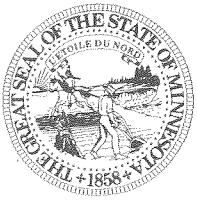


**METROPOLITAN STATE UNIVERSITY
FINANCIAL AND COMPLIANCE AUDIT
FOR THE THREE YEARS ENDING JUNE 30, 1986**

JULY 1987

**Financial Audit Division
Office of the Legislative Auditor
State of Minnesota**



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

VETERANS SERVICE BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Representative Phillip J. Riveness, Chairman
Legislative Audit Commission

Members of the Legislative Audit Commission

Dr. Robert Carothers, Chancellor
State University System

Members of the State University Board

Dr. Reatha Clark King, President
Metropolitan State University

Audit Scope

We have completed a financial and compliance audit of Metropolitan State University (MSU) for the three years ended June 30, 1986, except for those programs and activities further described in the Scope Limitations section of this letter. Our audit was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the U.S. General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, and accordingly, included such audit procedures as we considered necessary in the circumstances. Field work was completed on April 10, 1987.

We have issued a separate management letter to the State University System, dated March 26, 1987, which includes the audit of major federal programs administered by MSU for the fiscal year ended June 30, 1986.

The objectives of the audit were to:

- study and evaluate certain Metropolitan State University internal accounting control systems, including a review of tuition receipts, payroll, disbursements through the statewide accounting system, federal student financial aid, and imprest cash;
- verify that financial transactions were made in accordance with applicable laws, regulations, and policies, including Minn. Stat. Chapter 136, State University Board policies and procedures, and other finance-related laws and regulations;
- evaluate the recording of financial transactions on the statewide accounting system; and
- determine the status of prior audit recommendations.

Representative Phillip J. Riveness, Chairman
Members of the Legislative Audit Commission
Dr. Robert Carothers, Chancellor
Members of the State University Board
Dr. Reatha Clark King, President
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Metropolitan State University is affiliated with a separate nonprofit foundation. The university and the foundation have entered into a written agreement specifying their relationship. Pursuant to the agreement, MSU personnel are responsible for providing various administrative services for the foundation. The foundation maintains an independent Board of Directors who oversee foundation activities and are responsible for policy-making decisions. The foundation is audited by a private CPA firm. We did not audit the foundation. We did, however, review the relationship with the foundation and performed limited testing of the administrative services provided by university personnel to the foundation. We satisfied ourselves that the foundation is sufficiently autonomous from the university and that the administrative services provided by the university are subject to adequate controls.

Management Responsibilities

The management of MSU is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorizations and recorded properly.

Due to inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

The management of MSU is also responsible for the university's compliance with laws and regulations. In connection with our audit, we selected and tested transactions and records from the programs administered by MSU. The purpose of our testing of transactions was to obtain reasonable assurance that MSU had, in all material respects, administered their programs in compliance with applicable laws and regulations.

Scope Limitation

We did not audit major federal programs at MSU for the two fiscal years ended June 30, 1985. Major federal programs were audited by a private CPA firm for those years. We did not review the work done by other auditors on the federal programs and have placed no reliance on their work.

Representative Phillip J. Riveness, Chairman
Members of the Legislative Audit Commission
Dr. Robert Carothers, Chancellor
Members of the State University Board
Dr. Reatha Clark King, President
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Audit Techniques

As a part of this audit, we evaluated internal controls and conducted certain compliance tests relating to major federal programs at MSU for fiscal year 1987. This audit work was done as a part of our statewide audit of the State of Minnesota's fiscal year 1987 financial statements and federal programs. Additional testing of these programs, including tests of student eligibility and compliance, will be completed after June 30, 1987.

Conclusions

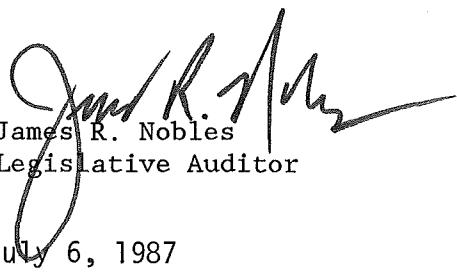
In our opinion, except for those issues raised in Section II, recommendations 1 through 10, the MSU system of internal controls in effect as of March 31, 1987, taken as a whole, was sufficient to provide management with reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions relating to those systems are executed in accordance with management's authorization.

