

**MINNESOTA STATE RESIDENTIAL ACADEMIES  
FINANCIAL AUDIT  
FOR THE FOUR YEARS ENDED JUNE 30, 1991**

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**AUGUST 1992**

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

**92-53**

Centennial Office Building, Saint Paul, MN 55155 • 612/296-4708

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# **MINNESOTA STATE RESIDENTIAL ACADEMIES**

## **FINANCIAL AUDIT FOR THE FOUR YEARS ENDED JUNE 30, 1991**

Public Release Date: August 21, 1992

No. 92-53

### **OBJECTIVES:**

- **EVALUATE INTERNAL CONTROL STRUCTURE:** Employee payroll, tuition receipts, social welfare activities, and imprest cash.
- **TEST COMPLIANCE WITH CERTAIN FINANCE-RELATED LEGAL PROVISIONS.**

### **CONCLUSIONS:**

We found three areas where the internal control structure needed improvement:

- Internal controls over student tuition receipts need improvement.
- Internal controls over imprest cash accounts are inadequate.
- Internal controls over social welfare transactions are inadequate.

We found the following departures from finance-related legal provisions:

- The academies need to document rental and shared services agreements in writing.
- The academies do not have authorization for the student activity accounts.

Contact the Financial Audit Division for additional information.  
(612) 296-1730





STATE OF MINNESOTA

**OFFICE OF THE LEGISLATIVE AUDITOR**

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

JAMES R. NOBLES, LEGISLATIVE AUDITOR

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Representative Ann Rest, Chair  
Legislative Audit Commission

Members of the Legislative Audit Commission

Mr. Wade Karli, Residential Academies Administrator

Mr. Tom Lindquist, Chair  
State Board of Education

## **Audit Scope**

We have conducted a financial related audit of the Minnesota State Residential Academies as of and for the four years ended June 30, 1991. Our audit was limited to only that portion of the State of Minnesota financial activities attributable to the transactions of the Minnesota State Residential Academies, as discussed in the Introduction. We have also made a study and evaluation of the internal control structure of the Minnesota State Residential Academies in effect during January 1992.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial activities attributable to the transactions of the Minnesota State Residential Academies are free of material misstatements.

As part of our study and evaluation of the internal control structure, we performed tests of the Minnesota State Residential Academies' compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

## **Management Responsibilities**

The management of the Minnesota State Residential Academies is responsible for establishing and maintaining an internal control structure. This responsibility includes compliance with applicable laws, regulations, contracts, and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that:

- assets are safeguarded against loss from unauthorized use or disposition;
- transactions are executed in accordance with applicable legal and regulatory provisions, as well as management's authorization; and
- transactions are recorded properly on the statewide accounting system in accordance with Department of Finance policies and procedures.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

## **Internal Control Structure**

For purposes of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- employee payroll,
- tuition receipts,
- social welfare activities, and
- imprest cash.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

## **Conclusions**

Our study and evaluation disclosed the conditions discussed in findings 1, 2, and 3 involving the internal control structure of the Minnesota State Residential Academies. We consider these conditions to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk


that errors or irregularities in amounts that would be material in relation to the financial activities being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We believe the reportable condition described in finding 1 is a material weakness.

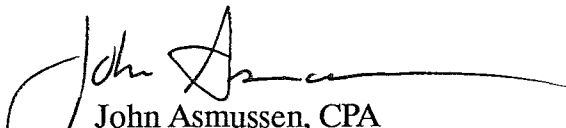
However, we noted other matters involving the internal control structure and its operation that we reported to the management of the Minnesota State Residential Academies at the exit conference held on April 22, 1992.

The results of our tests indicate that, except for the issues discussed in findings 4 and 5, with respect to the items tested, the Minnesota State Residential Academies complied, in all material respects, with the provisions referred to in the audit scope paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the Minnesota State Residential Academy had not complied, in all material respects, with those provisions.

This report is intended for the information of the Legislative Audit Commission and management of the Minnesota State Residential Academies. This restriction is not intended to limit the distribution of this report, which was released as a public document on August 21, 1992.

We would like to thank the Minnesota State Residential Academies staff for their cooperation during this audit.

