

**COMMUNITY COLLEGE SYSTEM  
NORMANDALE COMMUNITY COLLEGE  
FINANCIAL AND COMPLIANCE AUDIT  
FIVE YEARS ENDED JUNE 30, 1987**

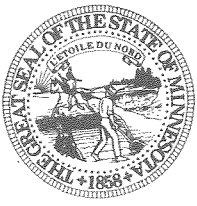
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**OCTOBER 1988**

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Financial Audit Division  
Office of the Legislative Auditor  
State of Minnesota





STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

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JAMES R. NOBLES, LEGISLATIVE AUDITOR

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Representative Phillip J. Riveness, Chairman  
Legislative Audit Commission

Members of the Legislative Audit Commission

Dr. Gerald Christenson, Chancellor  
Community College System

Members of the Community College Board

Dr. Dale A. Lorenz, President  
Normandale Community College

Audit Scope

We have completed a financial and compliance audit of Normandale Community College (NCC) for the five years ended June 30, 1987, except for those programs and activities further described in the Scope Limitations section of this letter. Section I provides a brief description of the college's activities and finances. 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 May 25, 1988.

We have issued two separate management letters to the Community College System, dated March 26, 1987 and March 15, 1988, which include the audit of major federal programs administered by Normandale Community College for the fiscal years ended June 30, 1986 and June 30, 1987, respectively.

The objectives of the audit were to:

- study and evaluate major Normandale Community College internal accounting control systems, including a review of tuition and other receipts, payroll, disbursements, imprest cash, and federal student financial aid;
- verify that financial transactions were made in accordance with applicable laws, regulations, and policies, including Minn. Stat. Chapter 136, Community College Board policies and procedures, and other finance-related laws and regulations;
- evaluate the recording and reporting 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. Gerald Christenson, Chancellor  
Members of the Community College Board  
Dr. Dale A. Lorenz, President  
Normandale Community College  
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### Management Responsibilities

The management of NCC 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 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 authorization and recorded properly.

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

### Scope Limitations

We did not audit major federal programs at NCC for the three 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.

### Conclusions

In our opinion, except for those issues raised in Section II, findings 1 through 6, the Normandale Community College system of internal accounting controls in effect as of May 25, 1988, 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.

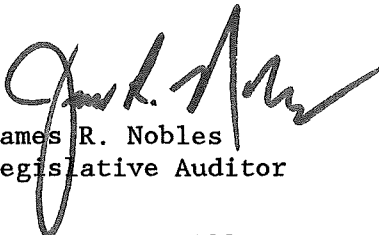
In our opinion, subject to the effects, if any, of the federal programs which we did not audit as described in the Scope Limitations section of this letter, for the five years ended June 30, 1987, Normandale Community College administered its programs in compliance, in all material respects, with applicable finance-related laws and regulations.

Representative Phillip J. Riveness, Chairman  
Members of the Legislative Audit Commission  
Dr. Gerald Christenson, Chancellor  
Members of the Community College Board  
Dr. Dale A. Lorenz, President  
Normandale Community College  
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In our opinion, for the five years ended June 30, 1987, Normandale Community College 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 college in resolving the audit findings and in improving accounting procedures and controls. We will be monitoring and reviewing college progress on resolving these findings. Section III summarizes the progress made toward implementation on all audit recommendations discussed in our last audit report covering the year ended June 30, 1982, dated August 8, 1983.

We would like to thank the staff of Normandale Community College for their cooperation during this audit.



James R. Nobles  
Legislative Auditor



John Asmussen, CPA  
Deputy Legislative Auditor

October 12, 1988



# NORMANDALE COMMUNITY COLLEGE

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## AUDIT PARTICIPATION

The following members of the Office of the Legislative Auditor prepared this report:

John Asmussen, CPA	Deputy Legislative Auditor
Jeanine Leifeld, CPA	Audit Manager
Charlie Gill	Auditor-in-Charge
Carl Otto, CPA	Staff Auditor
Ellen Merlin, CPA	Staff Auditor
Jean Mellett, CPA	Staff Auditor
Lois McGuire	Staff Auditor