In our opinion, subject to the effects, if any, of the federal programs for the two years ended June 30, 1985 which we did not audit as described in the Scope Limitation section of this letter, for the three years ended June 30, 1986, MSU administered its programs in compliance, in all material respects, with applicable finance-related laws and regulations.

In our opinion, for the three years ended June 30, 1986, MSU properly recorded, in all material respects, its financial transactions on the statewide accounting system.

The recommendations included in this audit report are presented to assist the university in improving accounting procedures and controls. We will be monitoring and reviewing university progress on implementing these recommendations. A summary of the progress made on all audit recommendations discussed in our last audit report covering the year ended June 30, 1983, dated August 1, 1984 is shown in the section entitled "Status of Prior Audit Recommendations and Progress Toward Implementation."

We would like to thank the MSU staff for their cooperation during this audit.


James R. Nobles
Legislative Auditor

July 6, 1987


John Asmussen, CPA
Deputy Legislative Auditor

METROPOLITAN STATE UNIVERSITY

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AUDIT PARTICIPATION

The following members of the Office of the Legislative Auditor participated in this audit:

| | |
|----------------------|----------------------------|
| John Asmussen, CPA | Deputy Legislative Auditor |
| Jeanine Leifeld, CPA | Audit Manager |
| Cecile Ferkul, CPA | Auditor-in-Charge |
| Kari Bergum, CPA | Staff Auditor |
| Rhonda Warner | Staff Auditor |
| Kim Bergstrom | Intern |

EXIT CONFERENCE

The findings and recommendations in this report were discussed with the following staff of Metropolitan State University on May 19, 1987:

| | |
|-------------------|---|
| Dr. Reatha King | President |
| Elizabeth Shippee | Interim Vice President - Academic and Administrative Affairs |
| Judy Knudson | Vice President - Marketing and Student Recruitment Services |
| Dennis Blager | Assistant Vice President - Administrative Affairs |
| Jim Cleveland | Financial Aid Director |

METROPOLITAN STATE UNIVERSITY

I. INTRODUCTION

Metropolitan State University is one of Minnesota's seven state universities governed by the State University Board (SUB). Board members are appointed by the Governor and subject to confirmation by the state senate. Appointed by the board, Dr. Reatha Clark King has served as the president of the university since September 1977.

MSU offers Bachelor of Arts degrees in four academic areas--Arts and Sciences, Business and Public Administration, Communications and Human Services, along with a Bachelor of Arts in Nursing. In addition, a Master of Management and Administration graduate program was begun in 1984. These courses are funded by student tuition, fees, and state appropriations from the General Fund. MSU educational operations are generally accounted for through the statewide accounting system. Other activities, including federal financial aid programs and student activities, are handled through a local bank and are recorded on the state university accounting system. MSU does not have dormitories or classroom buildings and thus does not participate in the State University System Revenue Fund. MSU's campus is the entire Twin Cities metropolitan area. Classes are conducted in schools, community centers, businesses, state agencies, and other Twin Cities facilities. MSU's main administrative center is located in St. Paul, with two smaller centers located in Minneapolis.

During fiscal years 1984-1986, MSU had tuition receipts and expenditures for general operations though the statewide accounting system as follows:

| <u>Fiscal Year</u> | <u>Tuition Receipts</u> | <u>Percent of Total State University System</u> | <u>General Operating Expenditures</u> | <u>Percent of Total State University System</u> |
|--------------------|-------------------------|---|---------------------------------------|---|
| 1984 | \$1,210,992 | 3% | \$4,091,904 | 3% |
| 1985 | \$1,391,743 | 3% | \$4,463,822 | 2% |
| 1986 | \$1,688,399 | 3% | \$5,032,424 | 3% |

The number of students enrolled during the school years covered by this audit, as recorded by the university, was as follows:

| <u>School Year</u> | <u>Head Count</u> | <u>Full-Time Equivalent</u> |
|--------------------|-------------------|-----------------------------|
| 1983-84 | 3589 | 1309 |
| 1984-85 | 3696 | 1297 |
| 1985-86 | 3892 | 1448 |

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II. CURRENT FINDINGS AND RECOMMENDATIONS

Receipts are not deposited promptly.

MSU collects various receipts, including tuition, repayments of student loans, and activity fees. Fiscal year 1986 receipts deposited with the state treasury totaled about \$2.2 million. Minn. Stat. Section 16A.275 requires agencies to deposit receipts daily with the state treasury if they total \$250 or more. Daily deposit of incoming receipts minimizes the risk that funds could be lost or stolen and maximizes investment earnings for the state.