  
James R. Nobles  
Legislative Auditor

  
John Asmussen, CPA  
Deputy Legislative Auditor

End of Fieldwork: March 6, 1992

Report Signed On: August 13, 1992





# Minnesota State Residential Academies

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### Audit Participation

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

John Asmussen, CPA	Deputy Legislative Auditor
Renee Redmer, LPA	Audit Manager
Joan Haskin, CPA	Auditor-in-Charge
Jean Mellett, CPA	Senior Auditor

### Exit Conference

An exit conference was held with the following staff from the Minnesota State Residential Academies on April 22, 1992:

Wade Karli	Residential Academies Administrator
Ted Suss	Institution Programs Coordinator
Tom Schoenbauer	Accounting Supervisor



# Minnesota State Residential Academies

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## Introduction

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The Minnesota State Residential Academies provide educational and resource services to meet the needs of sensory impaired children and youth. The Minnesota Academy for the Deaf (MSAD), founded in 1863, and the Minnesota Academy for the Blind (MSAB), founded in 1866, provide program and service options for deaf, blind, and deaf-blind children. The Residential Academies Administrator, Mr. Wade Karli, manages and operates the academies programs. Mr. Karli reports to the Minnesota State Board of Education. The Department of Education assists the academies in administrative areas such as accounting and processing transactions through the statewide accounting system (SWA).

The academies provide educational services in a residential setting to children who cannot secure adequate educational programs in their school districts of residence. General operations of the academies are funded by state appropriations. The academies recover a portion of this support by charging the school district of a student's residence for tuition, which is deposited as non-dedicated revenue in the General Fund. The table below summarizes the financial activity for the Minnesota State Residential Academies for fiscal years 1988-1991.

	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Revenue:				
Tuition	\$487,083	\$736,499	\$601,420	\$ 683,621
Social welfare	31,480	27,436	31,784	29,742
Other revenue	<u>133,043</u>	<u>163,082</u>	<u>310,440</u>	<u>332,896</u>
Total Revenue	<u>\$651,606</u>	<u>\$927,017</u>	<u>\$943,644</u>	<u>\$1,046,259</u>
Expenditures:				
Employee payroll	\$5,715,007	\$6,103,358	\$6,657,029	\$6,790,690
Social welfare	46,456	44,457	49,269	49,789
Other expenditures	<u>1,031,094</u>	<u>1,007,274</u>	<u>1,170,992</u>	<u>1,227,356</u>
Total Expenditures	<u>\$6,792,557</u>	<u>\$7,155,089</u>	<u>\$7,877,290</u>	<u>\$8,067,835</u>

Source: Revenue      Statewide Accounting System Closing Estimated/Actual Receipts Reports for the respective fiscal years.

Expenditures      Statewide Accounting System Closing Manager's Financial Reports for the respective fiscal years.

### Current Findings and Recommendations

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#### 1. **PRIOR FINDING NOT RESOLVED: Internal controls over student tuition receipts need improvement.**

The academies do not properly segregate duties in the student tuition billing and receipt collection process. Receipts collected are not deposited in the state treasury on a timely basis. Tuition receipts totalled \$2,508,623 for the four years ended June 30, 1991.

The administrator's secretary performs most of the duties related to the tuition billing and collection process. The secretary prepares the billings, opens the mail containing tuition receipts, completes the receipt forms, prepares the deposits, and stamps the deposit forms with the administrator's signature stamp. The concentration of duties with one employee for a financial activity increases the risk that errors or irregularities could occur and go undetected. The academies should separate the duties between the billing and receipt collection functions. Someone independent of the process should reconcile cash deposited to the billings.

The academies did not promptly deposit the tuition receipts in the state treasury as required by state law. Minn. Stat. Section 16A.275 requires that receipts totaling \$250 or more be deposited daily. The academies did not deposit 7 of the 34 items tested timely. These deposits ranged from \$3,408 to \$64,864. The delay was caused mainly by the concentration of duties with the secretary. The lack of segregation of duties and not depositing receipts promptly significantly increases the risk of loss or theft of tuition receipts.

