

# **INTRODUCTION**

## **Chapter 10000**

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# COLLEAGUE FINANCE SYSTEM DEPARTMENTAL MANUAL

## CHAPTER NO: *10000 INTRODUCTION*

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### **10110 Purpose of this Manual**

This manual describes VMI's Colleague Accounting System and establishes all financial policies and procedures for VMI. One of the primary goals of this manual is to encourage efficiency, proper internal controls, and accurate financial reporting. This document includes the forms and instructions that one must use in processing all financial transactions at VMI. It provides a complete orientation to the system for all users.

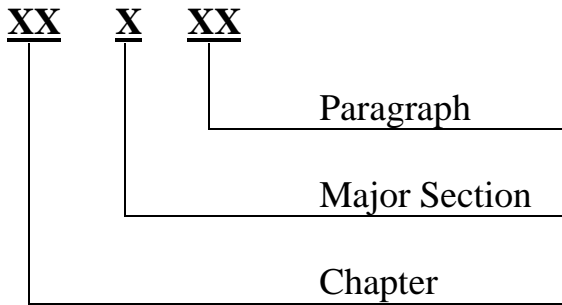
### **10120 Scope of this Manual**

This Manual includes descriptions, policies, procedures, and forms to explain the following items:

1. Standard Operating Policies
2. Accounting System Structure
3. Financial Reports
4. Cash Receipts Operations
5. Disbursements
6. Payroll
7. Restricted Funds Accounting
8. Departmental Capital Assets
9. Student Accounting Policies
10. Departmental Records
11. Annual Operating Budget Policies

## 10130      **Numbering System**

This Manual uses a 5-digit section number to locate information



Exhibits, such as charts, sample forms or instructions, are referenced and placed at the end of each Chapter. Using the complete five-digit number is the best way to identify information in this Manual.

## 10140      **Compliance Reporting**

The Business Executive shall semi-annually, in December and May of each fiscal year, give a report to the Audit, Finance and Planning Committee of the Board of Visitors on the status of VMI's compliance with the policies set forth in this Manual. Furthermore, the Superintendent or the Business Executive shall, upon the discovery that a policy set forth in this Manual has been violated, give the Audit, Finance and Planning Committee notice of such violation. Notice shall be in writing and shall explain the nature of the violation and the steps taken to correct, or to the extent that full correction is not feasible, the mitigation of the same. The Superintendent or the Business Executive shall give this notice within ten working days of their discovery of the violation.

## 10200      **Revisions to this Manual**

Only the VMI Board of Visitors has the authority to make revisions in the policies set forth in this Manual. Furthermore, all such revisions shall be consistent with the State laws and regulations. In case of a conflict with state law or where the policy is silent - state law will prevail. The Board of Visitors realizes the necessity to change operating procedures from time-to-time; therefore, the Board hereby authorizes the Superintendent to administratively make revisions, as necessary, in the procedure portions of this Manual.

The Comptroller's Office shall distribute printed copies of all revisions to all holders of this Manual, for immediate inclusion into the Manual. The effective date listed at the bottom of each page is the official date that the revision takes place.

All users of this Departmental Manual are responsible for maintaining this Manual and its revisions on a current basis.

## **10300 Financial Responsibilities at VMI**

Every administrator, fiscal officer, and employee has the responsibility to insure that the financial resources of Virginia Military Institute are expended to best serve the Institute. The Institute's financial resources are appropriated by the State of Virginia (State funds) and provided by private sources (Local funds). The VMI Board of Visitors annually adopts the Institute's operating budget. State laws and regulations, this manual, and the Institute's annual operating budget provide policies and procedures for the collection, control, and expenditure for all funds. The responsibility mentioned above is best met by:

1. Performing adequate planning for the use of the funds allocated.
2. Frequently reviewing the expenditure of funds in order to insure that they are being made in the most efficient manner.
3. Retaining flexibility in financial management to meet unexpected or unplanned needs.
4. Exercising the closest personal supervision practicable over the entire function.

## **10310 Overview of the Colleague Finance System**

The Colleague Finance Module which encompasses the General Ledger, Purchasing and Accounts Payable was implemented 1 July 1998. This module is a portion of a fully integrated computer system, which VMI purchased from Datatel Corporation. Colleague Finance was the first of the modules implemented. The non-student accounts receivables, which are maintained in the Student System Module, was also implemented 1 July 1998.

The Human Resource Module, which includes Personnel and Payroll, was implemented 1 January 1999. The student receivables portion of the Student System Module was implemented in Spring 1999. All modules post financial transactions

into the General Ledger for accounting and reporting purposes. The Budget Module was implemented in September 1999.

This system is a fully integrated, on-line system, and VMI will fully utilize the system as such after all modules are fully operational. Before departmental use of the system all users shall be trained and all security measures in place.

### **10320 Supervision of Accounts**

Every account has an individual to supervise that account and its activity; that is, a Budget Officer will be assigned to each account. If you have questions concerning an account, then direct those questions to the Budget Officer for that account. The Treasurer's Office and the Comptroller's Office are also available to provide operating assistance.

### **10330 Use of Fund Accounting**

The Colleague Finance System provides for separate self-balancing sets of accounts, or fund groups. The selection of fund group depends on the needs of the Institute and generally accepted fund accounting principles, as specified in the National Association of College and University Business Officer's **College and University Business Administration** handbook and the American Institute of Certified Public Accountants' industry audit guide, **Audits of Colleges and Universities**.

The Institute uses the following funds groups:

- Unrestricted Current Funds
- Restricted Current Funds
- Student Loan Funds
- Endowment Funds
- Plant Funds
- Agency Funds

### **10340 Use of "Department" in this Manual to Describe Institute Activities**

The Colleague Finance System uses individual accounts to record particular financial activities at three very different levels – Institute, departmental, and activities within departments. To simplify the discussion of which level is handling account transactions in the Manual, "*department*" is used in all cases. Unless specifically

stated, the rules and procedures for handling individual transactions is not different for any of the three organizational levels listed above.

### **10350      Organizational Charts**

The following organization charts of VMI's Finance Division are included to assist the user in understanding the structure of the Institute's accounting function: