

# Schedule

## Meeting of the Pierpont Community & Technical College Board of Governors

August 24, 2010

Falcon Center Board Room  
Fairmont, WV

<b>11:30 A.M.</b>	<b>Finance Committee</b>  Members: Kyle Hamilton ( <i>Chair</i> ) Rick Pruitte Linda Aman Dixie Copley James E. Griffin	<b>Board Room</b>  Staff Resource: Dale Bradley
<b>* 12:30 P.M.</b>	<b><i>Opening Convocation</i></b>	<b><i>Colebank Gymnasium</i></b>
<b>1:30 P.M.</b>	<b>Off Campus Facilities Committee</b>  Members: Leslie Lovett ( <i>Chair</i> ) Linda Aman Jeff Tucker Beverly Jones Sharon Shaffer	<b>Board Room</b>  Staff Resource: Jeni Hawkins
<b>1:30 P.M.</b>	<b>Marketing Committee</b>  Members: Dixie Copley ( <i>Chair</i> ) Earl McConnell Ryan Houser	<b>Conference Room 3</b>  Staff Resource: Sarah Hensley
<b>** 2:00 P.M.</b>	<b>Full Board Meeting</b>	<b>Falcon Center Board Room</b>

\* *Board Members are invited to participate in this event sponsored by Student Affairs.*

\*\*Time approximate, depending on the length of committees meeting.

**Pierpont Community & Technical College Board of Governors  
Meeting of August 24, 2010**

**Call to Order**

1. Opening Comment
2. Last Call for Public Comment Sign Up
3. Approval of Minutes (*June 15, 2010*)

***Tab 1 – Action Item***

**Operation Reports**

1. Faculty Assembly Report (*Brian Floyd*)
2. Classified Staff Report (*Mary Jo Rutherford*)
3. Student Government Report (*Jaron Hollida*)
4. Off Campus Programs Report (*Jeani Hawkins*)
5. Athletic Association Report (*Rusty Elliott*)
6. President’s Report (*Doreen Larson*)

***Tab 2 - Informational***

**Committee of the Whole**

1. Financial Report (*Dale Bradley*)
2. Legislative Auditor Report 07/01/07-06/30/08 (*Dale Bradley*)

***Tab 3 - Informational***

***Tab 4 – Informational***

**Committee Reports**

1. Finance Committee (*Kyle Hamilton*)
  - Classified Staff Mercer Step Increase (*Dale Bradley*)
  - FY 2011 Update of Capital Projects (*Dale Bradley*)
  - FY 2012 State Appropriation Request (*Dale Bradley*)
  - FY 2012 Capital Projects Request (*Dale Bradley*)
2. Off Campus Operations Committee (*Leslie Lovett*)

