing—questionable unethical behavior, identical offers, threats to the integrity of the procurement process of the Northwest Indian College—regardless of source to the President for review and possible referral.

1003 Organizational Structure

The Purchasing Officer is directly responsible to the Finance Director of Northwest Indian College. On a designated basis, some of the purchases may be handled by

designated personnel, to serve as Designated Buyers, who may be responsible for one or more areas.

1005 Responsibility of the Purchasing Officer

A. The Purchasing Officer will:

1. Review each purchase order for proper item description and technical references or specifications such as approvals, clearances, etc., and all other necessary data to include quality control and surveillance sufficient to initiate the required purchase.
2. Select a number of qualified suppliers, sufficient for meeting the competition criteria.
3. Prepare the solicitation, including selection/award criteria, and select the contract type.
4. Receive proposals/quotations and safeguard same until the opening date.
5. Record all proposals/quotations on the abstract of quotations.
6. Document all negotiations/discussions and phone calls.
7. Conduct price analysis and when necessary obtain cost analysis.
8. Assure that funds made available by the budget will not be exceeded.
9. Evaluate proposals and place contracts.
10. Establish and maintain a follow-up system of tracking deliveries to assure contractor compliance with delivery terms of the purchase order.
11. Review invoices for correctness against the provisions of the contract and the delivery slip and forward them to Accounts Payable for payment.
12. Establish and maintain the master vendor's mailing list.
13. Establish and maintain a procurement history file.
14. Submit contract reports as required.
15. Inform contractors in writing of remedial actions required concerning delivered products/services not conforming to specified requirements.
16. Administer and modify or terminate contracts as necessary.

1007 Responsibilities of Other Organizational Elements

A. All departments and programs of Northwest Indian College will be aware that the Northwest Indian College is by no means always interested in the “best available item.” Basic to the Request for Proposal/Quotation (RFP/RFQ) and award are the actual minimum needs of the requester. Stated another way, the specifications must describe what is required, not what is desired.

B. Requestor will:

1. Prepare Purchase Requisition and include proper justification for the purchase. Purchase orders must contain at a minimum:

- a. A clear and adequate specification or statement of work (specifications may be either performance type or design-type specifications or a combination of both).
- b. Cost estimate (as feasible) and source of funding [assure proper accounting classification and/or Material Order (MO)].
- c. Required delivery or performance schedules that are realistic and specific.
- d. A brief statement, in non-technical language, of the nature and purpose of the procurement.
- e. Provide a detailed and substantive justification for need.
- f. Quality requirements and inspection methods.
- g. Additional elements may be necessary, such as a Justification for Acquisition Using Other Than Full and Open Competition, special conditions, etc., depending on the type and nature of the requirement.
- h. If Brand Name (or equal), the specification must list the requirements or salient characteristics as well as appropriate nomenclature.
- i. Functional specifications are preferred—describe what is needed—not “how to” procedures. Functional specification means a description of the intended use of products or services required. It may include at statement of the qualitative nature of the products or services required and when necessary, may set forth those minimum essential characteristics and standard to which such products or services must conform to satisfy the intended use.

- j. Prepare a detailed (include back-up) In House Cost Estimate.
 - k. Provide a detailed and substantive justification for all required changes (modifications) to a contract (who, what, when, where, why and how much. In other words, a complete audit trail.)
2. Perform a pre-award survey, if required, in coordination with the Purchasing Officer.

1013 Initiation of Purchase Action

- A. Action to effect procurement of supplies and/or services will be initiated by the Purchasing Officer only after receipt of a draft Purchase Order prepared in conformity with instructions in this part.
- B. Review of the Purchase Requisition
 1. The purpose of the Purchase Requisition is to provide information that: (i) describes the required supplies or services clearly and completely so that the Purchasing Officer may obtain acceptable offers to meet the needs; and (ii) supports any contractual recommendation it may contain, such as a proposal to limit sources. The program or project office that identifies the requirement and is responsible for preparing the draft Purchase Order will include with the request, as a minimum:
 - a. Specification or statement of work (SOW)
 - b. In-house cost estimate and source of funding
 - c. Delivery or performance schedules that are realistic and specific
 - d. Packing, transportation and quality requirements
 - e. Special conditions or circumstances, if applicable, to include justification
 - f. Supply status, if applicable
 - g. Known Sources
 2. The Purchasing Officer is not charged with the responsibility for verifying the validity of requirements. However, the Purchasing Officer will advise the requester of apparent or obvious errors in requirements and will review purchase orders for:

