



North Carolina Community College System

North Carolina Community College
Adult Education Association

2020 Career Credit Leadership Institute

Tammie S. Hill
Director of Compliance Services



Compliance Services

Mission

The mission of the Compliance Services Unit is to ensure accountability and credibility of the North Carolina Community College System in a consultative and proactive manner. This mission is accomplished by conducting bi-annual compliance reviews of each of the 58 colleges thereby ensuring compliance with the North Carolina General Statutes, Title I of the State Board of Community Colleges Code, State Board of Community Colleges policies and guidelines and North Carolina Community College System Office Numbered Memoranda.

<https://www.nccommunitycolleges.edu/compliance-and-accountability>





Legislative Reference

North Carolina General Statutes

The State Board of Community Colleges shall maintain an accountability function that conducts periodic reviews of each community college operating under the provisions of this Chapter. The purpose of the compliance review shall be to ensure that (i) data used to allocate State funds among community colleges is reported accurately to the System Office and (ii) community colleges are charging and waiving tuition and registration fees consistent with law. The State Board of Community Colleges shall require the use of a statistically valid sample size in performing compliance reviews of community colleges. All compliance review findings that are determined to be material shall be forwarded to the college president, local college board of trustees, the State Board of Community Colleges, and the State Auditor. The State Board of Community Colleges shall adopt rules governing the frequency, scope, and standard of materiality for compliance reviews.

Reference *N.C.G.S. 115D-5(m)*



North Carolina Community College System



NC Community Colleges Reference

State Board of Community Colleges (SBCCC)

1G SBCCC 400.1 General Provisions

The State Board shall maintain an accountability function to ensure the credibility of the number of budget FTE students reported to the General Assembly for funding purposes and the equitable distribution of State and federal funds among the colleges. This function shall include periodic reviews of college compliance with the provisions in Title 1, Chapter G and in Title 1, Chapter E of the State Board Code, and any rules referenced therein. This function shall also include opportunities for colleges to receive **coaching** from the System Office on areas of potential risk of non-compliance, sound documentation practices, and the use of mitigating controls.

Reference 1G SBCCC Subchapter 400 – FTE Reporting Accountability



Compliance Review

Definition

1G SBCCC 400.2 Definitions

(a) “Compliance review” - A periodic, objective assessment of college compliance with State laws and State Board rules governing the reporting of data used as the basis of college budget allocations as well as the charging and waiving of tuition and registration fees, as defined in 1E SBCCC 100.1.

Reference 1G SBCCC Subchapter 400 – FTE Reporting Accountability



Compliance Reviews

Frequency

-
- Conducted once every two fiscal years.
 - If a review has a material finding, then a review will be conducted the subsequent fiscal year.
 - If a review is not scheduled during a particular year, the college president may request one, subject to the availability of resources.

Reference 1G SBCCC Subchapter 400 – FTE Reporting Accountability



Compliance Review

References Used

- North Carolina General Statutes
- State Board of Community Colleges Code
- State Board Numbered Memoranda

- College Policies and Procedures
- College Catalog and Publications



Compliance Review Process

Prior to Onsite Review

- Save the date email is sent to the president and the president's assistant four weeks prior to the start of the onsite review.
- Entrance email with all documentation needed for the review is sent to the president and the president's assistant two weeks prior to the onsite review.
- The review officially begins when the entrance email is sent, and no changes to the records may be made.
- **The Compliance Review List** is included in the entrance email documentation. This list should be completed and returned to the compliance examiner prior to the start of the onsite review.
- The entrance email also requests additional information be sent to the compliance examiner prior to the onsite review.



Compliance Review Process

During the Review

- File Review

- ✓ Attendance roster
- ✓ Clinical documentation, if applicable
- ✓ Instructor contract(s)
- ✓ Registration fees/fee waivers

- Meetings with staff members

- ✓ Questions
- ✓ Coaching



Compliance Review Process

After the Review

Compliance Review results are written.

- Coaching Letter
 - Recommendations
- Final Compliance Report
 - No findings
 - Minimal material finding
 - Material finding with a reversion of funds

Reference CC15-036 Compliance Review Reports and Reversions, page 2



Compliance Review

Material Finding

1G SBCCC 400.2 Definitions

(c) “Material” or “Material finding” – A finding is material if the number of FTE for which documentation does not satisfy the conditions listed in 1G SBCCC 400.3(c)(1) exceeds one percent of the sample reviewed for a particular programmatic area (Curriculum, Continuing Education, and Basic Skills).