***Tab 5 – Informational***

***Tab 6 – Action Item***

***Tab 7 – Informational***

***Tab 8 – Action Item***

3. Marketing Committee (*Dixie Copley*)

**New Business**

1. Board Retreat
  - Possible Location: Stonewall Resort (Roanoke, WV)
  - Possible Dates: October 25-29

**Old Business**

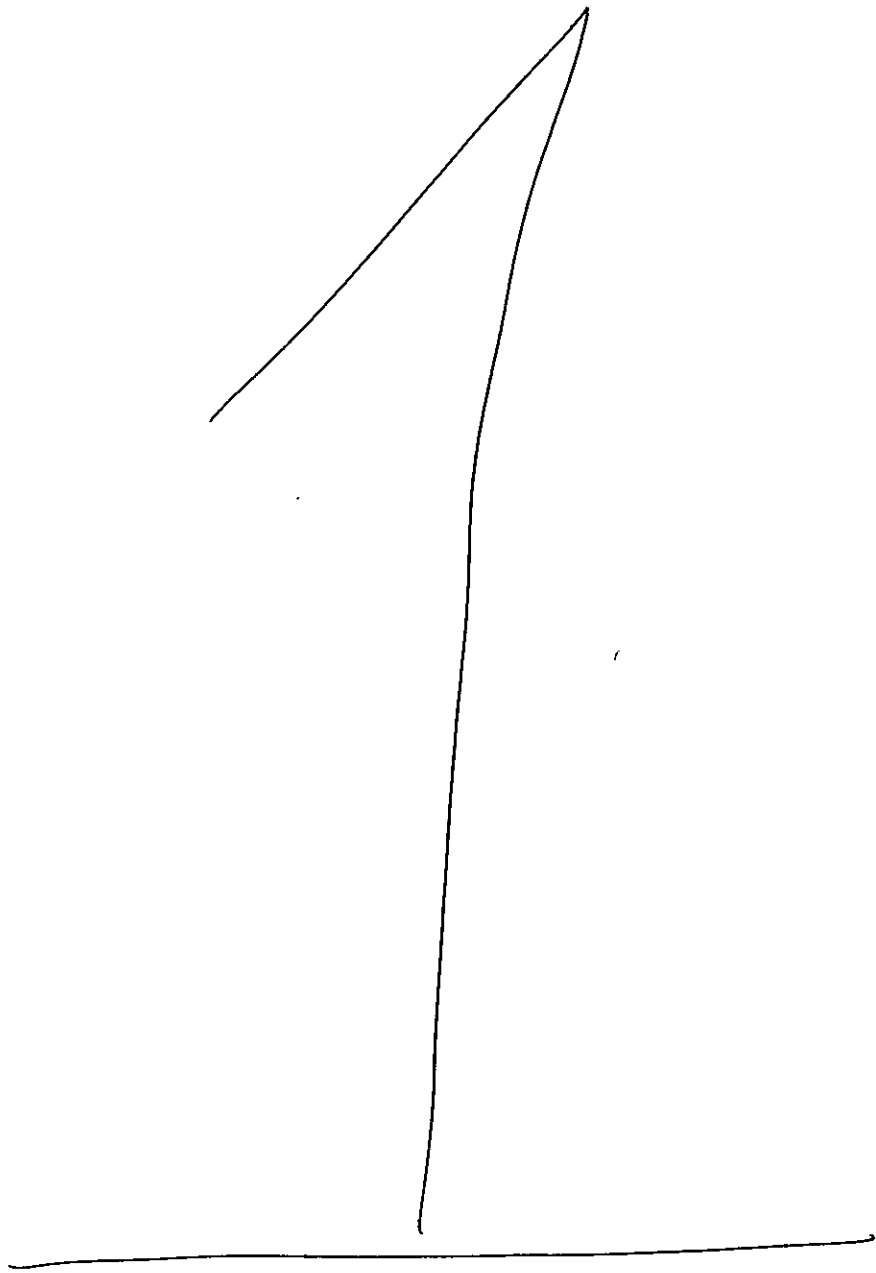
**Public Comment**

## **Possible Executive Session**

\_\_\_\_\_ moved pursuant to 6-9A-4(b)2A of the WV Code that the Board shall go in to Executive Session to discuss personnel and personnel matters, which if discussed in public might adversely affect the reputation of any person.

\_\_\_\_\_ moved pursuant to 6-9A-4(b)9 of the WV Code that the Board shall go into Executive Session to consider matters involving or affecting the purchase, sale or lease of property, advance construction planning, the investment of public funds or other matters involving commercial competition, which if made public, might adversely affect the financial or other interest of the state or any political subdivision.

**Next Meeting date is Tuesday, September 21, 2010 at the Falcon Center Board Room.**



**Pierpont Community & Technical College**  
**BOARD OF GOVERNORS**  
**MINUTES**  
June 15, 2010

**Call to Order**

A meeting of the Pierpont Community & Technical College Board of Governors was held on June 15, 2010 beginning at 2:00 p.m. in Falcon Center Board Room. Present at the meeting were Board Members: Beverly Jones, James Griffin, Dixie Copley, Ryan Houser, Earl McConnell, Rick Pruitte, Leslie Lovett, and Eugene Weaver. Absent were Jeff Tucker and Kyle Hamilton.

Chair James Griffin called the meeting to order.

**Approval of Minutes**

Chair Jim Griffin moved the minutes of the May 18, 2010 meeting be approved.  
Motion carried.

**Constituent Reports**

No report for the Faculty Assembly Report.  
Mary Jo Rutherford presented the Classified Staff Report.  
Alicia Nieman presented the Student Government Report.  
Jeani Hawkins presented the Off Campus Program Report.  
Bun Perkinson presented the Foundation Report.  
Devanna Corley presented the Alumni Association Report.  
Rusty Elliott presented the Athletic Association Report.

**President's Report**

No Report.

**Finance Report**

Dale Bradley delivered the report on the Pierpont Community & Technical College Unrestricted and Restricted Funds and Fund Manager Budgets for FY 2011.

**FY 2010-2011 Capital Projects**

James Decker provided a summary of FY 2010 Capital Projects and their status.

**Intent to Plan – Policy 54**

Jennifer Weist presented Policy 54 – Bookstore Policy and requested that the Board approve it for public comment as required by the rulemaking guidelines. Dixie Copley moved that Policy 54 be placed on public comment through August 31, 2010. Motion carried.

## **Program Reviews**

Jennifer Weist presented program reviews for Applied Design, Emergency Medical Services and Criminal Justice. She stated that each program has been reviewed by the advisory committee, program faculty, Dean of Human Services, Vice President for Administration and President and were found to be of high quality and in line with the economic and workforce needs of the region. The recommendation to the Board is that all programs be continued at their current levels. The motion was made to approve the continuation of all three programs at the current level of activity. Motion carried.

## **Off Campus Operations Committee**

Leslie Lovett reported that the committee plans on visiting the Braxton County facility during the summer months and that they are also working with the Director of Off Campus Programs and Jim Decker of the Physical Plant to get signs replaced at off campus sites.

## **Finance Committee**

Finance Committee member Rick Pruitte moved that the Board approve the FY 2010 Beginning Net Asset Values for Pierpont Community & Technical College and Fairmont State University as defined by the Separation of Assets Agreement approved in December 2009. Motion carried.

Rick Pruitte moved to approve the Education & General Capital Project plan for FY 2011. Motion carried.

Rick Pruitte moved to approve the chargeback agreement for fiscal year 2011 with the condition that the items currently unresolved will be resolved and documented for audit purposes prior to submission of any actual chargeback payment transactions occurring for the 2011 fiscal year. It should be noted that the chargeback value of items in dispute currently amount to \$40,940.50 and may require an adjustment to the FY 2011 Unrestricted Budget. Motion carried.

Rick Pruitte moved to approve the Unrestricted Education & General and Fund Manager Funds Budgets for FY 2011. Motion carried.