- a. Reasonableness of delivery date
 - b. Specifications, purchase description
 - c. Local purchase authority
 - d. Packing, transportation and quality requirements.
3. The Purchasing Officer will return Purchase Requisitions that do not contain sufficient information or lack proper documentation to permit initiation of procurement action or which otherwise do not conform with regulatory directives. Minor deficiencies may be corrected by telephone and annotated on the Purchase Requisition or supporting document. Accepted purchase orders will be logged in the central purchase order register and forwarded to the Purchasing Officer or the pertinent Buyer for processing. The requestor may recommend sources; however, they are in no way binding on the Purchasing Officer. The Purchasing Officer has the sole responsibility for source selection and prices.

C. Describing the Requirement

1. Supplies, Material and Equipment

The item to be acquired must be described in such a way that there will be assurance that the final contract will result in acquisition of the required product of the desired quality. The purchase description should set forth all the essential physical and functional characteristics of the item required. At the same time, purchase descriptions may not be written so as to specify a product or a particular feature of a product which would unnecessarily restrict the item to one manufacturer or supplier. If only a particular product, or feature of a particular product, which would limit to certain manufacturers, is the only one that will meet the minimum needs of Northwest Indian College, justification prepared by the requesting element is required.

2. Services

A description of required services must include all that will be required of the contractor, including standards to which he or she is to perform frequency, and recommendation for damages to be charged if contractor fails to perform the service on time.

3. Repair, Maintenance, Alteration and Construction Projects

All requirements for maintenance, repair, construction, incidental improvements, etc., will accompany the Purchase Requisition: (i) in-house-

cost estimate (cost of material and cost of labor separately), (ii) performance period—either a definite period of performance or in case of multiple projects (consolidated) multiple areas, buildings, etc., an incremental performance schedule.

Note: Certain situations may arise wherein a definite period cannot be provided (must be justified) prior to contract award. Such procurement actions will state in the RFP that the performance period will be defined by issuance of a contract modification as soon as the required performance period is known.

D. Required Delivery Date

The required delivery date will be stated in terms of a specific date, e.g., June 30, 19XX, or for services state the period of performance. Special attention must be given to this requirement and must take into account lead time required by the Purchasing Officer to prepare the solicitation, the ability of the market to respond, evaluation of the proposals and lead time necessary to obtain Administrative Contracting Officer consent, if required.

Note: Expedited delivery is more expensive and requires justification (signed by the head of the requesting organizational element) as well as a penalty clause.

E. Lead Time and Emergencies

Lead time varies with the technical complexity of the supplies or services to be acquired and the scope of the program involved. The following information, offered as a guideline, is applicable for contracting actions in general.

1. Procurement Administrative Lead Time

- a. Under \$25,000 – 30-60 days
- b. Over \$25,000 – 90-150 days

2. Production or Completion Time

Production or completion time varies with the type of the item or service involved and must be added to the procurement administrative lead time to come up with a realistic delivery date. The following can be used as a guide:

- a. Commercial off-the-shelf items in quantities normally stocked
.....10-30 days
- b. Commercial off-the-shelf items not normally stocked in quantity...60-120 days

- c. Non-commercial production requirements.....3-12 months
- d. Services (including construction).....1-12 months

3. Emergency Requirements

Emergency requirements for supplies or services are defined as:

An unexpected situation which is so compelling that, if not corrected immediately, it would endanger life, property or adversely affect essential Northwest Indian College operations. The urgency is so great that it precludes requisitioning through normal supply channels, use of normal contracting methods and obtaining advanced approvals normally required to respond to the situation. Examples include, but not limited to fire, explosion, flood or earthquake.

4. Keeping Estimators Current on Vendor Quotes

All purchase orders will be entered into the central purchase order database. This database will be used by those in purchasing and in estimating. In this way, using a central file of purchasing data, estimators can be assured of ready access to up-to-date vendor quotes as they are received.

1015 – Procurement Bid Thresholds

Purpose:

This Policy is established to ensure the college's procurement is fair, maximizes resources and is efficient.

