

# **Normandale Community College**

## **Financial Audit**

**For the Period July 1, 1995, through June 30, 1996**

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**October 1996**

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

**96-42**





STATE OF MINNESOTA

**OFFICE OF THE LEGISLATIVE AUDITOR**

CENTENNIAL BUILDING, 658 CEDAR STREET • ST. PAUL, MN 55155 • 612/296-4708 • TDD RELAY 612/297-5353

JAMES R. NOBLES, LEGISLATIVE AUDITOR

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Normandale Community College

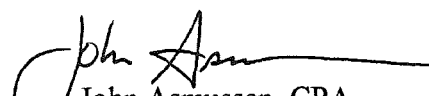
We have audited Normandale Community College for the period July 1, 1995, through June 30, 1996, as further explained in Chapter 1. Our audit scope included tuition revenue, payroll expenditures, supplies expenditures, and bookstore revenues and expenditures. The following summary highlights the audit objectives and conclusions. We discuss these issues more fully in the individual chapters of this report.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we obtain an understanding of management controls relevant to the audit. The standards also require that we design the audit to provide reasonable assurance that Normandale Community College complied with provisions of laws, regulations, contracts, and grants that are significant to the audit. The management of Normandale Community College is responsible for establishing and maintaining the internal control structure and ensuring compliance with applicable laws, regulations, contracts, and grants.

This report is intended for the information of the Legislative Audit Commission and the management of Normandale Community College. This restriction is not intended to limit the distribution of this report, which was released as a public document on October 18, 1996.

We thank the staff at Normandale Community College for their cooperation during this audit.

  
James R. Nobles  
Legislative Auditor

  
John Asmussen, CPA  
Deputy Legislative Auditor

End of Fieldwork: August 14, 1996

Report Signed On: October 14, 1996



# SUMMARY

State of Minnesota

Office of the Legislative Auditor

Centennial Office Building • St. Paul, MN 55155

612/296-4708

## Normandale Community College

### Financial Audit

For the Period July 1, 1995, through June 30, 1996

Public Release Date: October 18, 1996

No. 96-42

#### Background Information

Normandale Community College is part of the Minnesota State Colleges and Universities System (MnSCU). MnSCU began operations on July 1, 1995, when the community colleges, state universities, and technical colleges merged. Normandale Community College is a two-year college located in Bloomington, Minnesota. Approximately 8,000 students attended Normandale during the 1995-96 school year. This equals approximately 4,700 FTE (full-time equivalent) students. Thomas Horak is the president of Normandale Community College.

During fiscal year 1996, the college used a combination of the MAPS accounting system, the MnSCU accounting system, and manual records to record its financial activities. As part of its merger, MnSCU developed a new accounting system (MnSCU accounting system). At the same time, the state implemented a new accounting and procurement system (MAPS). During fiscal year 1996, Normandale Community College was not yet recording all of its financial activity on the MnSCU accounting system. As a result, we did not use the accounting information recorded on the MnSCU accounting system as a basis for our audit. Rather, we used accounting information from MAPS and the manual records maintained by the college.

#### Conclusions

Normandale Community College collected \$9.7 million in tuition and fee revenue during fiscal year 1996. Generally, we found that the college promptly deposited tuition receipts and recorded them in the MAPS accounting system. However, we found that the college had not adequately separated duties over continuing education revenues.

The college spends approximately two-thirds of its operating budget for payroll costs. We found that the college complied with the relevant provisions in the bargaining union agreements relating to full-time employee pay rates and leave accruals. Normandale Community College followed proper procurement procedures for parking and supplies expenditures. In addition, the college properly obtained funding for its parking lot renovations. However, we noted that the college did not verify the receipt of goods from Central Stores before paying for those goods and did not always pay invoices promptly.

Normandale Community College properly recorded bookstore transactions in its manual accounting records. We found that the bookstore's expenses were reasonable and related to the operation of the bookstore. In June 1995, the bookstore transferred \$600,000 in bookstore profits to the college's general operating account to supplement college operations. We noted that the college has not recorded its bookstore or other auxiliary enterprise financial activity on the MnSCU accounting system. Also, the college does not adequately control bookstore voids.