## EXIT CONFERENCE

The findings and recommendations in this report were discussed with the following officials of Normandale Community College, and the Community College System at the exit conference held on October 5, 1988:

Dale Lorenz	NCC President
Dan Barnett	NCC Dean of Institutional Services
George Nissen	NCC Accounting Officer
Mary Ernst	NCC Accounting Technician
Glenn Wood	Director of Fiscal Service, Community College System
Jim Harris	Community College System Internal Auditor



# NORMANDALE COMMUNITY COLLEGE

## I. INTRODUCTION

Normandale Community College is under the management and control of the Minnesota State Board for Community Colleges and the immediate supervision of a president appointed by the Board. For the years of our audit, Dr. Dale A. Lorenz served as president of Normandale Community College.

Operations of the college are financed mainly by student tuition and fees and state appropriations from the General Fund. Major operating activities of the college are accounted for through the statewide accounting (SWA) system. Minn. Stat. Chapter 136 exempts certain community college activities from Department of Finance budgetary control, including the use of SWA. The majority of these activities, including federal financial aid programs and auxiliary enterprises, are accounted for through manual records and local bank accounts. These off-SWA activities are generally referred to as all college fund activities. The All College Fund operates under policies and procedures established by the Board.

<u>Fiscal Year</u>	<u>Tuition Receipts</u>	<u>Percent of Total System</u>	<u>General Operating Expenditures</u>	<u>Percent of Total System</u>
1983	\$ 3,750,983	17.3%	\$ 8,808,758	12.0%
1984	\$ 4,502,581	17.4%	\$ 10,118,178	12.7%
1985	\$ 4,603,862	17.4%	\$ 10,646,692	12.4%
1986	\$ 4,742,824	16.7%	\$ 11,052,325	12.2%
1987	\$ 5,166,467	16.7%	\$ 11,493,578	12.0%

The full time equivalent student enrollment for the school years covered by this audit, as recorded by the community college, was as follows:

<u>Quarter</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>
Fall	4255	4444	4127	4044	4345
Winter	4048	4003	3823	3777	4056
Spring	3701	3504	3366	3380	3656
Summer I	435	418	414	458	492
Summer II	258	251	247	255	344

## NORMANDALE COMMUNITY COLLEGE

### II. CURRENT FINDINGS AND RECOMMENDATIONS

#### 1. Cash management over federal student financial aid programs at Normandale Community College (NCC) needs to be improved.

During the 1987-1988 school year, NCC awarded PELL, Supplemental Educational Opportunity Grants (SEOG), and Perkins Loans (NDSL) to students and operated a College Work-Study (CWS) Program. The college was entitled to receive the following federal funds for these programs:

PELL	\$698,100
SEOG	42,210
Perkins	191,055
CWS	<u>63,301</u>
Total	<u>\$994,666</u>

Cash management over these federal programs is weak in the following areas:

- NCC did not request any federal financial aid funds during fiscal year 1988. Rather, the programs were entirely financed by borrowing funds from other local college accounts, including the college's auxiliary enterprise checking and savings accounts and the federal Perkins loan accounts. At an average 5.5 percent interest rate, we estimate that these accounts lost about \$22,699 in interest income during fiscal year 1988 as a result of this borrowing. The borrowing occurred because the NCC business manager had difficulty converting to a new method of drawing federal funds.
- Perkins loan collections are not earning interest. During the period from July 1, 1987 through April 11, 1988, NCC received \$93,522 in Perkins loan collections. These collections are being deposited into a non-interest bearing checking account. This represents a loss of revenue as funds could be generating interest income if appropriately invested. Also, Perkins funds have been used to pay other financial aid because NCC has not received any federal financial aid funds. Federal regulations require institutions to maximize income on funds collected from Perkins loan recipients. Federal regulation 34 CFR 674.43(g) states that funds collected as a result of billing the borrower either must be deposited in interest bearing bank accounts or invested in low-risk income producing securities.
- NCC did not submit on a timely basis for authorization for \$40,669 of PELL grant disbursements. PELL grant disbursements through May 11, 1988, totaled \$698,100. However, the school's authorization at this time was only \$657,431. College staff should have foreseen the need for additional funds and promptly