MSU does not currently deposit receipts in a timely manner. Most MSU students register by mail, sending in tuition and fee payments along with their registration forms. MSU keeps the checks with the registration forms throughout the registration process, which may take one to three weeks. During this period, most checks are kept in a locked file cabinet in the registrar's office. However, some checks and registration forms are sent to other offices, such as the graduate program office, where physical security is not maintained. Only after the registration process is complete are checks delivered to the cashier's office restrictively endorsed and deposited.

Delays in deposits also occur because the business office does not have a substitute to handle the cashier's duties when she takes a day off or goes on vacation. No deposits were made during an eight day period in July 1986, when the cashier was on vacation. Over \$20,000 was deposited within two days after the cashier's return. The cashier also delays deposits when the keypunchers are not available to enter the corresponding registration data.

MSU has a responsibility to adequately safeguard students' tuition receipts. The ability to promptly deposit receipts should be added as an objective of the new registration system currently being developed.

RECOMMENDATION:

1. MSU should develop a method of depositing receipts promptly, while still performing reconciliations necessary to ensure the accuracy of the accounts receivable system.

Financial aid refunds are not prorated back to the federal financial aid account in accordance with federal requirements.

Some students who withdraw from MSU are eligible to receive tuition refunds. However, for those students who received financial aid, the refunds must first be applied back to the university's financial aid accounts. Federal guidelines (34 CFR Ch. VI, Sec. 668.21) provide a formula for allocating the refund between the federal and state financial aid programs. The formula prorates the refund to the federal aid account

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based on the proportion of the federal aid to the total aid received by that student.

MSU does not properly or consistently allocate financial aid refunds. The MSU Financial Aid Manual states that if federal and state programs are involved then the refunded amounts are divided evenly between the federal and state programs. In practice, however, the financial aid director stated that he usually allocates as much as possible to campus-based financial aid accounts, distributing any remaining funds to the federal programs. Even that method does not appear to be consistently used. For instance, in one case, if the federal formula had been properly applied, \$94.60 would have been refunded to the federal grant programs and \$15.50 would have been refunded to the state grant programs. Instead, \$24 was refunded to federal grant programs and \$86 was refunded to the state grant. In another case, there should have been a refund to the federal program of \$99 and a refund to the state grant program of \$15. Instead, the federal grant was refunded \$74 and the state program was refunded \$40.

The effect of these are two instances is immaterial. It is unlikely, however, that any of MSU's refunds have been allocated properly, since their policy and the financial aid director's practices did not comply with the the federal requirements. If these funds are not returned to the originating programs, they may be disbursed to persons or for purposes not eligible under the original program's guidelines. The extent of these erroneous refund allocations will be determined during our fiscal year 1987 student eligibility testing.

RECOMMENDATION:

2. Refunds should be made to federal financial aid programs in compliance with the federal formula.

Duties concerning receipts are not adequately segregated at MSU.

A basic feature of good internal control is adequate segregation of incompatible functions. Incompatible functions are defined as those functions "that place any person in a position both to perpetrate and to conceal errors or irregularities in the normal course of his duties." Currently, several incompatible functions are performed by the cashier in the MSU business office.

The cashier is responsible for various duties relating to cash and accounts receivable. She prepares daily deposits and reconciles those deposits to the total of postings made to individual student accounts in the accounts receivable computer records. She prepares adjustments to the accounts receivable records which are approved by the Assistant Vice President for Administrative Affairs. No one other than the cashier, however, actually compares the daily deposit total to the total of the amounts entered into the accounts receivable records. This comparison is an important control to verify that students' accounts are properly credited for all payments received, and only for payments received. Currently, differences between the amount deposited and the amount input into the accounts

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receivable records may not be detected or reported by the cashier. Thus, students' accounts may not be credited for all payments received, or they may be credited for payments which have not been received. In addition, since the daily input totals are discarded, it could not be verified that amounts posted to student accounts did in fact agree to the amount deposited.

RECOMMENDATIONS:

3. Someone other than the cashier should verify that the amount of the bank deposit agrees with the total input into the accounts receivable records.
4. The daily accounts receivable input totals should be kept.

Duties are not adequately segregated for financial aid payments.

Proper separation of duties increases the probability that erroneous and improper payments will be detected. In order to provide adequate separation over financial aid payments, certain duties of the financial aid director and the cashier should be separated.

Currently, the financial aid director both authorizes financial aid amounts and distributes award and loan checks to the students. This practice allows the financial aid director to potentially conceal improper or erroneous payments. This lack of separation is also contrary to federal financial aid guidelines (34 CFR Ch. VI, Sec. 668.16), which require that there be a segregation between the authorization of financial aid payments and the actual disbursement of the funds. Ideally, all financial aid checks should be distributed by the business office, since they can provide the necessary separation of duties as well as better physical security over the checks.

In the business office, the cashier is responsible for reconciling the authorized financial aid awards to the actual credits and payments. This reconciliation is intended to ensure that students actually received all the financial aid that they were authorized to receive and only the financial aid they were authorized to receive. However, since the cashier is the one who credits the financial aid awards to the students' accounts and writes checks to students for any remaining balances, it is possible that differences or errors which should be uncovered during the reconciliations may not be detected and corrected. The cashier's duties would become even more concentrated if she also distributed the checks to students. Therefore, if the cashier distributes the checks, the financial aid director should perform the reconciliation of authorized to actual aid paid.

RECOMMENDATIONS:

5. The business office should distribute all financial aid and loan checks.
6. The financial aid director should reconcile the actual financial aid payments to the authorized financial aid amounts.

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MSU does not draw down federal cash on a timely basis.

MSU receives money from the federal Department of Education for PELL grants, SEOG and Federal college work-study programs. Under the provisions of U.S. Treasury Circular A-1075, drawdowns of Federal cash may be requested in advance provided they are limited to the immediate cash needs of the program.

MSU has properly established a letter of credit with the Department of Education for requesting such advances. MSU, however, makes their request for federal funds after payments have been made to students. This has resulted in federal aid deficits as large as \$30,000. Financial aid payments are made from a bank account which also contains non-federal funds, such as non-federal scholarships, grants, and student activity fees. Money is being borrowed from these other funds to cover the deficit in federal aid until MSU receives funds from the Federal Department of Education through their letter of credit. Although MSU does maintain accurate ledgers of each of the activities, they are temporarily using the non-federal funds in an unauthorized manner. In addition, interest earnings on these funds is diminished.

RECOMMENDATION:

7. MSU should draw down federal funds in advance in accordance with U.S. Treasury Circular 1075.

MSU does not reconcile the Federal Cash Transaction Report to internal records in a timely manner.

All recipients of federal funds are required by Treasury Circular A-110 to submit quarterly Federal Cash Transaction Reports showing cash activity and changes in the cash balance since the previous quarter. This report provides the federal government with a summary of federal aid usage and current levels of cash on hand.

MSU does not always reconcile these reports to their accounting records prior to their submission to the federal government. Reconciliations are occasionally done, usually at least annually. The last time that a reconciliation was done was for the quarter ended June 30, 1986. Reconciliations are a way to identify errors which may occur, or be confident that no errors have occurred. When signing the report, the preparer certifies that all amounts are true and accurate to the best of his knowledge. Only by reconciling the amounts to the accounting system can the preparer make such a certification.

RECOMMENDATION:

8. The Federal Cash Transaction Report should be reconciled to MSU's accounting system prior to submission to the federal government.

Some payments made to community faculty are not sufficiently verified.

MSU contracts with over 450 part-time community faculty, who conduct classes at various classroom sites, oversee independent studies, and

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advise and provide consultations to MSU students. These consultations include Individualized Education Planning Consultations where the student and instructor plan the student's courses. Instructors are paid separately for each of the services they perform. A key control for these payments is that invoices for consultations are preprinted from the registration system with a specific student's name and other data. After each consultation, the instructor signs the invoice, as evidence of services performed, and sends it to the MSU business office for payment. This ensures that payments are only made for consultations with students who are properly enrolled at MSU.

However, in at least one case, the preprinted name was crossed out and another student's name was written in. Although the payment (\$12) to the instructor was appropriate, no one in the business office or the admissions office verified that the student was actually enrolled at the university and that a consultation had actually taken place. Since payment was made for a consultation with a student other than the one for which the form was issued, control over community faculty payments was weakened.

RECOMMENDATION:

9. Payments for consultations should generally be made from unchanged invoices. If changes are made, the validity of the invoice should be verified through the registrar's office prior to payment.

Documentation to support changes to fees is not maintained.

Each quarter, MSU issues a course schedule which lists courses available, the tuition cost, and any additional fees. When students register they submit payment for the tuition and fees as listed. At times, the amount of the course fee (which covers duplicating and other course costs) is changed after the schedule is printed. These changes, which are usually only \$3 to \$5, are requested by the course instructor and authorized by the director of the program on an "Instructional Change Record." To reflect the change in fees, each student's incoming fee statement must be manually adjusted to show the new fee amount. The difference between the student's payment and the actual amount due becomes either an amount due to or from the student. The registrar's office must then generate a refund to the student or contact the student for an additional payment.

The forms requesting and authorizing changes to the fee amounts are discarded by the registrar's office after each quarter. As a result, the propriety of the fee changes cannot be substantiated. Also, since the cost/benefit of small changes to fee amounts after the schedule has been printed is marginal, such changes should be strongly discouraged.

RECOMMENDATION:

10. If it is determined that changes to fee amounts in the quarter course schedule are cost beneficial, documentation to support these changes should be kept.

METROPOLITAN STATE UNIVERSITY

III. STATUS OR PRIOR AUDIT RECOMMENDATIONS
AND
PROGRESS TOWARD IMPLEMENTATION

The relationship between Metropolitan State University (MSU) and its foundation is not clearly defined .

1. MSU should work with the MSU Foundation to clarify the role of each in grant solicitations. Foundation management and policy decisions should be autonomous from the university.

RECOMMENDATION IMPLEMENTED. In July 1984, an agreement was entered into between MSU and its foundation. This agreement adequately identifies the various duties of each organization. The foundation's management and policy decisions are made by its trustees, who are autonomous from the university.

2. MSU should make clear to potential donors whether the university or the foundation is actually soliciting the funds and to whose account those contributions will be deposited when received.

RECOMMENDATION IMPLEMENTED. Since early 1984, the grants and development office has clearly distinguished between university solicitations and foundation solicitations. The appropriate organization's letter-head is used and every effort is made to ensure that donors are aware of the identity of the solicitor. The one exception has been Student Stipend funds which were solicited by the university but are held by the foundation. This was done with the approval of the university. At our request, all future solicitations or Student Stipend funds will be made by the foundation rather than the university.

3. In any case in which the university, rather than the foundation, is cited as the grantee based on grant proposals, awards, contracts, or as the payee on incoming grant checks, the university should obtain specific instructions from the donor concerning the donor's intentions and deposit the grant money accordingly.

RECOMMENDATION IMPLEMENTED. Beginning in 1984, grant money solicited by the university has been deposited and accounted for by them to ensure that expenditures are made in accordance with the donor's intentions.

Internal controls over accounts receivable need to be improved.

4. All accounts receivable write-offs should be documented, reviewed, and authorized by an independent university official.

RECOMMENDATION IMPLEMENTED. Since September 1984, the Assistant Vice-President for Administrative Services has reviewed and authorized all write-offs of accounts receivable.

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Procedures for processing imprest cash transactions need to be improved and better documented.

5. Documentation supporting imprest cash disbursements should be reviewed by an independent person before checks are signed.

RECOMMENDATION IMPLEMENTED. Since September 1984, the second signer of the imprest cash checks reviews all supporting documentation. The second signer is independent of the imprest cash checking account.

6. Written procedures should be prepared to document the imprest account processing, including:

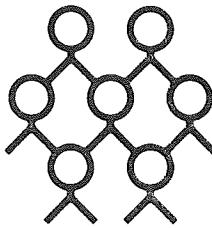
- requiring supporting documentation be provided and reviewed before checks are signed;
- an explanation of the general process of check writing, authorizing expenditures, reconciling balances to control totals, and those individuals responsible for such tasks; and
- MSU's policy for writing off old outstanding checks.

RECOMMENDATION WITHDRAWN. MSU did not develop written procedures since they felt statewide accounting procedures were adequate. We agree with this decision.

Biweekly time reports for unclassified administrators are not approved by an authorized signature.

7. Administrative staff need to obtain an authorized signature on their time sheets to fully conform with positive time reporting requirements.

RECOMMENDATION IMPLEMENTED. Starting in September 1984, all administrative staff time sheets are authorized by the appropriate supervisor.



**Metropolitan State University
Office of the President**

July 6, 1987

Jeanine Leifeld
Audit Manager
Office of the Legislative Auditor
Veterans Service Building
St. Paul, Minnesota 55155

Dear Ms. Leifeld:

Thank you for the opportunity to provide you with a formal written response to the financial and compliance audit of Metropolitan State University for the three years ended June 30, 1986.

The audit team was very professional in their approach to the work and we enjoyed working with them. The work of Ms. Cecile Ferkul is most commendable.

With respect to the ten audit recommendations you will note in our response that six of the ten recommendations were completed by July 1, 1987.

If you have any questions, please feel free to call me at 296-4445 or Dennis Blager at 296-5706.

Sincerely,

Reatha King
Reatha King
President

CURRENT FINDINGS AND RECOMMENDATIONS

RECOMMENDATION:

1. MSU should develop a method of depositing receipts promptly, while still performing reconciliations necessary to ensure the accuracy of the accounts receivable system.

RESPONSE:

We concur with this recommendation. To implement it four changes are required.

- (1) Recently added staffing in the registrar's office will need further training.
- (2) New staff will be added to the business office to serve as back-up.
- (3) Registrations that are now diverted to the graduate program office will be processed by the registrar's office.
- (4) The priority registration system will be modified so that when registration forms and checks are received, they will be processed immediately.

INDIVIDUAL(S) RESPONSIBLE:

Phyllis Lee, Registrar

Dennis Blager, Asst. Vice President for Administrative Affairs

Ken Zapp, Faculty Coordinator, Graduate Program

Joyce LeClaire, Dean of Advising and Student Services

ESTIMATED COMPLETION DATE:

Winter Quarter, 1988

RECOMMENDATION:

2. Refunds should be made to federal financial aid programs in compliance with the federal formula.

RESPONSE:

We concur with this recommendation. Refunds will be made in compliance with the federal formula.

INDIVIDUAL RESPONSIBLE:

Jim Cleaveland, Director of Financial Aid

ESTIMATED COMPLETION DATE:

Completed

RECOMMENDATION:

3. Someone other than the cashier should verify that the amount of the bank deposit agrees with the total input into the accounts receivables records.
4. The daily accounts receivables input totals should be kept.

RESPONSE:

We concur with these recommendations. Additional staff will be added in the business office and the daily accounts receivables input totals will be kept.

INDIVIDUAL RESPONSIBLE:

Dennis Blager, Asst. Vice President for Administrative Affairs

ESTIMATED COMPLETION DATE:

3. September 15, 1987
4. Completed

RECOMMENDATION:

5. The business office should distribute all financial aid and loan checks.
6. The financial aid director should reconcile the actual financial aid payments to the authorized financial aid amounts.

RESPONSE:

We concur with the recommendations. The business office will distribute financial aid checks. The financial aid director will reconcile actual payments to authorized amounts.

INDIVIDUAL(S) RESPONSIBLE:

Jim Cleaveland, Director of Financial Aid
Dennis Blager, Asst. Vice President for Administrative Affairs

ESTIMATED COMPLETION DATE:

5. September 15, 1987
6. Completed

RECOMMENDATION:

7. MSU should drawdown federal funds in advance in accordance with U.S. Treasury Circular 1075.

RESPONSE:

We concur with this recommendation. MSU will drawdown federal funds in a more timely manner.

INDIVIDUAL RESPONSIBLE:

Dennis Blager, Asst. Vice President for Administrative Affairs

ESTIMATED COMPLETION DATE:

Completed

RECOMMENDATION:

8. The Federal Cash Transaction Report should be reconciled to MSU's accounting system prior to submission to the federal government.

RESPONSE:

We concur with this recommendation. The Federal Cash Transaction Report will be reconciled on a more timely basis.

RESPONSIBLE PERSON:

Dennis Blager, Asst. Vice President for Administrative Affairs

ESTIMATED COMPLETION DATE:

Completed.

RECOMMENDATION:

9. Payments for IEP Consultations should generally be made for unchanged invoices. If changes are made, the validity of the invoice should be verified through the registrar's office prior to payment.

RESPONSE:

We concur with this recommendation. Payments will not be made from altered invoices.

INDIVIDUAL(S) RESPONSIBLE:

Dennis Blager, Asst. Vice President for Administrative Affairs

ESTIMATED COMPLETION DATE:

RECOMMENDATION:

10. If it is determined that changes to fee amounts in the quarter course schedule are cost beneficial, documentation to support these changes should be kept.

RESPONSE:

We concur with this recommendation. Documentation to support fee changes will be kept.

RESPONSIBLE INDIVIDUAL:

Phyllis Lee, Registrar

ESTIMATED COMPLETION DATE:

Completed