Contact the Financial Audit Division for additional information.

296-1727



# 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
Susan Rumpca, CPA	Auditor-in-Charge
Marina Mirman	Auditor
Matt Hoffer	Auditor
Laura Dombeck	Auditor

### Exit Conference

We discussed the findings and recommendations with the following staff of Normandale Community College at the exit conference held on October 2, 1996:

Thomas Horak	President
Bernardine Bryant	Vice-President of College Services
Mary Brauer	Director of Human Resources
Mary Cain	Business Office Supervisor
Mike Nistler	Interim Bookstore Manager
Glenn Wood	Associate Vice Chancellor of Finance
	MnSCU System Office





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## Chapter 1. Introduction

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Normandale Community College is part of the Minnesota State Colleges and Universities System (MnSCU). MnSCU began operations on July 1, 1995, when the community colleges, state universities, and technical colleges merged. Normandale Community College is a two-year college located in Bloomington, Minnesota. Approximately 8,000 students attended Normandale during the 1995-96 school year. This equals approximately 4,700 FTE (full-time equivalent) students. Thomas Horak is the president of Normandale Community College.

Normandale Community College has a business office staff of six employees, including the college business manager. The business office is responsible for collecting receipts, paying bills, and recording transactions on the various accounting systems. The college also has a payroll/personnel office of four employees.

During fiscal year 1996, the college used a combination of the MAPS accounting system, the MnSCU accounting system, and manual records to record its financial activities. As part of its merger, MnSCU developed a new accounting system (MnSCU accounting system). At the same time, the state implemented a new accounting and procurement system (MAPS). During fiscal year 1996, Normandale Community College was not yet recording all of its financial activity on the MnSCU accounting system. As a result, we did not use the accounting information recorded on the MnSCU accounting system as a basis for our audit. Rather, we used accounting information from MAPS and the manual records maintained by the college. Finding 4 of this report discusses the college's need to record its financial activities on the MnSCU accounting system.

Beginning in fiscal year 1996, the state replaced its prior payroll system (the PPS system) with a new personnel/payroll system (SEMA4). All state agencies, except MnSCU, converted to SEMA4 during fiscal year 1996. For testing payroll and personnel transactions relating to fiscal year 1996, we used information recorded on the PPS system. Normandale Community College converted to a new systemwide personnel/payroll system (State Colleges and Universities Personnel/Payroll System - SCUPPS) in July 1995 and to SEMA4 in August 1996. Chapter 2 of the MnSCU Transition of Technical Colleges into State Government Report (Report 96-35) discusses issues dealing with the MnSCU computer systems.

Normandale Community College tracks its valuable and sensitive equipment through the state's Fixed Asset Network System (FANS). During fiscal year 1996, Normandale Community College recorded assets over \$500 on FANS. Beginning in fiscal year 1997, the college has increased its threshold for recording equipment to \$2,000. The college buyer is responsible for recording new purchases onto the FANS system. The college has not taken a complete physical inventory of its assets recently. MnSCU has formed a user team to develop inventory policies and procedures and to develop a new automated inventory system specifically for the state's colleges and universities. We did not perform a review of the college's equipment as a part of this audit.

## Normandale Community College

Normandale Community College is affiliated with the Normandale Community College Foundation, an autonomous, non-profit organization. By contract, the college provides administrative support to the foundation. In return, the foundation offers scholarships and funds other activities which benefit the public educational mission of the college. The foundation is audited by a private CPA firm.

The college finances its operations primarily by student tuition, fees, and state appropriations from the General Fund. Table 1-1 shows the college's sources and uses of funds for the year ended June 30, 1996.