To ensure the purpose of this policy is met, the following bid thresholds are established:

A. Small Purchases

Small purchases are defined as under \$25,000

1. Small purchases do not require a bid/competitive process.
2. Small purchases where it is prudent to “shop the competition” may defer to 1031 Price Analysis and Cost Analysis and 1033 Price Analysis.
3. A competitive bid process for small purchases may be used at the discretion of the Project Manager, in consultation with the Purchasing Officer
4. All construction/Renovation projects are subject to Indian Preference consideration, in compliance with the relevant tribal TERO Ordinance.

B. Non Competitive Procurement

Non-competitive procurement shall apply to purchases over \$25,000 and less than \$100,000.

1. Purchases over \$25,000 and less than \$100,000 shall defer to 1031 Price Analysis and Cost Analysis and 1033 Price Analysis.

C. Competitive Procurement

Competitive Procurement is generally required for purchases over \$100,000.

1. Competitive Procurement can be accomplished by using either a Sealed Bid process or by acquiring three written bids.
2. Construction/Renovation projects over \$250,000 must use a Sealed Bid Competitive Procurement process
3. The Competitive Procurement process should be used, in consultation with the Purchasing Officer, when it is advantageous to the project.

D. Exceptions to Competitive Procurement

Exceptions to the Competitive Procurement policy are generally referred to as Single Source purchases.

1. Single Source purchases are allowed when:
 - a. The service/item is available from only one source;
 - b. When acquisition of the item/service is an immediate need/emergent and the delay of the acquisition that will enable the Competitive process is unreasonable;
 - c. After solicitation of a number of sources, competition is determined inadequate.
 - d. Compliance with the relevant tribal TERO Ordinance indicates competition would cause unnecessary delay.
 - e. When the college has experience with the vendor as an, experienced, Native-owned business of good repute and determines that it would be a benefit to the college and its work to engage them.

- E. Grant/Funding source stipulations that are required and more restrictive supersede this policy

Reviewed by the Finance Committee – May 23, 2012

Reviewed by the Administrative Team – May 30, 2011

Approved by the Board of Trustees – July 25, 2012

1023 Preparing a Solicitation

- A. Solicitations normally will be completed using the instructions in this part. Since there is really no such thing as a “standard” procurement action, this part will address only the items required to be completed by the Purchasing Officer or the Designated Buyer.
- B. For completion of the solicitation, the Purchasing Officer/Buyer must address the following:

1. Number of pages of the solicitation
 2. Solicitation number (voucher number)
 3. Date prepared
 4. Date due
 5. Date delivery is required at destination, or the completion date of the service. (Buyers must recognize that If a date is identified in the solicitation as being “required,” any offer taking exception to the “required” will be considered “not-acceptable”. Therefore, other methods of stating delivery, or completion information are addressed in the paragraph on Alternate Delivery/Completion Provisions of this part.)
 6. Name and telephone number of Purchasing Officer/Designated Buyer
 7. Name and telephone number of cognizant technical representative
 8. Item number(s)
 9. Description of goods and services, scope of work, etc.
 10. Quantity(ies)
 11. Unit(s) of measure
 12. General Provisions and Addendum(s), if required
- C. A list of vendors solicited will be prepared and will be placed in the procurement action file, or permanently retained at the time the solicitation is issued. In the event the solicitation is for goods/services requiring Administrative Contracting Officer consent/notification, the Purchasing Officer should annotate same under the list of vendors solicited, to assure that all required documentation is completed, i.e., technical evaluation D & Fs, Telephone and Conversation Records, etc.
- D. Complex procurement actions normally utilize a letter format with attached Technical Data Package.

1025 Technical Evaluation/Source Selection

- A. Proposals for complex items/services, involving specifications and/or drawings or complex Statements of Work (SOW) will be submitted to the requisitioner for technical evaluation in accordance with the award criteria listed in the solicitation; however, all pricing information will be removed from the solicitation package by the Purchasing Officer prior to submission.
- B. Upon completion of the technical evaluation, the requisitioner will submit the results to the Purchasing Officer, in writing, indicating which proposals are technically acceptable and which bids are technically not acceptable. Reasons for disqualification of a proposal as “technically not acceptable” must be clearly, succinctly and without bias stated in the evaluation.