## NORMANDALE COMMUNITY COLLEGE

submitted paperwork necessary to receive an increased authorization. The amount of PELL funds the college is authorized to disburse is communicated to the college in an initial authorization document called a "Statement of Account." The initial authorization is adjusted during the year as the college submits Institutional Payment Summaries (IPS) identifying actual and estimated expenditures to the U.S. Department of Education. NCC staff did not submit an additional IPS in order to receive an increased authorization. Rather, college staff borrowed the needed funds from other college accounts. If the PELL grant funds of the U.S. Department of Education were exhausted, NCC would be liable for the \$40,669 of PELL grant payments made prior to receiving authorization. Subsequently, the appropriate forms were submitted and the authorization was received.

- NCC has not transferred fiscal year 1987 administrative costs to the General Fund. Federal regulations permit institutions to deduct a percentage of federal financial aid program costs in order to pay administrative expenses. Fiscal year 1987 Perkins, Supplemental Education Opportunity Grant, and College Work Study administrative allowances totaled \$12,161. This amount has not been transferred to the General Fund.

### RECOMMENDATIONS

- NCC should draw federal funds in a timely manner.
- NCC should maintain Perkins loan collections either in an interest bearing account or invested in low-risk income-producing securities.
- PELL disbursements should not exceed the college's authorized amount. NCC staff should file additional IPS reports whenever the college requires additional funds to cover PELL grant payments to students.
- Federal administrative costs should be transferred to the General Fund in a timely manner.

### 2. Duties performed by the Normandale Community College business officer for the Normandale Community College Foundation are not adequately separated.

The Normandale Community College Foundation is a separate non-profit corporation, established to solicit and receive private money for the benefit of NCC. A written agreement is in effect between the foundation and NCC that allows NCC to "make available certain of its employees to engage in fundraising and related support activities for the foundation." Pursuant to NCC Foundation Bylaws Article V, Section 5.8, the foundation treasurer is designated as chief financial officer. However, currently the NCC business officer, rather than the foundation treasurer, is performing the financial duties associated with the foundation.

## NORMANDALE COMMUNITY COLLEGE

There is an inadequate separation of duties concerning the financial duties performed by the NCC business manager on behalf of the foundation. He prepares checks for payment, is authorized to be one of the signatures on the checks, posts transactions to ledgers, reconciles the ledgers, prepares all deposit slips, reconciles the bank statements, and prepares the financial statements. The foundation has no approved budget and no one from the foundation cosigns the checks.

Although there is an agreement that allows for these functions to be performed by NCC, the college must nevertheless ensure that these functions are carried out properly and establish adequate internal controls to safeguard assets and to prevent errors or irregularities from occurring. To ensure adequate separation of duties, at a minimum, someone other than the NCC business manager should deposit foundation receipts and perform monthly bank reconciliations. Checks should only be prepared based on an approved foundation budget. The foundation treasurer should cosign all foundation checks.

### RECOMMENDATIONS

- Duties performed by NCC on behalf of the foundation should be adequately separated.
- Procedures should be instituted which ensure that disbursements are authorized by the foundation. This authorization could be accomplished by budget, invoice approval, or the signing of checks.

### 3. The relationship between the Women's Resource Center and Normandale Community College needs to be reevaluated.

The Women's Resource Center (WRC) was approved on February 10, 1981 as a project of the NCC foundation. According to a summary of its services:

The Women's Resource Center provides education, preventive, and early interventive mental health services targeted at women in South Hennepin County who are experiencing emotional, economic, legal, and other stresses due to difficult life situations. These services include: education, individual short-term peer counseling, information, referral, group support, and legal advice. The goal of these programs is to assist clients to help themselves lead productive, fulfilling lives, and avoid chronic problems which negatively impact mental health.

Although legally the WRC is a project of the NCC foundation, it has its own board of directors and bylaws, sets its own budget, and hires its own staff. The WRC is funded through program fees, contributions, the Hennepin County Community Services Department, and extensive in-kind contributions from Normandale Community College. The WRC is located in a building on the NCC campus dedicated to that purpose. The college also pays the utility costs and provides support services, including maintenance, janitorial, accounting, and personnel services.