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**Table 1-1**  
**Normandale Community College Sources and Uses of Funds**  
**Year Ended June 30, 1996**

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Sources:	
System appropriation allocation (1)	\$10,433,317
Tuition and fees (10)	9,711,565
Salary adjustments	419,370
Carry forward of prior year allocations (2)	676,433
Federal student financial aid (3)	2,486,771
Federal Perkins loan collections (3)	139,665
Loan proceeds (parking lot) (4)	800,000
Bookstore net sales	2,072,662
Minnesota state grant (5)	634,000
Bookstore profits (6)	600,000
Other (7) (10)	<u>1,065,311</u>
Total	<u>\$29,039,094</u>
Uses:	
Full-time payroll (including fringe benefits) (8)	\$19,051,389
Federal student financial aid (3)	1,745,827
Federal Perkins loans (3)	146,475
Nonpayroll bookstore expenditures	1,607,676
Parking lot expenditures (4)	792,557
Repayment of parking loan (4)	93,476
Supplies, materials, and parts (10)	636,802
Minnesota State Grant (5)	621,234
Other (9) (10)	<u>2,322,401</u>
Total	<u>\$27,017,837</u>

- (1) Initial allocation, subject to change.
- (2) Prior year allocation intended to be used to supplement current year budget.
- (3) Audited previously. For more information, see the Minnesota State Colleges and Universities Federal Student Financial Aid Programs Report for fiscal year 1995 (Report 96-24).
- (4) Refer to Chapter 4 for more information.
- (5) State Grant Program not audited as a part of this audit.
- (6) Fiscal year 1995 profits used for fiscal year 1996 activities. See Chapter 5 for additional information.
- (7) Includes other local auxiliary enterprise, non-student financial aid federal programs, and other miscellaneous.
- (8) Includes all payroll, including bookstore and other auxiliary enterprise employees, including fiscal year 1996 salaries payable.
- (9) Includes utilities, part-time payroll and benefits, and other miscellaneous uses.
- (10) MAPS totals as of June 30, 1996, excluding fiscal year 1996 transactions which occurred after June 30, 1996.

Source: MAPS accounting system, State Personnel/Payroll System, and Normandale Community College manual ledgers through June 30, 1996.

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## Chapter 2. Tuition Revenue

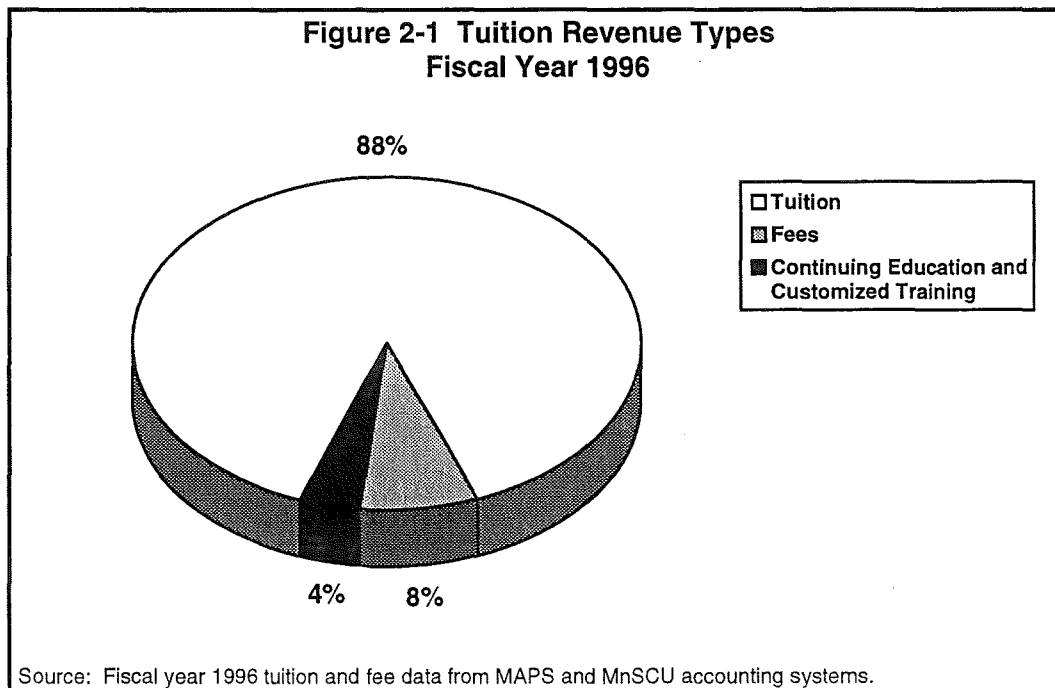
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### *Chapter Conclusions*

*Normandale Community College collected \$9.7 million in tuition and fee revenue during fiscal year 1996. Generally, we found that the college promptly deposited tuition receipts and recorded them in the MAPS accounting system. However, we found that the college had not adequately separated duties over continuing education revenues.*

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Normandale Community College collected tuition and fees each quarter from students enrolled in campus programs. For fiscal year 1996, the tuition rate was \$42.25 per credit plus miscellaneous fees. The college also collected tuition for continuing education and customized training classes. Customized training classes are classes tailored to the needs of a specific business that wants to train its employees. Tuition, fees, continuing education, and customized training revenues for fiscal year 1996 totaled \$9,711,565, according to the state's accounting system. Figure 2-1 shows the breakdown of tuition and fee revenue into its various components.



The primary objectives of our audit of tuition were as follows:

- To determine if the college promptly deposited tuition receipts.

## Normandale Community College

- To determine if the college promptly recorded tuition revenue in the MAPS accounting system.

To meet these objectives, we reviewed the controls over the billing, collecting, and recording of tuition and fee revenue. We also tested transactions to determine the timing of deposits and the recording of revenue into the MAPS accounting system. Generally, we found that the college promptly deposited tuition receipts and promptly recorded tuition revenue in the MAPS accounting system. However, as a result of our tests, we found the following issue:

### **1. Normandale Community College does not have adequate controls over continuing education receipts.**

Normandale Community College does not have adequate controls over continuing education receipts in two areas. First, the college has not adequately separated duties for continuing education. One employee registers students for continuing education classes, collects tuition receipts, posts receipts to class lists, and follows up on outstanding receivables. Second, the college does not deposit all continuing education receipts promptly, as required by Minn. Stat. Section 16A.275. The college does not deposit continuing education tuition receipts when there is an indication that the class may be canceled. The employee forwards the continuing education receipts to the business office for deposit only upon receiving confirmation that the class will take place. If the college cancels the class, the employee returns the receipts back to the registrants.

### *Recommendations*

- *Normandale Community College should separate the duties of registering students for continuing education classes, collecting tuition receipts for those classes, and recording tuition receipts.*
- *Normandale Community College should deposit continuing education receipts over \$250 daily.*

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## Chapter 3. Payroll Expenditures

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### *Chapter Conclusions*

*Normandale Community College spends approximately two-thirds of its operating budget for payroll costs. We found that the college complied with the relevant provisions in the bargaining union agreements relating to full-time employee pay rates and leave accruals.*