1027 Award Evaluation

- A. After the Abstract of Proposals is completed, the Purchasing Officer/Designated Buyer will initiate the process for selecting the successful offer. He or she will evaluate the offer in view of the following criteria.
 - 1. Lowest responsive offer from a responsible offerer.
 - 2. Adherence to specifications and requested design or material composition.
 - 3. Delivery commitments exclusive and inclusive of lowest price (in case of a “required” delivery date, a proposed delivery date may render offer not acceptable, unless requisitioner accepts later date, in writing, and all offerers are notified in writing to re-bid with extended delivery date).
 - 4. Contract pricing proposal with supporting documentation, where the bid exceeds \$10,000 and the vendor represents a single or sole source.
 - 5. Vendor’s compliance with instructions for submitting required documentation.
 - 6. Make or buy decision, when required

1029 Award

- A. After evaluating the offers, award will be made to the lowest responsible offerer or to the offerer with the most advantageous solution to fulfill the needs of Northwest Indian College, price and other factors considered.
- B. All or None of the Qualifications

Unless the solicitation so states, an offer will not be rendered unacceptable by the fact that the vendor specifies that award will be accepted only on all, or a specified group, of the items included in the solicitation.

C. Equal Low Offers

If, after evaluation, two or more offers remain equal in all respects, award will be made by drawing lots, which will be supervised by the Purchasing Officer and witnessed by another Northwest Indian College manager. The names and titles of the witnesses will be annotated on the Abstract of Proposals.

D. For offers covering more than one item with an accurate delivery, a single order will be issued to the vendor with the total price. However, multiple orders may be issued, if considered appropriate and realizable savings from the multiple award exceeds \$200.

1031 Price Analysis and Cost Analysis

- A. This part describes the minimum actions the Purchasing Officer must take to determine and document a fair and reasonable price.
- B. There are two accepted methods to determine the fairness and reasonableness of a proposal:
 - a. Price analysis, which simply a comparative process involving the prices(s)
 - b. Cost analysis, which is an element-by-element analysis of the costs which make up the total price.
- C. Price analysis normally will be performed by the Purchasing Officer.

1033 Price Analysis

- A. Price analysis is the most used method to determine a fair and reasonable price because it is less complex and time-consuming than other methods. A form of price analysis is to be used on every purchasing action. In order of preference, the accepted forms of price analysis are:
 - 1. Adequate price competition
 - 2. Prices set by law or regulation
 - 3. Established catalog or market prices
 - 4. Comparison to previous competitive purchases

5. Comparison to a valid in-house cost estimate

B. Adequate price competition exists when:

1. At least two responsible offers respond to the solicitation
2. The offers are able to satisfy the requirement
3. The offers respond independently
4. Each offer submitted responds to the expressed requirements of the solicitation

C. Prices Set by Law or Regulation

A copy of the rate schedules set by the applicable law or regulation will be obtained and included in the purchase file for verification of the price(s) quoted.

D. Established Catalog Prices and Market Prices

1. A copy of the catalog/published price list, or, at least, the page on which the price(s) appear(s) must be obtained and included in the purchase file for verification of the offered price(s).

E. Comparison to Previous Competitive Purchases

This determination must be based upon a physical review of the previous files. Changes in quantity, quality, delivery schedules and economic situation must be taken into consideration. Further, the Purchasing Officer must ensure that the previous price was determined to be fair and reasonable. (Award when satisfied and conditions are met)

1035 Purchase Order Preparation

A. The purchase order will be prepared as specified below.

B. Basic Data

1. Order number and date of order
2. Voucher number
3. Page number and number of pages
4. Vendor's name, address, point of contact and phone number

5. Ship to address/FOB point
6. Complete description of items or services identifying all applicable technical requirements.
7. Quantity, unite, unit price and total of each item
8. Purchasing Office's phone number
9. Total of order
10. Authorized signature

1037 Master Vendor's Mailing List

The Purchasing Officer will maintain a consolidated vendor's list to include both active and inactive vendors. The Master Vendor's Mailing List will be permanently updated (i.e., new vendors added, old vendors – who have gone out of business, been debarred, changed commodities, or deemed not responsible – deleted) and on a yearly basis reconciled. The permanent update is done by the Purchasing Office based on daily business, evaluation of brochures and other documentation and information received from trade fairs or vendors directly. The Purchasing Officer will vary the vendors for each procurement action whenever feasible.

