



Policy No. 5.010

Northwest Louisiana Technical Community College

Financial Accounting & Reporting Basis

Original Adoption: October 16, 2019
Effective Date: October 16, 2019
Last Revision: January 1, 2023

Northwest Louisiana Technical Community College shall ensure compliance with regulatory requirements for financial accounting and reporting basis as defined by the Governmental Accounting Standards Board (GASB).

Accounting Basis:

NLTCC uses the accrual basis of accounting in accordance with GASB. Revenues are recorded when earned and expenses are recorded when incurred and measurable, regardless of when the related cash flows take place. Non-Exchange Transactions, in which the University receives value without directly giving equal value in Exchange, include grants, state appropriations, and private donations. On an accrual basis, revenues from these transactions are recognized in the fiscal year in which all eligibility requirements (resource provider conditions) have been satisfied, if measurable and probable of collection.

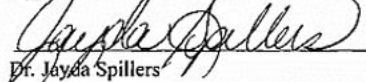
Reporting Basis: NLTCC's financial statements are prepared in accordance with generally accepted accounting principles applicable to governmental colleges and universities as promulgated by the Governmental Accounting Standards Board (GASB). Component units follow pronouncements as appropriate for their type of entity, and their financial statements are presented on that basis. In accordance with GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* (GASB 34), NLTCC has elected to report as an entity engaged in business-type activities. Entities engaged in business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

GASB 34 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories:

- Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation and long-term debt attributable to the acquisition, construction, or improvement of these assets.
- Restricted: Those net positions, either expendable or nonexpendable, subject to donor-imposed restrictions stipulating how the resources may be used. Expendable net positions are those that can be satisfied by actions of the University. Nonexpendable net positions, consisting of endowments, must be maintained in perpetuity.
- Unrestricted: Those net positions that are not classified either as capital assets, net of related debt or restricted net positions. Unrestricted net positions may be designated for specific purposes by management.

Restricted funds remain classified as such until restrictions have been satisfied.

Approved:



Dr. Jayda Spillers

Chancellor

Cash Handling Procedures

Notice of Receipt

Each NLTCC employee handling cash shall have a signed Notice of Receipt form on file, stating they have read and agree to terms of Cash Handling Procedures.

I _____ have read and agree to terms of Cash Handling Procedures.

Employee Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

Vice Chancellor of Finance and Administration Signature

_____ Date: _____