

#### **04 NCAC 06C .0302 PROCEDURES**

The basic internal controls, accounting procedures, and operation standards for all credit unions shall be as follows:

- (1) an adequate general ledger and detailed cash journal shall be maintained for the control of all transactions of the credit union;
- (2) a record of all correcting and adjusting entries, with an explanation of each entry, shall be maintained;
- (3) manual and computerized accounting systems, all receipts and disbursements shall be recorded and posted daily to cash journal and subsidiary accounts;
- (4) deposits in the bank or credit union shall consist of an entire day's receipts as entered in the journal and cash record. If amounts are less than three hundred dollars (\$300.00), more than one day's total receipts may be combined in a single deposit provided that no funds shall be held more than three banking days;
- (5) security shall be provided (cash drawer and lockbox) at a minimum for storage of funds;
- (6) credit union funds shall be kept separate from all other funds;
- (7) cash shall be balanced at the end of each working day, and a record made by each teller detailing coins, currency, checks, and other items counted as cash;
- (8) a "cash over and short" account shall be maintained in the expense ledger, with a record showing the name of each person responsible for each difference;
- (9) a pre-numbered receipt slip or other original record shall be made and preserved covering each payment received;
- (10) all bank or credit union accounts shall be reconciled at least monthly and the reconciliations shall be maintained as set forth in Rule .1002 of this Subchapter;
- (11) a duplicate of itemized bank or credit union deposit slips, or other comparable detailed item record, shall be maintained, as set forth in Rule .1002 of this Subchapter;
- (12) the status of all the credit union's funds, including investments and funds held by agents or attorneys, shall be determinable at all times;
- (13) checks shall be pre-numbered by the printer and not signed in blank in advance of issue. Facsimile signature plates shall be maintained in the credit union vault under dual control;
- (14) disbursements shall be supported by invoices, vouchers, or other explanations of record, each showing the nature or purpose of each disbursement;
- (15) dual control shall be maintained over all negotiable investment securities;
- (16) members' accounts shall be posted and balanced monthly and supported by member trial balance or adding machine tapes, identified, dated, and maintained;
- (17) a trial balance of the general ledger shall be prepared within 15 business days from the close of business of the last day of each month and financial statements prepared;
- (18) correction of errors in records shall be visible and approved by an authorized person that shall be approved by the board of directors;
- (19) a signed membership card file covering all accounts shall be maintained;
- (20) payment of dividends or interest on accounts shall be accomplished by check or by credit to the individual account. A record in support of dividend or interest paid by check or credited to accounts shall be maintained;
- (21) a cross-index card record shall be maintained for each comaker showing the date, name, and original amount of each note on which the individual appears as comaker;
- (22) minutes of meetings of the board of directors shall record in detail all of its business transactions and be signed by the presiding officer and the secretary. Upon meeting as a board of directors, the secretary or designated member shall make a matter of record in the minutes of the meeting all written communications from the Division;
- (23) the supervisory committee shall have work papers to support its audit report. The reports and work papers shall be retained and made available for review by the Administrator, as set forth in Rule .1001 of this Subchapter;
- (24) a report of actions taken by the credit committee or loan officers shall be prepared, signed, and maintained, as set forth in Rule .1002 of this Subchapter;
- (25) minutes of each annual meeting of the members of the credit union shall record all business transacted;

- (26) all books and records of the credit union shall have protection from fire and other hazards at all times. Active books and records of the credit union should be located at the principal office at all times;
- (27) dormant accounts shall be controlled to prevent improper withdrawal;
- (28) annual vacations of at least five consecutive working days (during periods when proofs of subsidiary ledgers are being made) shall be taken by each employee having access to cash and the general ledger. During the vacation, the employees shall remain absent;
- (29) a record shall be maintained that shall show the tax and insurance status of each piece of real estate securing the credit union's investment of funds in real estate mortgage loans; and
- (30) all tax liabilities shall be determined and paid in accordance with State and federal laws.

*History Note: Authority G.S. 54-109.11(4); 54-109.12; 54-109.16; 54-109.17; 54-109.19; 54-109.92; Eff. February 1, 1976; Readopted Eff. April 4, 1978; Amended Eff. March 1, 2015; January 1, 1992; July 1, 1988; December 1, 1979; Readopted Eff. February 1, 2018.*