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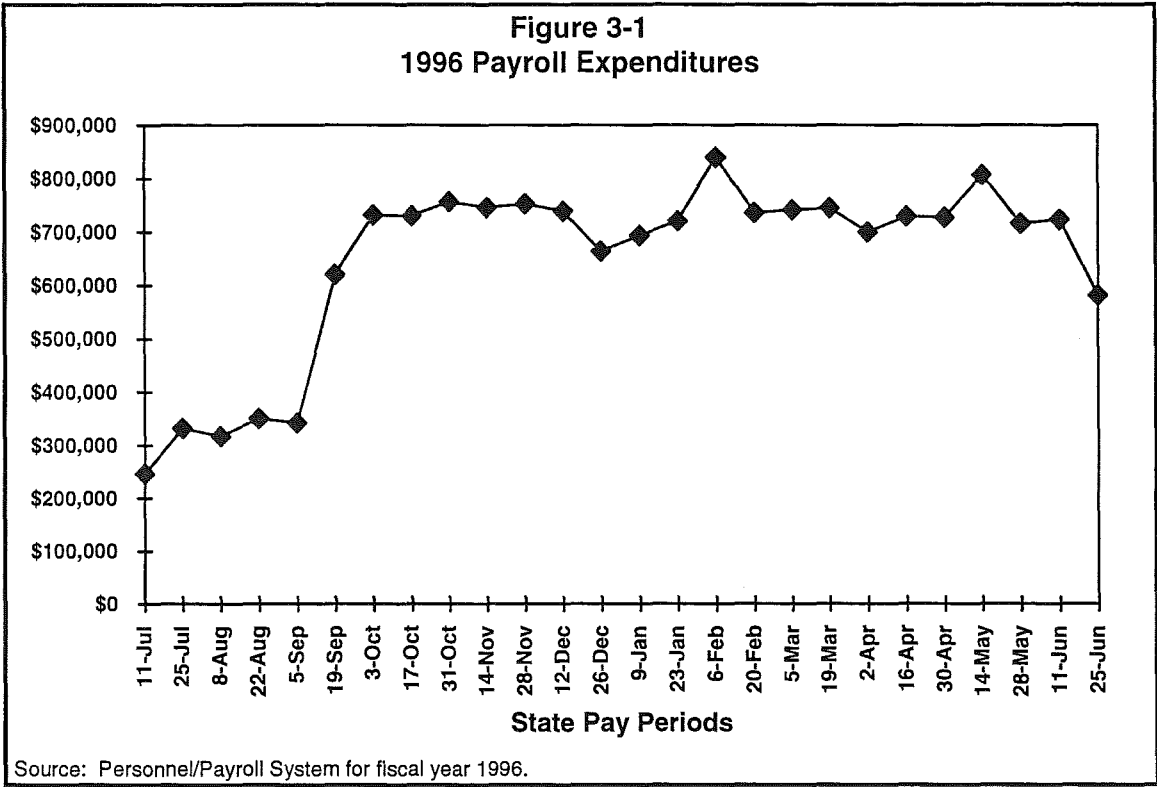
Normandale Community College's payroll costs for full-time employees during the period July 1, 1995, through June 30, 1996 totaled \$19,051,389. During fiscal year 1996, the college used the state's personnel/payroll system (PPS) and the State Colleges and Universities Personnel/Payroll System (SCUPPS) to process its payroll information. SCUPPS stores faculty and unclassified administrator pay rate information and bargaining agreement history. PPS also contains pay rate information and is the system that drives the amount that each employee is paid. Additionally, PPS handles leave accrual for regular classified employees. The college keeps manual records of regular classified employee leave accruals and reconciles the records with the Department of Finance's Biweekly Leave Report. Faculty leave accruals are maintained on a manual basis only.

Employees at Normandale Community College are members of the following bargaining unions: MCCFA, AFSCME, MMA, MAPE, and the MnSCU Personnel Plan for Excluded Administrators. During fiscal year 1996, the college averaged about 490 employees on the payroll system. Figure 3-1 illustrates payroll expenditures for Normandale Community College for fiscal year 1996.

The primary objective of the payroll audit was to determine if the college complied with the provisions in the bargaining union agreements relating to pay rates and leave accruals. To meet this objective, we reviewed the controls over the payroll process. In addition, we sampled payroll expenditures to review employees' rates of pay and leave accruals. We found that the college complied with the provisions in the bargaining union agreements relating to pay rates and leave accruals.

The college replaced PPS with the state's new payroll system (SEMA4) in August 1996. Prior to the conversion, the college compared the data on PPS and SCUPPS for regular classified employees and made any necessary corrections. The MnSCU system office compared the data contained on the two systems for faculty and excluded administrators. On August 16, 1996, the Department of Employee Relations converted all remaining PPS data to SEMA4 and eliminated PPS.

Normandale Community College



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## Chapter 4. Other Expenditures

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### *Chapter Conclusions*

*Normandale Community College followed proper procurement procedures for parking and supplies expenditures. In addition, the college properly obtained funding for its parking lot renovations. However, we noted that the college did not verify the receipt of goods from Central Stores before paying for those goods and did not always pay invoices promptly.*

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We reviewed two areas of administrative expenditures for Normandale Community College. The two areas were parking lot expenditures and supplies and materials expenditures.

The primary objectives of these areas were as follows:

- To determine if the college followed proper procurement procedures when purchasing goods.
- To determine whether the college followed proper procedures when securing financing for its parking lot renovations.

To meet these objectives, we gained an understanding of the controls over parking and supplies expenditures. We also reviewed the process the college used to obtain contractors and purchase goods. Finally, we reviewed the process the college used to obtain financing for the parking lot renovation project. We found that the college followed proper procurement procedures. In addition, the college properly obtained funding for the parking lot renovations. However, we did note two weaknesses, addressed in Findings 2 and 3.

### **Parking Lot Renovations**

During fiscal year 1996, Normandale Community College completed a renovation of the college parking lots. In order to finance the project, the college obtained an \$800,000 loan through the Higher Education Facilities Authority, as specified by the Laws of Minnesota Ch. 2, Art. 1, Sec. 35, Subd. 9. The college plans to repay the loan by the year 2000. Table 4-1 shows the expected college repayment schedule. The college will use receipts from parking permits, fees, and fines to fund the loan repayments.

## Normandale Community College

**Table 4-1**  
**Parking Loan Repayment Schedule**

<u>Date</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
September 1995				\$800,000.00
March 1996	\$93,476.20	\$ 23,484.40	\$ 69,991.80	730,008.20
September 1996	93,476.20	21,429.76	72,046.44	657,961.76
March 1997	93,476.20	19,314.80	74,161.40	583,800.30
August 1997	93,476.20	17,137.78	76,338.45	507,461.90
March 1998	93,476.20	14,896.80	78,579.40	428,882.50
August 1998	93,476.20	12,590.06	80,886.14	347,996.36
March 1999	93,476.20	10,215.61	83,260.59	264,735.77
September 1999	93,476.20	7,771.45	85,704.75	179,031.02
March 2000	93,476.20	5,255.55	88,220.65	90,810.36
September 2000	93,476.15	2,665.78	90,810.37	0.00
Totals		<u>\$134,761.95</u>	<u>\$800,000.00</u>	

Source: Normandale Community College records.

## Supplies and Materials

We also reviewed Normandale Community College's supplies and materials expenditures. The college spent approximately \$637,000 on supplies, materials, and parts during fiscal year 1996. The college had a \$1,500 local purchase authority. The college purchased items over \$1,500 through the Department of Administration's Materials Management Division. As a result of our review, we found the following weaknesses:

**2. Normandale Community College did not verify the receipt of goods from the Department of Administration's Central Stores before paying for those goods.**

Normandale Community College did not verify the receipt of goods from Central Stores before paying for those goods. The college ordered goods from Central Stores, which were shipped directly to the college from either Central Stores or its contract vendor. Although the college compared the goods it received to the packing slip to make sure it received everything, it did not see the related invoice. Rather, the MnSCU System Office received the invoices directly from Central Stores and paid the invoices without evidence that the college received the goods. We found one case where the college ordered two items, received four, and was billed for two items. In another case, the college ordered an item which was discontinued. The college never received the item, yet was billed for it. The college cannot be sure it pays only for items it received without comparing the items received with the items billed.

### *Recommendation*

- *Normandale Community College should ensure that all goods are received before the invoice is paid.*



## Normandale Community College

### 3. Normandale Community College did not always pay invoices promptly.

Normandale Community College did not pay invoices promptly in five of the twelve items we tested. Invoices were paid from 38 to 81 days after receipt. Minn. Stat. Section 16A.124, Subd. 3, requires that state agencies pay invoices within the early discount period or within 30 days of the receipt of the invoice. After receiving the invoice from the vendor, the business office sent the invoice to the person who ordered the goods to verify receipt of the goods. That person authorized the invoice for payment and forwarded the invoice to the accounting office for coding. The college then sent the invoice to the MnSCU system office for entry into the accounting system. Delays at both the college and the MnSCU system office contribute to the lag in processing invoices for payment.

#### *Recommendation*

- *Normandale Community College should work with the MnSCU system office to ensure that invoices are paid within the early discount period or within 30 days of receipt of the invoice.*

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## Chapter 5. Bookstore Revenue and Expenses

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### *Chapter Conclusions*

*Normandale Community College properly recorded bookstore transactions in its manual accounting records. We found that the bookstore's expenses were reasonable and related to the operation of the bookstore. In June 1995, the bookstore transferred \$600,000 in bookstore profits to the college's general operating account to supplement college operations.*

*We noted that the college has not recorded its bookstore or other auxiliary enterprise financial activity on the MnSCU accounting system. Also, the college does not adequately control bookstore voids.*

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The Normandale Community College bookstore is open to students year round. The bookstore offers students reading and writing materials necessary for classes, as well as other products for students' convenience. The bookstore stocks items such as textbooks (new and used), supplies (i.e., paper and pens), reading books, over-the-counter drugs, gifts, candy, greeting cards, clothing, backpacks, stamps, copy cards, and discount movie tickets. During fiscal year 1996, the bookstore generated an estimated profit of \$333,360, as shown in Table 5-1. In June 1995, pursuant to the former Community College System policy on excess auxiliary enterprise profits, the college transferred \$600,000 from the bookstore to the college's general operating account to supplement its operations.

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**Table 5-1 - Bookstore Income Statement**  
**Year Ended June 30, 1996**

Sales	\$2,180,522
Sales Returns	( 107,860)
Net Sales	2,072,662
Cost of Goods Sold	( 1,519,699)
Gross Profit	552,963
Expenses	(219,603)
Net Income	<u>\$ 333,360</u>

Note: These figures are unaudited. We did not do all the work necessary to verify the totals shown above; our audit objectives are listed below.

Source: Prepared by the Normandale Community College Business Office as of September 18, 1996.

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The bookstore is normally staffed with a manager, two full-time employees, and several student workers. These employees are responsible for the day-to-day operations of the bookstore, with the college accounting office providing accounting support. The bookstore manager resigned during fiscal year 1996, and an interim manager was in charge of the bookstore from May 15, 1996 to July 31, 1996.

The primary objectives of our audit of the bookstore were as follows:

- To determine the reasonableness of the bookstore expenditures.

## Normandale Community College

- To determine if the college is properly recording bookstore transactions in the accounting records.

To meet these objectives, we reviewed the controls over the bookstore revenue and expenditures processes. In addition, we sampled bookstore revenue and expenditure transactions. We found that the bookstore's expenditures were reasonable and related to the operation of the bookstore. We also found that the college properly recorded bookstore transactions in the accounting records. However, we did find the following weaknesses in the bookstore operations as a result of our review:

#### **4. Normandale Community College does not record bookstore and other auxiliary enterprise financial activity on the MnSCU accounting system.**

Normandale Community College records the financial activity for the bookstore and other auxiliary enterprise activities in manual ledgers. The college does not enter any of this activity on the MnSCU accounting system. Without this information on the MnSCU accounting system, it is difficult for the college, particularly the bookstore manager, to analyze the financial activities of its local accounts and make decisions based on this information. In addition, it is difficult for the MnSCU System Office to analyze the total financial activity for the college. For fiscal year 1996, the bookstore represented approximately ten percent of the total financial activity for the college. The college plans to convert its financial recordkeeping to the MnSCU accounting system during fiscal year 1997.

#### *Recommendation*

- *Normandale Community College should record all financial activity on the MnSCU accounting system.*

#### **5. Normandale Community College does not adequately control bookstore voids.**

Normandale Community College does not adequately control bookstore voids in two ways. First, the college does not adequately document voided transactions. The bookstore has a process to document voided transactions; however, bookstore employees do not consistently and completely follow this process. The bookstore instructed employees to print the voided transaction on a void sheet, document a reason for the void, and initial the void sheet. We found voided transactions with no supporting explanation or initials. We also found where the total of the voided transactions on the void sheets did not match the total voids per the cash register tape. For these transactions, there was no support other than the cash register journal tape.

