NC State University Police Department

Policy and Procedure

222 – Fiscal Management
Approved: September 1, 2026
Replaces Policy 222 Dated: 03/11/2025
*All revisions are in **BOLD** print.*

PURPOSE: The purpose of this directive is to explain the Department's financial management system and to assign certain responsibilities.

POLICY: It shall be the policy of the North Carolina State University Police Department to comply with the requirements outlined in the NC State University Business Manual and to manage the department's funds to make the most effective use of its resources.

DEFINITIONS:

None

PROCEDURE:

A. Fiscal Management Function

The Chief of Police is designated by the University as the "responsible party" for all financial and fixed assets belonging to the department. Day-to-day fiscal management responsibilities are delegated to the Business Officer for Environmental Health and Public Safety.

B. Budget

The University Police Department is funded in two ways: from state appropriations and allocations of funds and from revenues generated by the department. The budget is composed of three parts: Base, Capital, and Expansion. The budget processes for each of these parts differ and are described below.

1. Appropriated Base Budget

The base budget is the recurring operating budget of the department. The base State budget consists of funds appropriated by the North Carolina General Assembly to NC State University and ultimately allocated to the police department by the Vice-Chancellor for Finance and Business. The amount of this base budget generally remains the same from year to year except that the salary, wage, and benefits line items are increased in an amount which corresponds to the percentage increase passed by the General Assembly for all state employees. The base state budget may be increased by permanent transfers of funds from other University departments or through the expansion budget process (see section D below). State funds may be used only for police-related expenses.

2. Overhead Account

The Overhead Account consists of funds derived from overhead charges to federal, state, and other contracts and grants awarded to the university and allocated to the police department by the Vice-Chancellor. The amount of this base budget remains the same from year to year except that the salary, wage, and benefits line items are generally increased in an amount which corresponds to the percentage increase passed by the General Assembly for all state employees. Overhead funds may be used only for police-related activities.

3. Receipt Account

The base receipt account consists of funds provided by the other departments on campus that require the assignment of police department services. Departments that require services include, but are not limited to the Athletic Department, Housing, Library, Student Affairs, etc. Funds may be used only for expenses resulting from activities that generated the revenue.

C. Budget Preparation and Revision

1. State Appropriated Funds

a. In July of each year, the Human Resources Coordinator for Environmental Health and Public Safety prepares the BUD-101 forms required to allocate the state and overhead base budgets among expenditure categories in accordance with the final base budget from all sources approved by the Chief of Police.

2. Capital Outlay

a. The capital outlay budget is an annual one-time budget provided to meet the capital equipment or other one-time needs of the department. The capital budget is provided by the Executive Vice Chancellor through the Senior Associate Vice Chancellor of Finance and Administration.

b. The capital budget preparation process is as follows:

1) In May, the Chief of Police on advice of the Command Staff prepares and submits to the Business Officer for EH&S one-time requests for capital items. These requests are based on the need for replacement equipment and need for new equipment to meet Department goals and objectives.

2) The Business Officer for EH&S submits the requests on behalf of the Chief of Police to the Senior Associate Vice Chancellor for Finance and Administration.

3) In June, the Senior Associate Vice Chancellor for Finance and Administration, in consultation with the University Controller, compiles a capital budget request for all departments in the Division and submits it to the Vice Chancellor for Finance and Administration.

4) In July, the Executive Vice Chancellor for Finance and Administration makes capital budget allocations. The amount of the Department's allocation is transmitted to the Department by the Senior Associate Vice Chancellor for Finance and Administration.

5) If the Department's allocation is less than its request, the Chief of Police, in consultation with the command staff, decides which capital expenditures will be made.

6) During the year, if funds are made available through lapsed salary some of these funds may be budgeted to meet unfunded capital needs.

D. Expansion Budget

The expansion budget is the budget that provides new funds for the Department which, in subsequent years, become part of the base budget of the department. Expansion budget funds are provided by the North Carolina General Assembly. There are two distinct expansion budget processes, as described below.