## NORMANDALE COMMUNITY COLLEGE

We question whether Normandale Community College has the authority to fund the activities of the WRC in this manner. Unlike NCC's relationship with its foundation, a reciprocal financial benefit does not directly exist between the WRC and NCC. The monetary benefits to the college as a result of its relationship with the WRC cannot be directly measured. In addition, specific legislative authority for NCC to grant resources to the WRC has not been obtained. The WRC does not exclusively serve the students of the college. Rather, the clientele includes women in the south metropolitan area, regardless of whether these women are potential college students.

The level of financial responsibility which NCC has for the WRC is also not clearly defined. For example, it is unclear who would be liable for workers' compensation, accident claims, or professional liability lawsuits resulting from WRC employees or clients. Also, the NCC may be responsible for unemployment insurance claims for WRC employees if the Center ceased to exist.

We also question whether NCC has the authority to extend the benefits of state employment to the employees of the WRC, a private, non-profit entity. The WRC board of directors hires, supervises, and evaluates the WRC director. However, all WRC employees are considered to be NCC employees and are, therefore, entitled to all the benefits of state employees. The WRC employees are paid through the state payroll system which is, in turn, reimbursed by the NCC foundation from WRC funds. However, certain non-direct payroll costs, such as workers' compensation and unemployment insurance claims may not be reimbursed. We believe that specific legislative approval should be obtained in order for these employees to be considered state employees.

Because of the unusual relationship between the WRC and NCC, and because of the questions concerning the legality of NCC's financial support for the WRC, we believe that the relationship between the two entities should be reevaluated.

### RECOMMENDATION

- NCC should seek the opinion of the Attorney General's Office to determine if NCC's current funding arrangement with the WRC is legal and also if NCC can continue to provide the benefits of state employment to the WRC employees.

#### 4. Separation of duties relating to NCC's local accounts needs to be improved.

Pursuant to Minn. Stat. Chapter 136, several of NCC's activities are not accounted for through the statewide accounting system. Rather, they are maintained in local checking and savings accounts. These activities include auxiliary enterprises such as the bookstore, the food service, the game room, and the All-College Fund. Separation of duties relating to

## NORMANDALE COMMUNITY COLLEGE

these accounts is weak in two areas. First, one clerk at NCC is responsible for all duties relating to disbursements from these accounts. She prepares the checks, is one of the authorized check signers, keeps the related journals and ledgers, and reconciles the monthly bank statements. To provide adequate separation of duties over these accounts, at minimum, an independent person should either reconcile the bank accounts, or review and approve the reconciliations performed.

Separation of duties relating to investments made from these accounts, as well as the financial aid account, is also weak. The Normandale Community College business officer has sole authority to determine the nature and the timing of investments and to authorize the withdrawal of funds from college bank accounts in order to make investments. Investment decisions are not normally approved or reviewed by other college officials. In order to improve controls, another employee should receive the investment confirmations directly from the bank. This independent person should maintain an ongoing list of investments which should be the basis of monthly reconciliations to the account ledger balances. The list of investment activity should be reviewed each month by the dean of institutional services or other college official.

### RECOMMENDATION

- Normandale Community College should strengthen controls over local accounts by properly separating duties relating to disbursements and investing.

#### 5. NCC does not review the biweekly certification reports for classified employees.

NCC is responsible for collecting classified employee timesheets. A payroll roster listing the number of hours worked and leave taken for each employee is prepared. The roster is submitted to the Community College Board Office, where payroll information is entered into the state's central payroll system. After the pay has been calculated, the Central Payroll Division of the Department of Finance sends a payroll certification report to the Board Office for review. An authorized person at the Board Office signs the report and returns it to central payroll, and sends a copy to the NCC personnel office.