Reference 1G SBCCC Subchapter 400 – FTE Reporting Accountability



Compliance Review

Minimal Material Finding

Material Finding with a Reversion of Funds

- Minimal Material Finding: The number of student hours found non-compliant during the compliance review exceeds 1% of the total number of hours pulled in the sample for that program area (Curriculum, Continuing Education, and College and Career Readiness).
- Material Finding with a Reversion of Funds: The number of student hours found non-compliant during the compliance review exceeds 5% of the total number of hours pulled in the sample for that program area (Curriculum, Continuing Education, and College and Career Readiness).

Reference CC15-036 Compliance Review Reports and Reversions, pages 2-3



Compliance Review

High Risk

1G SBCCC 400.2 Definitions

(b) “High Risk” –

- (1) Course sections in which the majority of students receive a tuition or registration fee waiver as provided under Subchapter 800 of Title 1, Chapter E;
- (2) Course sections provided completely asynchronously online; or
- (3) Course sections held in facilities that are not owned or under long-term lease by the college.

Reference 1G SBCCC Subchapter 400 – FTE Reporting Accountability



Compliance Review

Identified Risk Areas

- Continuing Education
 - ✓ BLET
 - ✓ Captive co-opted courses
 - ✓ Career and College Promise
 - ✓ Clinicals
 - ✓ Fee waivers
 - ✓ Instructor contracts
 - ✓ Work-Based Learning
- College and Career Readiness
 - ✓ Consistent documentation
 - ✓ Instructor contracts



References

State Board of Community Colleges Code

- 1D SBCCC 200.95 Education Services for Minors (Basic Skills)
- 1D SBCCC 300.4 Program Management (Continuing Education)
- 1D SBCCC 300.6 Instructional Service Agreements (Continuing Education)
- 1D SBCCC 300.9 Clinical Practice (Continuing Education)
- 1D SBCCC 300.10 Work-Based Learning (Continuing Education)
- 1D SBCCC 700.98 Instruction to Captive Co-Opted Groups
- 1E SBCCC 200.0 Time Due, Deferred Payment, Failure to Pay
- 1E SBCCC 400.1 Continuing Education Registration Fees
- 1E SBCCC 800.1 Definitions (Waivers)
- 1E SBCCC 800.2 General Provisions (Waivers)
- 1E SBCCC 1000.2 Special Provisions for Senior Citizens (Audited Courses)
- 1G SBCCC 100.1 Definitions (FTE)
- 1G SBCCC 100.99 Budget FTE Funding
- 1G SBCCC 200.1 General Provisions (FTE Reporting Categories/Criteria)
- **1G SBCCC 200.94 Reporting of Student Hours in Membership for Continuing Education Classes**
- 1G SBCCC 200.95 Limitations in Reporting Student Membership Hours
- 1G SBCCC 200.96 Training for Public Safety Agencies
- 1G SBCCC 400.3 Compliance Reviews
- 1G SBCCC 400.4 Special Reviews





References

Memos and other Publications

Numbered Memos

- CC20-020 2020 HRD Tuition and Fee Waiver Guidelines
- CC20-013 Proposed Amendment of 1G SBCCC 200.94 and 1E SBCCC 900.2
- CC20-006 Temporary Amendment of 1G SBCCC 200.95
- CC20-001 Newly Authorized Tuition and Registration Fee Waivers – Effective Fall 2019
- CC19-059 Update to Instructional Delivery Method Codes
- CC19-052 FY 2019-20 Compliance Services Review Procedures
- CC18-053 Tuition and Registration Fee Waiver Reference Guide – October 22, 2018, Revision

Other References

- Basic Skills Plus Policies and Implementation Guide rev. 2020
- Career and College Promise Operating Procedures – Updated Fall 2019
- Clarification for Continuing Education Clinical Experience Documentation



Wrap-Up

Discussion Points

Please feel free to email me any questions or comments.

Tammie S. Hill
thill@nccommunitycolleges.edu