1. Biennial Expansion Budget Request

a. Every other year, in odd-numbered years, the University of North Carolina system is permitted to request additional permanent funding from the North Carolina General Assembly. The University of North Carolina System Board of Governors establishes the guidelines and procedures whereby individual institutions in the system may make expansion budget requests. These guidelines and procedures are transmitted to the Chancellor of each institution. The Chancellor at North Carolina State University, in consultation with the Vice Chancellors, decides which institutional priorities will be put forward for expansion budget funding.

b. If the NCSU Police Department is designated to submit an expansion budget request, the Business Officer for EH&S prepares the request according to the guidelines provided and submits it to the Chief of Police for approval. After approval the Chief of Police submits the request to the Associate Vice Chancellor for Environmental Health and Public Safety by the announced deadline.

2. Maintenance and Operations Budget Request

a. The State of North Carolina provides, as a part of the operating budget for new buildings or large renovations, funding for additional personnel for certain campus service departments affected by the expansion of the campus. The NCSU Police Department is one of these departments.

b. The Chancellor, in conjunction with the Vice Chancellors, determines new building needs for the campus. When a new building budget is being prepared, the Associate Vice Chancellor for Environmental Health and Public Safety submits to the University Budget Office a request for additional positions in accordance with the Department's anticipated personnel levels as included in the Department's multi-year plan. The University Budget Office submits the new building budget request to the University of North Carolina General Administration where it is approved by the Board of Governors and submitted to the North Carolina General Assembly. If the new building request is approved, the Associate Vice Chancellor notifies the Department of the number of positions approved as a part of the new building operating budget. These funds are added to the Department's base budget in the month that the new building becomes operational.

E. Purchasing

1. The requisitioning and purchasing of the department's supplies and equipment is governed by the North Carolina State University's Purchasing Manual. This Manual is updated annually by Materials Management. The Administrative Assistant/Payroll Manager has been designated as the Department's Purchasing Coordinator.

2. Environmental Health and Public Safety accounting personnel are responsible for processing all purchase requests that are signed by the Chief of Police, or his/her designee, and submitted in accordance with the requirements of the Purchasing Manual.

3. In the event the department has the need to request supplemental fund transfer or emergency funding the following procedures will be followed:

a. Personnel will submit a purchase request for the supplemental or emergency purchase through the chain of command to the Chief of Police for approval.

b. The Chief of Police will submit a request for emergency purchasing funding or supplemental fund transfer with justification in writing to the Associate Vice Chancellor for Environment Health and Public Safety.

c. If funding is not available in the existing budget, the Associate Vice Chancellor will submit the funding request to the Vice Chancellor of Finance and Business.

d. The Vice Chancellor of Finance and Business will approve the request and provide the additional resources based on the availability of funding.

F. Accounting

1. The University operates a centralized accounting system called PeopleSoft Financial System. The system accounts for funds by source. Annually, the Budget Manager submits the appropriate forms to establish the initial budget for each of the Department's Accounts (see II above).

2. Monthly reports are sent to the Chief of Police for all accounts for which the Chief of Police is designated by the University as the "responsible party." These reports include the beginning balance for each line item in each account, a record of all transactions (encumbrances and expenditures) which took place during the period, and the ending balance for each line item.

3. The Business Manager, or his/her designee, reconciles these monthly reports with copies of all forms submitted for payroll, purchases, payments, or other expenditures; research discrepancies; and submits forms as required to effect corrections of errors.

4. The Business Officer for EH&S, or his/her designee, provides reports monthly to the Chief of Police and division managers regarding the status of their individual discretionary program budgets.

G. Cash Funds

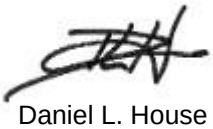
The department does not maintain cash funds.

H. Independent Audit

1. The State Auditor of the State of North Carolina is designated by statute as the auditor of the University's books of account. The University's accounting records are audited annually by a team of state auditors. The NCSU Police Department's fiscal activities are audited as a part of the University audit.

2. The University's Internal Audit Department may also audit the Department from time to time to improve accountability by assessing controls and procedures and updating if necessary. The Internal Audit Department develops its annual department audit program based on potential loss exposure and past audit findings.

APPROVED:



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