The review of the certification report by the Board Office consists only of a review of hours for administrators and faculty, for which 80 hours regular pay are always shown. Since the timesheets and leave slips for classified employees are on file at the individual college campuses, the Board Office has no way to verify that information was correctly entered into the payroll system. Because of this, the Board Office, in a memo dated May 9, 1984, has instructed the community colleges to review the hours for the classified employees shown on the certification report. Such a review is also required by Department of Finance Operating Procedure 07:04:29 to verify that all of the agency's employees were paid correctly. However, Normandale Community College does not perform this review. The personnel officer assumed that this review was being performed by the Board Office.

## NORMANDALE COMMUNITY COLLEGE

### RECOMMENDATION

- NCC should verify the hours worked and leave taken on the biweekly certification report for classified employees, as required by Procedure 07:04:29.

#### 6. Imprest cash procedures need to be improved.

NCC maintains an imprest cash account to be used for items such as miscellaneous local purchases, tuition refunds, and travel and payroll advances. The Community College Board Office has established written policies and procedures to control imprest cash disbursements at the colleges. In two areas, NCC has not complied with established policies.

First, travel and payroll advances to be reimbursed by individuals are not repaid on a timely basis. As of March 2, 1988, outstanding advances totalled \$9,584. Of this balance, \$7,858 was over 30 days old. One advance of \$1,000 for an individual trip to East Germany for staff development was outstanding for 182 days. According to a Department of Finance policy, all travel advances should be settled within 30 days after travel.

Four of 15 imprest disbursements over \$1,500 were not properly authorized. The disbursements were for student and staff trips, and ranged in amounts from \$1,582 to \$2,478. According to a Community College Board policy, all such purchases exceeding \$1,500 must be approved in advance by the Board Office.

### RECOMMENDATIONS

- Travel advances should be repaid within 30 days of the travel.
- All imprest payments exceeding \$1,500 should be approved by the Board Office, as required.

NORMANDALE COMMUNITY COLLEGE

III. STATUS OF PRIOR AUDIT RECOMMENDATIONS  
AND  
PROGRESS TOWARD IMPLEMENTATION

Positive time reporting is not required for all non-faculty employees.

1. NCC, in conjunction with the Board Office, should work with the DOER to establish an acceptable positive time reporting system for all non-faculty employees.

RECOMMENDATION IMPLEMENTED. NCC now uses an approved positive time reporting system for unclassified administrators and professional staff.

Vending machine and cafeteria food sale controls are inadequate.

2. Food service commission reports (for both vended and cafeteria food sales) received from the operators should be reviewed for accuracy, and periodic spot-checks of cash register accumulated sales readings and observation of cash withdrawn from the vended machines should be done by college staff.

RECOMMENDATION WITHDRAWN.

3. A college representative should accompany the amusement game vendor when cash is collected from the machines and approve (in writing) the written cash reports.

RECOMMENDATION IMPLEMENTED. The NCC business officer accompanies the vendor at least once a month and signs the cash reports.

Controls over ticket sales are inadequate.

4. The following procedures should be implemented to provide better control over NCC ticket sales:
  - all tickets should be prenumbered by the printer;
  - ticket takers should tear used tickets in half at the entrance to prevent reuse; and
  - unsold tickets should be retained for audit purposes.

RECOMMENDATION SUBSTANTIALLY IMPLEMENTED. Ticket takers tear used tickets in half at the door for both athletic and theater events. Unsold tickets are retained for audit purposes for athletic and theater events. However, the college could improve controls further by having theater tickets prenumbered by the printer.

NORMANDALE COMMUNITY COLLEGE

Written procedures for the bookstore are needed.

5. Written procedures should be developed by NCC for all areas of the bookstore.

RECOMMENDATION IMPLEMENTED. NCC has policies and procedures governing organization, operating controls, textbook requests, physical inventory, security, payroll, and fixed asset depreciation. These policies and procedures are contained in the College Policies and Regulations Manual.



October 12, 1988

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

Dear Ms. Leifeld:

Attached please find our response to the audit report concerning the five years ending June 30, 1987.

We agree with your findings and recommendations. A summary detailing specific actions in response to your recommendations is attached.

I wish to take this opportunity to thank you for your thoroughness and the cooperation extended our staff during your visit.