1043 Documentation of Purchase Order Transactions

The following list of purchase file contents represents the typical materials found in contractors' purchase order files. Contractors vary from company to company as to specific filing practices for these documents. Because automated computer-based systems are not used extensively to maintain some of this information, it is understood that trace ability and cross-reference to these sources is considered acceptable practice:

1. The purchase order
2. The request for quotation (RFQ), showing all bidders solicited
3. Copies of the vendors' quotations
4. A bid tabulation sheet that summarizes and compares vendor quotations
5. Certificates of the rent-free use of company facilities, if applicable
6. Vendor surveys or facilities capability reports, including financial evaluations
7. Source selection explanation

8. Price or cost analysis data, such as analysis of previous prices paid, comparisons of vendor's price versus in-house estimate, analysis of the data submitted by a vendor in support of its proposed cost breakdown, and an analysis of a successful bidder's breakdown versus other bidder's breakdowns.
9. Negotiation summary, including current cost or pricing certificate, when appropriate
10. Basis for selection of contract type
11. Copies of technical data, such as engineer's technical evaluations, drawings, specifications, inspection requirements, and lists of special tooling or test equipment required.
12. Price re-determined or termination data, if appropriate
13. Correspondence between the purchasing department and bidders
14. Evidence of Small and Disadvantaged Business enterprise consideration or Indian preference.
15. Information concerning the use of special terms and conditions and approval thereof.
16. Departmental and management approvals, as required.

1100 CREDIT CARD POLICY**I. INTRODUCTION**

- A. Issuance of a NWIC credit card requires authorization by the NWIC President.
- B. College credit cards are intended primarily for travel and entertainment consistent with, and relative to, the duties of the College credit card holder.
- C. All individual cardholders have the responsibility to keep accurate, complete cost records and to submit adequate documentation to the Business Office to support all charges made on the credit card.
- D. Cardholders are responsible for reviewing and coding the specific credit card charges prior to submission of the appropriate purchase requisition to the Business Office.
- E. It is the responsibility of the cardholder to ensure that the charges are reasonable and, whenever possible, conform to policies and procedures as outlined in the NWIC Financial Manual and Personnel Policies.
- F. The cardholder will be responsible for any charges that deviate from those defined below. These inappropriate charges may be deducted in full on the cardholder's next paycheck. Consistent failure to adhere to these policies will be reported to the cardholders' supervisor and may result in the revocation of the cardholder's credit card privileges.
- G. College credit cards are for business use only and therefore, no personal charges are allowed.
- H. No cash advances are allowed on College credit cards.

II. GUIDELINES REGARDING CREDIT CARD CHARGES

- A. Travel
 - 1. Transportation
 - a) The College Credit card can be used for appropriate transportation expenses, including, but not limited to, car rental, taxi and public and other modes of transportation.
 - b) Incidental transportation expenses, including the purchase of gasoline, should be submitted through a mileage and/or travel advance process whenever possible.
 - c) Purchase of companion or family airfares associated with an employee going on business travel is allowable with appropriate repayment by

the employee to accompany the purchase (repayment made by payroll deduction to NWIC or personal check payable to the credit card company)

2. Lodging
 - a) The College credit card may be used to facilitate approved travel.
 - b) Any charge to the college for failure to notify the hotel of cancellation may be the responsibility of the cardholder upon the final decision of the supervisor.
3. Meals
 - a) The purchase of meals will, whenever possible, be consistent with the travel advance policy. In the event a cardholder needs to purchase meals with the College credit card while on official travel status, the cardholder will attach the approved travel advance form to the purchase requisition.
 - b) No alcohol may be charged on college credit cards
4. Communications
 - a) While on travel for College business, costs for telephone, fax, copying and express mail, and postage are allowed.
 - b) All long distance calls shall be logged as to date/time, party called, and purpose of the call. The log sheet must be returned with the purchase requisition to the Business Office.
5. Other
 - a) Incidental costs, including, but not limited to, meeting room charges, conference registration, office expenses, and office supplies are allowable.

B. Incidental Costs

1. In the event that the cardholder is responsible for cultivation of donors or other college related entertainment, the cardholder must identify the purpose of the meal and individuals in “official” attendance.
 - a) As noted in Travel section above, no alcohol may be charged on college credit cards.
2. All other College credit card purchases shall be governed by the “reasonable person” philosophy.

III. ACCOUNTING PROCEDURES

Upon receipt of the monthly credit card billing statement, the cardholder will review the statement to ensure that all charges are correct and agree to the various receipts obtained by the cardholder. The cardholder shall submit the bill to the Business Office at least five days prior to the bill's due date in order to allow for timely payment of the bill.

Approved November 7, 2007