Second, the bookstore manager does not review and approve voided transactions. The business office periodically reviews the total voids and will investigate any unusual amounts. However, no one routinely reviews and approves all voided transactions. Without an independent review, the college cannot ensure the voids are valid.

#### *Recommendations*

- *Normandale Community College should consistently and completely document all voided transactions.*
- *The bookstore manager should review and approve voided transactions.*

October 10, 1996

REVISED

Mr. John Asmussen, CPA  
Deputy Legislative Auditor  
Office of the Legislative Auditor  
Centennial Building  
658 Cedar Street  
St. Paul, MN 55155

**Regarding Audit Findings: Chapter 2 (1); Chapter 4 (2) (3); Chapter 5 (4) (5)**

Dear Mr. Asmussen:

The following are the college's responses to the above findings:

**Finding Chapter 2 (1): Normandale Community College does not have adequate controls over Continuing Education receipts.**

Normandale Community College has changed the way the Continuing Education receipts are handled. One employee in Continuing Education collects the tuition receipts. Another employee registers students, posts receipts to class lists and follows up on outstanding receivables. The college will deposit Continuing Education receipts over \$250 daily, rather than holding the tuition until confirmation that the class will take place.

Responsible person: Jim Chaffee, Director of Continuing Education

Completion date: Completed

**Finding Chapter 4 (2): Normandale Community College did not verify the receipt of goods from the Department of Administrations Central Stores before paying for those goods.**

Normandale Community College Central Stores Clerk will verify the receipt of goods and will compare the items received versus the items billed before the invoice is paid and will work closely with the business office before invoices are paid.

Responsible person: Glee Piche, Stores Clerk

Completion date: Completed

**Finding Chapter 4 (3): Normandale Community College did not always pay invoices promptly.**

Normandale Community College works in concert with the MnSCU System Office to ensure that invoices are paid within the early discount period or within thirty days of receipt of invoice, as much as possible. Normandale Community College has consistently achieved a

90% or better by MnSCU in its survey of Minnesota State Colleges and Universities prompt payment category. Normandale Community College will send out internal reminders to staff earlier and more frequently, as necessary, to validate receipt of goods and ensure prompt payment.

Responsible person: David Piechowski, Fiscal Services Director  
Completion date: Immediately

**Finding Chapter 5 (4): Normandale Community College does not record bookstore and other auxiliary enterprise financial activity on the MnSCU accounting system.**

Since May, 1996, the college has had turnover twice in the bookstore manager position and is currently operating with an interim manager until the Civil Service examination has been completed sometime in November. The bookstore is also temporarily operating with one less clerical position. However, within the next two months, the Normandale Accounting Technician will enter the financial activity for auxiliary enterprises into the MnSCU accounting system.

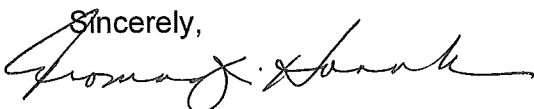
Responsible person: Mary Cain, Accounting Technician  
Completion date: November 30, 1996

**Finding Chapter 5 (5): Normandale Community College does not adequately control bookstore voids.**

Normandale Community College is training bookstore employees on correct procedures to follow for voided bookstore transactions. Voided transactions will have supporting documentation and be initialed by the employee. Voided transactions will match the total voids per the cash register tape wherever possible and the bookstore manager and current interim manager will review and approve voided transactions daily.

Responsible person: Michael Nistler, Interim Bookstore Manager  
Completion date: Completed

Sincerely,



Thomas J. Horak  
President

TJH/mrr

c Lee Kerschner, Chief Operating Officer, MnSCU  
Glenn Wood, Associate Vice-Chancellor, MnSCU  
Al Finlayson, Audit Manager, MnSCU  
Bernardine Bryant, Vice President, Administrative Services, Normandale  
David Piechowski, Director, Fiscal Services, Normandale  
Mary Cain, Accounting Technician, Normandale