## **Marketing Committee**

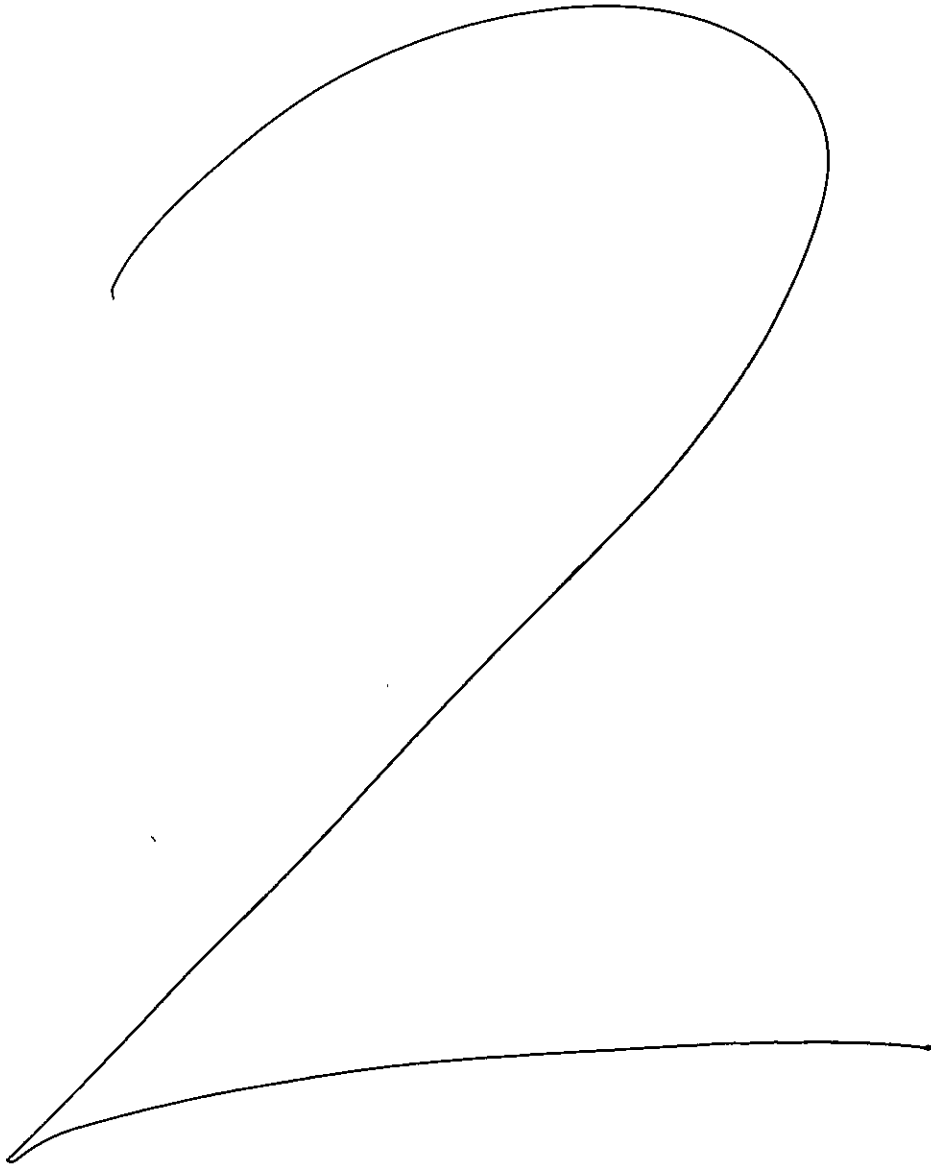
No report.

## **Nominating Committee**

Nominating Committee member Sharon Shaffer moved that the Board re-elect its current officers: James Griffin, Chair; Dixie Copley, Vice Chair; and Beverly Jones as Secretary to another term. No other nominations were made. Motion carried.

## **Adjournment**

There being no further business, the meeting was adjourned at 2:55 p.m.



**Student Government Fall Elections 2010**  
**Elections: Tuesday, September 14**  
**10am-7pm On-line**  
**Nominations Begin: August 21 during Welcome Weekend**  
**Deadline to Be Nominated: Sept. 9, 12:30PM in 128 HB.**

The following positions can only be voted on & filled by Pierpont students:

**Pierpont Community & Technical College Board of Governors:** This is normally included in the Spring SG Elections.

**Pierpont Representatives** (Will elect 2)

**Pierpont House of Representatives** (Will elect 4)

The following positions can be voted on & filled by both FSU & Pierpont students:

**Vice President:** This is normally included in the Spring Election.

**Treasurer:** This is normally included in the Spring Election. Anticipating a vacancy in this position.

**Freshman Senator** (Will elect 3)

**Sophomore Senator** (Will elect 1) This position is normally included in the Spring Election.

**Who is eligible to run for office?** All full time students, with at least a 2.0 cumulative GPA, are eligible to run for an SG position. Some positions are institution and class rank specific. Students running for Executive Office must already have served in SG for one year prior to their nomination and cannot be freshmen.

**Who is eligible to vote?** All students enrolled in at least one credit hour are eligible to take part in Student Government elections. The on-line ballot will have a few variations according to the voting student's institution and class rank. For example: The Pierpont Ballot will only have the positions that Pierpont students are eligible to vote. In addition to their respective institution, students will only be voting for their class senators. For example: Only Freshmen can vote for the Freshman Senator posts.

**Nomination Process:**

**How can a student be nominated?:**

*Attend an SG Meeting:* an interested student can nominate themselves or accept their nomination from another student, faculty or staff member, at a regularly scheduled SG meeting.

When: Thursday, Aug. 26, Sept. 2 or Sept. 9 at 12:30PM.

Where: 128 Hardway

*File w/ the SG Advisor:* an interested student can also file for a particular position with the Advisor to Student Government in her office- 305 Colebank.

**Required Forms:** All nominees must also fill out and sign a Nominee Form.

**Required Meeting:** Nominees must also attend a Nominee Meeting on Sept. 2 or Sept. 9 at 12:30 in 128 Hardway during the regularly scheduled SG meeting.

**The deadline for nomination** is Thursday, Sept. 9<sup>th</sup> at 12:30 in 128 Hardway.



**Terms Of Office:**

Terms for Fall Elected SG Members: Terms for the Pierpont Reps, Pierpont House of Reps & Freshmen Senator begin following the Fall Election when new Student Government members are inducted and culminate at the end of the Spring 2011 semester. The exceptions to this rule are the Pierpont BOG position and the other positions normally included in the Spring Elections- VP, Treasurer & Sophomore Senators. The BOG position continues until the end of June. The terms for the other positions normally included in the Spring Elections- VP, Treasurer & Sophomore Senator- will end the day the Spring 2011 Election takes place.

**How can the Board of Governors, faculty and staff help?**

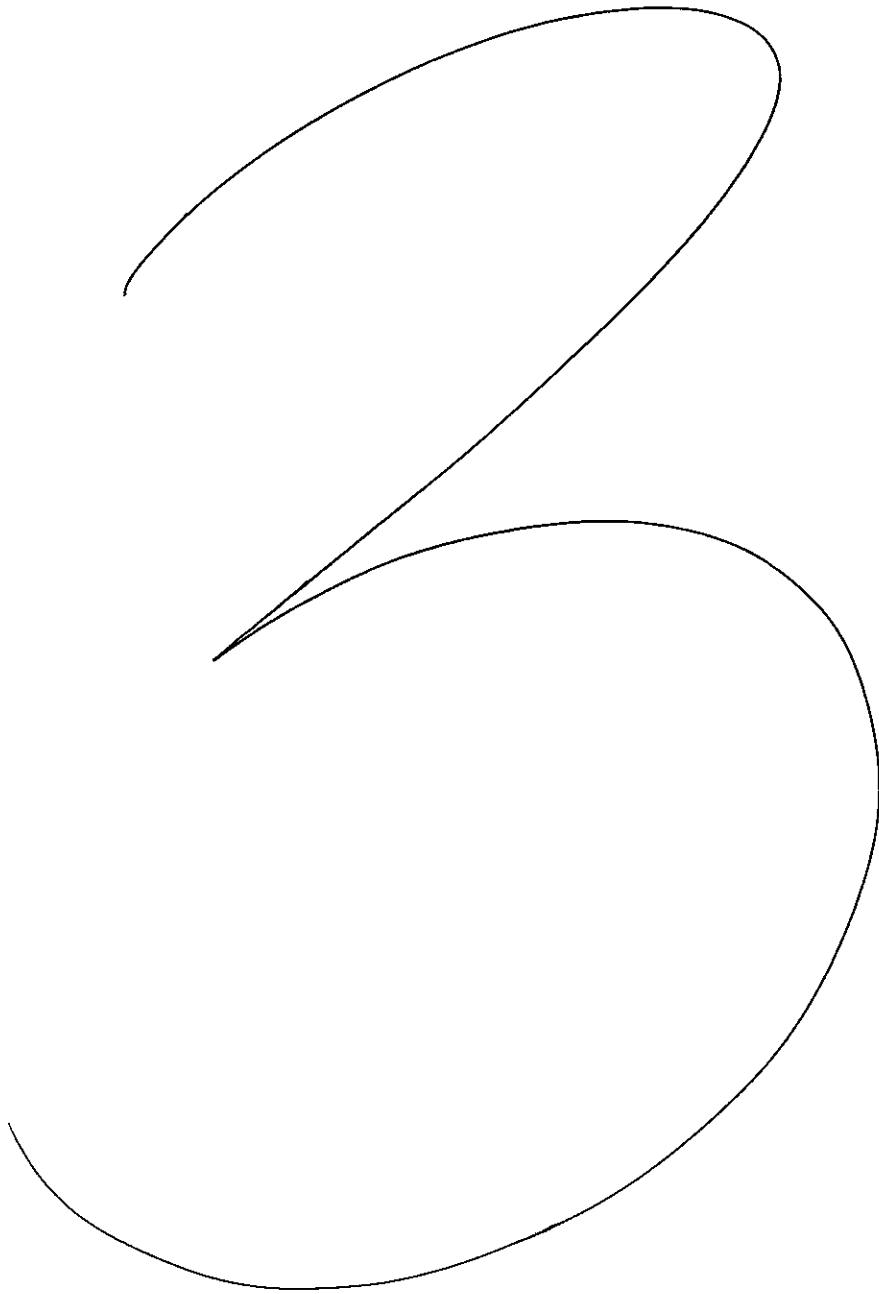
Spread the word on the importance of being involved in the student leadership on campus. Nominate students for office! Please let the students know they must attend an SG Meeting or visit the Advisor to Student Government in order to accept their nomination and fill out the Nominee Form.

**How would a Board of Governors member, faculty or staff person nominate a student?**

Fill out the Nominee Form and deliver or e-mail them to the SG Advisor, Laurie Johnston, in 305 Colebank or to [ljohnston@fairmontstate.edu](mailto:ljohnston@fairmontstate.edu).

Let the student know they have been nominated so they can accept their nomination, sign the Nominee Form, and attend a Nominee Meeting.

Laurie Johnston      Advisor to Student Government      367-4705



**Board of Governors  
Financial Report FY 2011  
Pierpont Community & Technical College  
as of July 22, 2010**

**Unrestricted Funds:**

The projected effect on net assets at June 30, 2011 as of July 22, 2010, inclusive of state federal stimulus stabilization funds, is \$362,722. This is a slight improvement (\$3,321) from the approved FY 2011 Unrestricted Budget. This improvement is due primarily to adjustments made to Fund Manager Funds that were missed in the generation of the initial FY 2011 Unrestricted Budget. As of this report date, the institution is less than a month into FY 2011 and approximately 34% of projected tuition and fees revenue has been realized. The mid-July payroll has accounted for the majority of expenditures recorded to date. The primary budget changes that impacted the budget from the initial FY 2011 Unrestricted Budget are as follows:

- **Operating Revenues:**
  - Increase by \$98,434 primarily due the changes made to the Fund Manager Funds.
- **Expenditure Budget:**
  - Increased by \$101,724 primarily due to changes made to the Fund Manager Funds.
- **Non-Operating Revenues**
  - No budget changes
- **Excludes Operating**
  - Improved by \$6,611 due the recognition of Indirect Cost Recoveries.

**Restricted Funds:**

The budget balance reflects a deficit plan of (\$729,598). This deficit is covered by grant funds received prior to July 1, 2010. The primary funding sources in this restricted fund are financial aid and state and federal grants.

**Notes to Financial Report:**

The look of the FY 2011 Finance Report has been modified slightly from the FY 2010 version. There is an additional "Operating Revenue" category identified as "Auxiliary Enterprise Revenue". These revenues are paid by Pierpont Students and include their Falcon Center Fee, their Athletics Fee and their Facilities Fee (Bond Debt Service) which are passed through Pierpont accounts on to Auxillary Enterprises controlled by Fairmont State University. Due to theses student fees only passing through Pierpont accounts, they had not been included in previous finance reports. Since these fees are paid by Pierpont Students, Pierpont's Board of Governor's should be aware of them and therefore have been added to the Finance Report. There is a corresponding "Operating Expenses" category identified as "Assessment for Auxillary Fees & Debt Services". The budget for this expense category is equal to the corresponding revenue budget reflecting that they are purely passing through Pierpont accounts.

A second related change is to the "Operating Expenses" category identified as "Assess for Activity, Cap. & Debt Ser Costs". This same expense category was identified on last year's (FY 2010) finance reports as "Assessment for Tuition, Aux, & Capital Costs". With the recognition of

the Pierpont Student Auxiliary activities described above, the title was changed to more accurately reflect the expense category. The revenues to cover this expense category are reported within the "Operating Revenues" category "Tuition and Fees". Fees associated with this expense include the Health Services Fee, the Student Programs Fee (Used by Student Government), Infrastructure Fee, and System Education and General Capital Fees.

**Pierpont Community & Technical College**  
**Actual vs Budget Statement of Revenues and Expenses**

Current Year 2011      Prior Year 2010      Period July      Current Unrestricted

		Budgeted Current Year	Actual Current Year	Actual To Budgeted Current Year
<b>OPERATING REVENUES</b>	Tuition and Fees	7,723,361.50	2,664,404.13	34.50
	Faculty Services Revenue	1,502,589.00	0.00	0.00
	Auxiliary Enterprise Revenue	1,135,737.00	486,140.90	42.80
	Operating Costs Revenue	208,763.12	0.00	0.00
	Support Services Revenue	409,810.26	0.00	0.00
	Other Operating Revenue	253,071.00	4,020.00	1.59
	<b>Subtotal:</b>	<b>11,233,321.88</b>	<b>3,154,565.03</b>	<b>28.08</b>
<b>OPERATING EXPENSES</b>	Salaries	5,652,870.00	132,639.42	2.35
	Benefits	1,219,134.69	22,657.20	1.88
	Student financial aid-scholarships	305,588.00	(354.00)	-0.12
	Utilities	0.00	98.98	0.00
	Supplies and Other Services	1,699,858.09	28,223.36	1.66
	Equipment Expense	139,211.55	0.00	0.00
	Fees retained by the Commission	104,618.00	0.00	0.00
	Assessment for Faculty Services	1,268,259.00	0.00	0.00
	Assessment for Support Services	3,893,863.84	0.00	0.00
	Assess for Activity, Cap. & Debt Ser Costs	1,436,513.00	0.00	0.00
	Assessment for Auxiliary Fees & Debt Service	1,135,737.00	0.00	0.00
	Assessment for Operating Costs	2,384,200.70	0.00	0.00
	<b>Subtotal:</b>	<b>19,239,854.97</b>	<b>183,262.96</b>	<b>0.95</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	State Appropriations	7,683,748.00	0.00	0.00
	State Appro. Federal ARRA Stimulus Backfill	659,694.00	0.00	0.00
	Gifts	1,000.00	0.00	0.00
	Investment Income	97,194.00	0.00	0.00
	Reappropriated State Funding	0.00	0.00	0.00
	<b>Subtotal:</b>	<b>8,441,636.00</b>	<b>0.00</b>	<b>0.00</b>
<b>EXCLUDE OPERATING ACCOUNT</b>	Exclude - Assets	0.00	0.00	0.00
	Exclude - Transfers for Financial Aid Match	(78,992.00)	0.00	0.00
	Exclude - Indirect Cost Recoveries	6,611.79	0.00	0.00
	Exclude - Transfers - Other	0.00	0.00	0.00
	<b>Subtotal:</b>	<b>(72,380.21)</b>	<b>0.00</b>	<b>0.00</b>
<b>OPERATING INCOME/LOSS</b>		<b>(8,006,533.09)</b>	<b>2,971,302.07</b>	<b>-37.11</b>
<b>BUDGET BALANCE</b>		<b>362,722.70</b>	<b>2,971,302.07</b>	<b>819.17</b>
<b>PERSONNEL BUDGET SAVINGS</b>		<b>0.00</b>		
<b>PROJECTED EFFECT ON NET ASSETS AT JUNE 30</b>		<b>362,722.70</b>		
<b>PROJECTED NET ASSETS - Beginning of Year</b>		<b>3,486,496.86</b>		
<b>PROJECTED NET ASSETS - End of Year</b>		<b>3,849,219.56</b>		

**Pierpont Community & Technical College**  
**Actual vs Budget Statement of Revenues and Expenses**

Current Year 2011      Prior Year 2010      Period July      Current Unrestricted  
Pierpont C and TC - President

		Budgeted Current Year	Actual Current Year	Actual To Budgeted Current Year
<b>OPERATING REVENUES</b>	Tuition and Fees	6,897,862.00	2,516,291.33	36.48
	Faculty Services Revenue	1,502,589.00	0.00	0.00
	Operating Costs Revenue	208,753.12	0.00	0.00
	Support Services Revenue	409,810.26	0.00	0.00
	Other Operating Revenue	123,083.00	0.00	0.00
	<b>Subtotal:</b>	<b>9,142,097.38</b>	<b>2,516,291.33</b>	<b>27.52</b>
<b>OPERATING EXPENSES</b>	Salaries	5,478,040.00	126,454.60	2.31
	Benefits	1,192,339.00	22,009.21	1.85
	Student financial aid-scholarships	305,588.00	(354.00)	-0.12
	Utilities	0.00	98.98	
	Supplies and Other Services	1,097,902.85	24,010.42	2.19
	Equipment Expense	57,041.63	0.00	0.00
	Loan cancellation and write-offs	0.00	0.00	
	Fees retained by the Commission	104,619.00	0.00	0.00
	Assessment for Faculty Services	1,268,269.00	0.00	0.00
	Assessment for Support Services	3,893,863.94	0.00	0.00
	Assess for Activity, Cap. & Debt Ser Costs	1,436,513.00	0.00	0.00
	Assessment for Operating Costs	2,384,200.70	0.00	0.00
	<b>Subtotal:</b>	<b>17,218,367.12</b>	<b>172,217.21</b>	<b>1.00</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	State Appropriations	7,683,748.00	0.00	0.00
	State Fiscal Stabilization Funds	659,694.00	0.00	0.00
	Investment income	97,194.00	0.00	0.00
	Reappropriated State Funding	0.00	0.00	
	<b>Subtotal:</b>	<b>8,440,636.00</b>	<b>0.00</b>	<b>0.00</b>
<b>EXCLUDE OPERATING ACCOUNT</b>	Exclude - Assets	0.00	0.00	
	Exclude - Transfers for Financial Aid Match	(78,992.00)	0.00	0.00
	Exclude - Transfers - Other	0.00	0.00	
	<b>Subtotal:</b>	<b>(78,992.00)</b>	<b>0.00</b>	<b>0.00</b>
<b>OPERATING INCOME/LOSS</b>		<b>(8,076,269.74)</b>	<b>2,344,074.12</b>	<b>-29.02</b>
<b>BUDGET BALANCE</b>		<b>285,374.26</b>	<b>2,344,074.12</b>	<b>821.40</b>
<b>PERSONNEL BUDGET SAVINGS</b>		<b>0.00</b>		
<b>PROJECTED EFFECT ON NET ASSETS AT JUNE 30</b>		<b>285,374.26</b>		
<b>PROJECTED NET ASSETS - Beginning of Year</b>		<b>2,959,506.92</b>		
<b>PROJECTED NET ASSETS - End of Year</b>		<b>3,244,881.18</b>		

**Pierpont Community & Technical College**  
**Actual vs Budget Statement of Revenues and Expenses**  
 Current Year 2011      Prior Year 2010      Period July      Current Unrestricted  
 Pierpont C and TC Fund Managers