#### *Recommendations*

- *The academies should improve internal controls over tuition receipts by:*
  - *separating the duties between the billing and receipt collection functions; and*
  - *performing an independent reconciliation of billings to cash deposits.*
- *The academies should deposit tuition receipts totalling \$250 or more on a daily basis.*

## Minnesota State Residential Academies

### 2. **PRIOR FINDING NOT RESOLVED: Internal controls over imprest cash accounts are inadequate.**

Duties over the academies five imprest cash accounts are not adequately segregated to control the financial activities. Staff frequently use signature stamps to authorize imprest account checks instead of obtaining the appropriate administration signatures. Staff sometimes write checks to cash for expenses rather than prepare checks payable to the vendor.

Duties over the imprest cash accounts are not adequately segregated. The academies have five local bank accounts:

- current expense-blind school (\$1,675)
- current expense-deaf school (\$1,000)
- social welfare-blind school (\$750)
- social welfare-deaf school (\$1,100)
- student payroll (\$5,000)

Three employees are responsible for the accounts. Each individual performs all the duties for the accounts assigned to them. The duties of writing checks, preparing reimbursements, and reconciling bank statements are performed by the same individual for each of the accounts. These are incompatible functions and should be segregated to improve controls. No one employee should have complete control over the financial transactions of an imprest cash account. Lack of proper segregation of duties increases the chance for both errors and irregularities to occur and go undetected. Department of Finance Operating Policy and Procedure 06:06:05 also requires that the monthly balancing of the checkbook be done by someone other than the person writing the checks.

Controls over the imprest cash accounts are further weakened because staff often need not obtain independent authorization for the imprest account checks. Staff responsible for student payroll and social welfare accounts exclusively sign checks using a signature stamp. Current expense staff generally request the accounting officer to sign checks. However, when the accounting officer is unavailable, staff use the signature stamp. Uncontrolled use of a signature stamp circumvents an independent authorization and review process. Staff could write checks for improper purposes without detection. This risk is also increased by the lack of segregation of duties in administering the imprest cash accounts.

Current expense staff sometimes write checks to cash for the payment of expenses. Staff cash these checks and give currency and coin to vendors for their services. Checks made out to cash represent a weakness in controls because unauthorized persons could cash the checks. From June 1990 through January 1992, current expense staff wrote 57 checks to cash. Academy staff told us that most of these checks were for United Postal Services expenses. The academies should establish an account with UPS and other vendors or write checks directly to the vendor to increase controls.

## Minnesota State Residential Academies

### *Recommendations*

- *The academies should separate checkwriting and reconciliation duties for the imprest cash accounts.*
- *Administrative staff should provide an independent review of checks.*
- *Staff should specify the payee when writing checks.*

### **3. Internal controls over social welfare transactions are inadequate.**

Internal controls over the social welfare financial activities are inadequate because the academies do not reconcile the bank accounts on a timely basis. Students do not authorize some purchases charged to their accounts. The academies also do not document certain transactions and do not retain some supporting records. Finally, a houseparent takes a social welfare change fund home with her on the weekends.

The Academy for the Deaf did not reconcile the social welfare checking account in a timely manner. The business office had not reconciled the bank statements for several months. The Academy for the Blind also did not reconcile the social welfare account to statewide accounting system (SWA) on a current basis. During the audit period he reconciled the account to SWA on an average of three times a year. More frequent reconciliations are necessary to ensure that the academies properly record transactions, account for students' money, and correctly document the fund balance. Without a timely reconciliation, there is a risk that errors or irregularities could occur and go undetected.

Students do not complete a document approving individual purchases charged to their accounts. Individual items purchased include tuxedo rental for the academy prom and letter jackets. The business office does not involve the student in certain other financial activities. The student's teacher or class sponsor may call the business office and ask that a check be written from a student's account for school pictures or yearbooks. The academies do not maintain documentation for these checks to show that the student authorized the expenses. The lack of supporting documentation increases the risk of disputes or inappropriate use of the student's funds.

The Academy for the Deaf does not document social welfare checking account transactions. Staff write checks for individual purchases and for recreational activities for the students. The academy does not have receipts or invoices to support these expenditures. Lack of supporting documentation increases the risk of disputes or inappropriate use of money. The academy should maintain supporting documentation such as receipts or invoices for checking account transactions.

## Minnesota State Residential Academies

The academies do not retain supporting documentation for weekly allowances at the deaf school or for expenditures at the blind school. Students at the deaf school sign a form stating that they received their allowance and the amount. The business office does not receive the forms from the houseparents. Houseparents retained only some of the sheets. No one from the business office reviews the sheets to ensure that the students received their money. Reviewing the sheets would reduce the risk of theft. The blind school does not retain individual student ledgers or receipts to document student cash expenditures. The ledgers are the only support for blind school expenditures. The academy should keep the receipts and ledgers to support expenditures. Supporting documentation decreases the potential for impropriety and gives assurance that the expenditures were proper.

A houseparent at the blind school takes the students' money home with her on the weekends. Staff keep cash received from the business office in a locked box. The amount of money in the box can be as much as \$200. Removing the money from the school grounds increases the risk of theft or inappropriate use. Staff at the school should place the locked boxes in the office vault when they are not going to be distributing funds.

### *Recommendations*

- *The academies should improve controls over the social welfare accounts by:*
  - *reconciling the social welfare accounts more frequently,*
  - *obtaining students' authorization for checking account transactions,*
  - *retaining adequate supporting documentation for transactions, and*
  - *keeping the cash boxes in the vault at the blind school.*

#### **4. The academies need to document rental and shared services agreements in writing.**

The academies did not process a rental agreement through the Department of Administration for staff living in a campus apartment. The academies do not have written agreements for services shared with the regional treatment center and the community.

The academies do not have a written rental agreement with staff who are living rent free in a campus apartment. The director of education and his wife, the mainstream coordinator at the academy, moved into an apartment located on the school grounds in August 1991. The academies verbally agreed to permit these staff to renovate the apartment instead of paying rent. The tenants spent about \$3,600 on carpet, curtains, and a new refrigerator. However, according to Minn. Stat. 16B.24, Subd. 5, the rental of state property must be processed

## Minnesota State Residential Academies

through the Department of Administration. The commissioner of Administration shall establish the rental rates for living accommodations provided to state employees. Money collected as rent by state agencies must be deposited into the general fund. The academy should work with the Department of Administration to prepare a rental agreement and to determine the rental rate, including the amount of back rent the tenants owe.

### *Recommendation*

- *The academies should obtain authorization for the rental agreement through the Department of Administration. The academies should work with the Administration department to determine the amount of back rent staff owe.*

### **5. The academies do not have authorization for the student activity accounts.**

The academies do not have statutory authority for its student activity accounts administered at local banks. The academies identified 12 student activity accounts as of April 27, 1992. Account balances totalled \$17,535.54. Students hold fundraisers such as selling candy to earn money for their class, student council, or drama club. The academies also charge the public to attend athletic events and other student activities. Staff at the academies coordinate the fundraisers and other events. Both staff and students administer the financial activities of the local bank accounts. The academies deposit these funds into a local bank account. Students use the funds for class trips and other student activities. The academies should seek legislation to have the activity account and to deposit receipts into a local bank account.

### *Recommendation*

- *The academies should seek legislation to have a student activity account and to deposit receipts into a local bank account.*



# MINNESOTA STATE RESIDENTIAL ACADEMIES

Minnesota State Academy for the Blind

Minnesota State Academy for the Deaf

615 Olof Hanson Drive • P.O. Box 308 • Faribault, MN 55021

(507) 332-5400 (V/TDD) • (507) 332-5404 (FAX)

Wade M. Karli

*Administrator*

August 7, 1992

Mr. James R. Nobles, Legislative Auditor  
Office of the Legislative Auditor  
Centennial Building  
St. Paul, MN 55155

Dear Mr. Nobles:

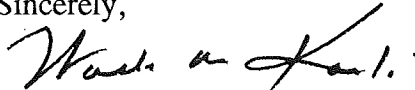
The enclosed materials represent the agency response to the audit report conducted at the academy for the deaf and the academy for the blind last March/April. The findings and recommendations were discussed with agency administrators in an exit conference on April 22, 1992.

The agency has already acted upon several of the recommendations and intends to fully act on each recommendation. Plans are to prepare policy and procedural documents to assist and direct academy staff in their response to the audit report. Policy and procedural materials will be presented to the Minnesota State Board of Education at its monthly meeting in Faribault in September, 1992.

I would like to thank the Office of the Legislative Auditor for the manner in which the audit was conducted. The audit team was professional, cordial, and nonobtrusive. We enjoyed working with the audit team.

If you have any questions on the audit report response, please contact me at 507-332-5400.

Sincerely,



Wade M. Karli  
Administrator

/av

1. **FINDING: INTERNAL CONTROLS OVER STUDENT TUITION RECEIPTS NEED IMPROVEMENT**

Recommendations

- \* The academies should improve internal controls over tuition receipts by:
  - separating the duties between the billing and receipt collection functions; and
  - performing an independent reconciliation of billings to cash deposits.
- \* The academies should deposit tuition receipts totalling \$250 or more on a daily basis.

*RESPONSE*

- A. *Policy and procedures governing internal controls specific to tuition transactions will be developed and presented to the State Board of Education (September 1992) for review and approval. Procedures for the billing and handling of tuition receipts will be delineated and allow for a segregation of duties in the billing/collection of tuition receipts. Procedures will also be prepared for State Board of Education review that will allow for an independent reconciliation of cash received.*
- B. *Procedures shall be established to insure deposits of receipts totalling \$250.00 within a twenty-four hour period.*

2. **FINDING: INTERNAL CONTROLS OVER IMPREST CASH ACCOUNTS ARE INADEQUATE**

Recommendations

- \* The academies should separate checkwriting and reconciliation duties for the imprest cash accounts.
- \* Administrative staff should provide an independent review of checks.
- \* Staff should specify the payee when writing checks.

*RESPONSE*

- A. *The agency is currently in the process of establishing procedures that will effectively separate duties specific to control of imprest cash activities. Procedures shall be prepared and presented to the State Board of Education (September 1992) for approval.*
- B. *The agency is currently reviewing procedures to address staff use of a signature stamp. Policy/procedures shall be prepared to address issues related to the use of signature stamps and measures to assure an administrative authorization of each check issued.*
- C. *Procedures have been implemented that address the writing of checks to cash for payment of expenses. This finding was addressed in its entirety through the establishment of an account with*

*United Postal Service.*

3. **FINDING: INTERNAL CONTROLS OVER SOCIAL WELFARE TRANSACTIONS ARE INADEQUATE.**

**Recommendations**

- \* The academies should improve controls over the social welfare accounts by:
  - reconciling the social welfare accounts more frequently,
  - obtaining students' authorization for checking account transactions,
  - retaining adequate supporting documentation for transactions, and
  - keeping the cash boxes in the vault at the blind school.

***RESPONSE***

- A. *The agency shall prepare policy/procedures to address the timely reconciliation of the social welfare accounts, obtaining students' authorization of the social welfare accounts, obtaining students' authorization for checking account transactions, and retaining adequate supporting documentation for transactions. The policy/procedures governing these activities shall be presented to the State Board of Education for approval (September 1992).*
- B. *A new vault will be purchased and placed in a supervisor's office that will adequately allow for safety of cash boxes at the academy for the blind.*

4. **FINDING: THE ACADEMIES NEED TO DOCUMENT RENTAL AND SHARED SERVICES AGREEMENTS IN WRITING.**

**Recommendations**

- \* The academies should obtain authorization for the rental agreement through the Department of Administration. The academies should work with the Administration department to determine the amount of back rent staff owe.

***RESPONSE***

- A. *Authorization for use of the academy for the deaf campus apartment has been addressed and a leasing agreement with the Department of Administration is in place. Issues related to back rent / credits due will be resolved and discussed at the September, 1992, State Board of Education meeting.*
- B. *In order to respond to non-lease situations involving use of academy facilities, a shared services/use of facilities contract has been prepared and approved by the State Board of Education (June 1992). Copy attached.*

5. **FINDING: THE ACADEMIES DO NOT HAVE AUTHORIZATION FOR STUDENT ACTIVITY ACCOUNTS.**

**Recommendations**

- \* The academies should seek legislation to have a student activity account and to deposit receipts into a local bank account.

***RESPONSE***

- A. *The agency has already drafted language for the purpose of seeking legislation during the 1993 session authorizing a student activity account. In addition, the agency plans to undergo a review of internal controls over student account activities.*

MINNESOTA RESIDENTIAL ACADEMIES  
STATE OF MINNESOTA  
SHARED SERVICES/USE OF FACILITIES CONTRACT

This document, made this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_\_\_, by and between the Minnesota Residential Academies, an agency of the State of Minnesota, and \_\_\_\_\_.

WHEREAS Minnesota Statute 128a.02, Subdivision 6 provides that the State Board of Education is the trustee of the Academies' property, and;

WHEREAS the State Board of Education by a resolution approved on June 1, 1992 has authorized the administrator of the Minnesota Residential Academies to make Academies' facilities available for profit and nonprofit organizations and to determine the appropriate rental charge for that use and deposit all rental income pursuant to Minnesota Statute 128a.09, and;

WHEREAS \_\_\_\_\_ (herein after referred to as "USER") has expressed a need and desire to use facilities of the Minnesota Residential Academies described as follows:

\_\_\_\_\_, and;

WHEREAS it has been determined by the administrator of the Residential Academies that this use of the above described facilities is of mutual benefit to both the Minnesota Residential Academies and the user;

NOW THEREFORE in consideration of the foregoing and in consideration of the mutual covenants herein contained, which each of the parties hereto acknowledge as adequate and sufficient, it is agreed as follows:

1. The Minnesota Residential Academies agrees to make the facilities described above available for use by the user during the following times and dates:  
\_\_\_\_\_  
\_\_\_\_\_
2. Upon expiration of this agreement, staff of the Minnesota Residential Academies shall inspect the premises used by the user for damaged, missing or destroyed items, including but not limited to fixtures, equipment and machinery. Upon written notification by the Minnesota Residential Academies, user agrees to pay, restore, or replace all damaged, missing, or destroyed items to the satisfaction of the Minnesota Residential Academies.
3. User agrees to compensate the Minnesota Residential Academies by payment of \$\_\_\_\_\_ in advance or pursuant to a written agreement. In lieu of payment for use of the above described facilities, the user agrees to provide services to the Academies as follows:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. If the facilities available to the user include the Minnesota State Academy for the Blind swimming pool the user agrees to these conditions:
  - a. The user will provide adequate supervision to assure that all participants honor and abide by all swimming pool rules and regulations at all times during the use of the pool.
  - b. The user will furnish a certified life guard whose name is \_\_\_\_\_, who will be in attendance at the pool area during all times that persons are in the swimming pool, or:
  - c. The user agrees to reimburse the Minnesota Residential Academies the full cost of a life guard provided by the Academies. If the Academies are to provide the life guard, the user is to initial here \_\_\_\_\_. User initial here if pool will not be used \_\_\_\_\_.
5. This agreement may be cancelled by the Minnesota Residential Academies or the user at any time with or without cause upon seven days written notice to the other party.
6. The Minnesota Residential Academies authorized agent for purposes of administration of this agreement is the Assistant Superintendent of the Minnesota Residential Academies.
7. The User's authorized agent for purposes of administration of this agreement is \_\_\_\_\_. Such agent will be responsible for insuring payment is made to the Minnesota Residential Academies pursuant to this agreement.
8. User shall neither assign or transfer any rights or obligations under the agreement without the prior written consent of the Minnesota Residential Academies.
9. All amendments to this agreement shall be in writing, executed by the authorized agent of each party.
10. USER AGREES TO INDEMNIFY AND SAVE AND HOLD THE STATE OF MINNESOTA AND THE MINNESOTA RESIDENTIAL ACADEMIES AND ITS' AGENTS AND EMPLOYEES HARMLESS FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION ARISING FROM THE USER'S USE OF ACADEMIES' FACILITIES.
11. This agreement will be governed by the laws of the State of Minnesota.

\_\_\_\_\_  
User  
\_\_\_\_\_  
Name of Organization  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
City, State, Zip  
\_\_\_\_\_  
Telephone  
\_\_\_\_\_  
By  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Date

MN Residential Academies  
\_\_\_\_\_  
By  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Date