Sincerely,

Dale A. Lorenz  
President

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Attachment

NORMANDALE COMMUNITY COLLEGE

RESPONSE TO LEGISLATIVE  
AUDIT RECOMMENDATIONS  
CONCERNING FIVE YEARS  
ENDING JUNE 30, 1987

1. Cash management over federal student financial aid programs at Normandale Community College (NCC) needs to be improved.

A. Auditors' recommendations:

- 1) NCC should draw federal funds in a timely manner.
- 2) NCC should maintain Perkins loan collections either in an interest bearing account or invested in low-risk income-producing securities.
- 3) PELL disbursements should not exceed the college's authorized amount. NCC staff should file additional IPS reports whenever the college requires additional funds to cover PELL grant payments to students.
- 4) Federal administrative costs should be transferred to the General Fund in a timely manner.

B. College actions:

The college agrees with the above recommendations and has/is taking steps to implement the same.

- 1) We have converted to a system of Direct Deposit of Federal Funds. This should eliminate the necessity of borrowing from other college accounts.
- 2) Perkins loan collections are now being invested in low risk, incoming-producing securities.
- 3) The Financial Aid Office will monitor the PELL Grant allocation and payments carefully to insure that IPS reports are filed on time and funds are received before Pell payments are made.
- 4) Federal administrative costs will be transferred in a timely manner.

2. Duties performed by the Normandale Community College business officer for the Normandale Community College Foundation are not adequately separated.

A. Auditors' recommendations:

- 1) Duties performed by NCC on behalf of the foundation should be adequately separated.
- 2) Procedures should be instituted which ensure that disbursements are authorized by the foundation. This authorization could be accomplished by budget, invoice approval, or the signing of checks.

## B. College actions:

We agree with these recommendations. Duties will be divided among three positions:

- 1) A senior account clerk position will be added to the accounting office staff. This individual will be responsible for posting transactions, accounting ledgers and making deposits. Financial statements will be prepared by the Accounting Officer. The Accounting Technician will do bank reconciliations.
- 2) The college will meet with foundation officials to establish procedures that ensure that disbursements are properly authorized by the foundation.

3. The relationship between the Women's Resource Center and Normandale Community College needs to be reevaluated.

## A. Auditors' recommendation:

NCC should seek the opinion of the Attorney General's Office to determine if NCC's current funding arrangement with the WRC is legal and also if NCC can continue to provide the benefits of state employment to the WRC employees.

## B. College actions:

The college will seek the Attorney General's opinion on the above recommendation.

4. Separation of duties relating to NCC's local accounts needs to be improved.

## A. Auditors' recommendation:

Normandale Community College should strengthen controls over local accounts by properly separating duties relating to disbursements and investing.

## B. College actions:

The college agrees with the above recommendation. The new Senior Account Clerk will be responsible for maintaining journals and ledgers, and preparing checks. The Accounting Technician will be responsible for reconciling bank statements. All checks will require two signatures. The Senior Account Clerk will not be an authorized signer.

Investment responsibilities have been divided between the Accounting Officer and Accounting Technician. The Accounting Officer will make investment decisions subject to approval by the Dean of Institutional Services. Investment confirmations will be sent directly to the Accounting Technician. Monthly investment reconciliation is prepared and reviewed by the Dean of Institutional Services, Accounting Officer and Accounting Technician.

5. NCC does not review the biweekly certification reports for classified employees.

A. Auditors' recommendations:

NCC should verify the hours worked and leave taken on the biweekly certification report for classified employees, as required by Procedure 07:04:29.

B. College actions:

The Personnel Officer is reviewing the biweekly certification report as recommended.

6. Imprest cash procedures need to be improved.

A. Auditors' recommendations:

- 1) Travel advances should be repaid within 30 days of the travel.
- 2) All imprest payments exceeding \$1,500 should be approved by the Board Office, as required.

B. College actions:

We agree with the above recommendations.

- 1) A procedure will be established which provides adequate warning to further encourage repayment within thirty days of travel.
- 2) All staff are now required to use the State Contract Travel Agency. This greatly reduces the need for advances.
- 3) All imprest payments over \$1,500 will be properly authorized by the Board Office.