		Budgeted Current Year	Actual Current Year	Actual To Budgeted Current Year
<b>OPERATING REVENUES</b>	Tuition and Fees	825,499.50	148,112.80	17.94
	Other Operating Revenue	129,988.00	4,020.00	3.09
	<b>Subtotal:</b>	<b>955,487.50</b>	<b>152,132.80</b>	<b>15.92</b>
<b>OPERATING EXPENSES</b>	Salaries	174,830.00	6,184.82	3.54
	Benefits	26,795.69	847.99	2.42
	Supplies and Other Services	601,955.24	4,212.94	0.70
	Equipment Expense	82,169.92	0.00	0.00
	Loan cancellation and write-offs	0.00	0.00	
	<b>Subtotal:</b>	<b>885,750.85</b>	<b>11,045.75</b>	<b>1.25</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	Gifts	1,000.00	0.00	0.00
	<b>Subtotal:</b>	<b>1,000.00</b>	<b>0.00</b>	<b>0.00</b>
<b>EXCLUDE OPERATING ACCOUNT</b>	Exclude - Assets	0.00	0.00	
	Exclude - Indirect Cost Recoveries	6,611.79	0.00	0.00
	Exclude - Transfers - Other	0.00	0.00	
	<b>Subtotal:</b>	<b>6,611.79</b>	<b>0.00</b>	<b>0.00</b>
<b>OPERATING INCOME/LOSS</b>		<b>69,736.65</b>	<b>141,087.05</b>	<b>202.31</b>
<b>BUDGET BALANCE</b>		<b>77,348.44</b>	<b>141,087.05</b>	<b>182.40</b>
<b>PERSONNEL BUDGET SAVINGS</b>		<b>0.00</b>		
<b>PROJECTED EFFECT ON NET ASSETS AT JUNE 30</b>		<b>77,348.44</b>		
<b>PROJECTED NET ASSETS - Beginning of Year</b>		<b>452,050.94</b>		
<b>PROJECTED NET ASSETS - End of Year</b>		<b>529,399.38</b>		

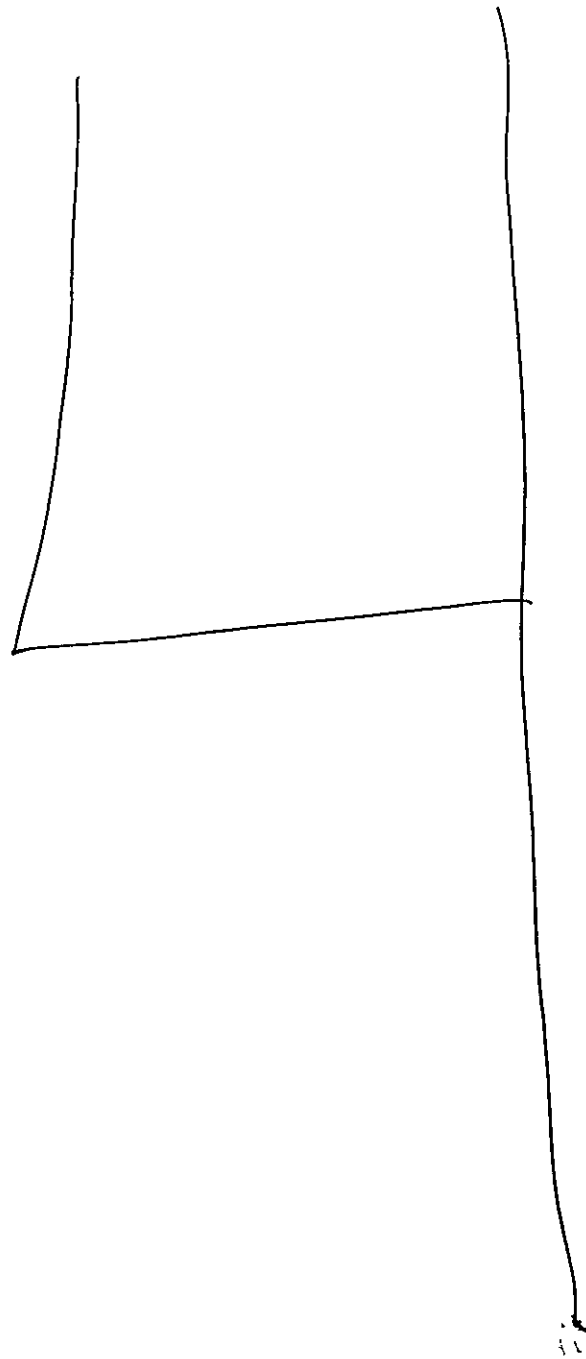
**Pierpont Community and Technical College**  
**Actual vs Budget Statement of Revenues and Expenses**

Current Year 2011 Prior Year 2010 Jul Current Restricted

**LEVEL 2**

		Budgeted Current Year	Actual Current Year	Actual to Budgeted Current Year
<b>OPERATING REVENUES</b>	Tuition and Fees	101,000.00	1,735.63	1.72%
	Federal Grants and Contracts	14,127,178.46	2,326.90	0.02%
	State/Local Grants and Contracts	2,400,453.31	391,602.04	16.31%
	Private Grants and Contracts	567,000.00	38,462.48	6.78%
	Other Operating Revenues	50,500.00	216.00	0.43%
<b>Sub Total</b>		<b>17,246,131.77</b>	<b>434,343.05</b>	<b>2.52%</b>
<b>OPERATING EXPENSES</b>	Salaries	826,924.25	24,889.80	3.01%
	Benefits	138,298.67	3,020.25	2.18%
	Student Financial Aid-Scholarships	22,234,369.00	1,440.48	0.01%
	Utilities	100.00	6.38	6.38%
	Supplies and Other Services	751,848.58	2,576.99	0.34%
	Equipment Expense	85,288.82	19,860.46	23.29%
	Loan Cancellation and Write Off	0.00	0.00	0.00%
<b>Sub Total</b>		<b>24,036,829.32</b>	<b>51,794.36</b>	<b>0.22%</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	Federal Pell Grant Revenues	6,000,000.00	-6,490.00	-0.11%
<b>Sub Total:</b>		<b>6,000,000.00</b>	<b>-6,490.00</b>	<b>-0.11%</b>
<b>EXCLUDE OPERATING</b>	Exclude - Assets	-11,281.43	-1,800.00	15.96%
	Exclude - Transfers for Fin Aid Match	78,992.00	0.00	0.00%
	Exclude - Indirect Cost Recoveries	-6,611.79	0.00	0.00%
	Exclude - Transfers - Other	-	-	0.00%
<b>Sub Total:</b>		<b>61,098.78</b>	<b>-1,800.00</b>	<b>-2.95%</b>
<b>OPERATING INCOME/LOSS</b>		<b>-6,790,697.55</b>	<b>382,548.69</b>	<b>-5.63%</b>
<b>BUDGET BALANCE</b>		<b>-729,598.77</b>	<b>374,258.69</b>	<b>-51.30%</b>
<b>PROJECTED NET ASSETS - Beginning of Year</b>		<b>1,459,063.12</b>		
<b>PROJECTED NET ASSETS - End of Year</b>		<b>729,464.35</b>		





**Pierpont Community and Technical College  
Board of Governors  
August 24, 2010**

**Item:** Legislative Audit Report for the period July 1, 2007 – June 30, 2008

**Committee:** Committee of the Whole

**Information Item:**

**Staff Member:** Dale Bradley

**Background:**

The Legislative Audit (Compliance Audit) began in December of 2008 and was completed in May 2010. The final report of findings and recommendations along with responses to these recommendations are attached.

The Legislative Audit staff was complimentary of the internal controls over all and was very pleased with the support from staff during their field work. Also attached are comments made during the final report to Legislative Post Audit Subcommittee chaired by the Senate President Earl Ray Tomblin and by Speaker Richard Thompson.

**Good afternoon Mr. President, Speaker, and members of the Committee:**

**My name is William Spencer and I am here to present to you 3 of the findings from our audit of Fairmont State University. The objectives of this audit of Fairmont State University was to determine if the university complied with the provisions of the Higher Education Policy and other governing instruments as they pertain to fiscal matters. We have performed a review of the financial transactions of Fairmont State University for the period of July 1, 2007 through June 30, 2008.**

**Here representing Fairmont State University is Mr. Rick Porto, Vice President for Administrative and Fiscal Affairs, who is here today to address any questions from the Committee. Mr. Porto as well as all of Fairmont State University's staff maintained a great working environment for our team as well as implementing our finding recommendations timely, and in most instances, the problems were corrected prior to the date of this audit report. Fairmont State University's compliance with the laws, rules, and regulations that govern them were exceptional compared to some of the other higher education institutions that we previously audited.**

Presentation to the Legislative Post Audit Sub-Committee

July 20, 2010

Presented by Rick Porto, Vice President  
for Administrative and Fiscal Affairs  
for Fairmont State University

President Tomblin, Speaker Thompson, Mr. Helmick, Mr. Hall, Mr. White, Mr. Armstead:

I would like to publicly thank Mr. Aaron Allred, Ms. Stacy Sneed, Mr. Ethelbert Scott, Mr. William Spencer, and the staff auditors Mr. Elmo Phillips, Ms. Annamarie Short, Mr. David Abraham, Mr. Jay Eckhart, and Ms. Gina Adams for a job that was well done.

The audit team on campus supervised by Mr. William Spencer, was very professional, thorough in their reviews, cordial, friendly, personable, and at times provided an atmosphere of humor and laughter. In my 33 years of experience in managing higher education financial business in the State of West Virginia, I am of the opinion this audit was a very positive experience for the staff of Fairmont State University and Pierpont Community and Technical College. I can say it was a rewarding experience for me both professionally and personally. It was good to get to know and work with staff of the Legislative Auditor's Office.

Of the eleven (11) findings and recommendations we feel that:

- Five (5) of them (findings 2, 4, 6, 7, and 10) have been corrected and measures put in place to prevent repeat conditions.
- Four (4) of them (findings 5, 8, 9, and 11) will require central administrative staff to exercise more due diligence in processing to prevent future incidents of these findings occurring in the future.
- Two (2) of them (findings 1, and 3) will require central administrative staff to review and improve processes, update procedures, and provide trainings for University and Community and Technical College staff. This will occur in the fall of 2010 period.

We thank the Legislative Audit staff for their support and mentorship during the past year and a half, for their compliments on the effectiveness of our operations, and for their hard work.

**From:** William Spencer [mailto:wspencer@mail.wvnet.edu]

**Sent:** Thursday, July 22, 2010 8:24 AM

**To:** Porto, Enrico

**Subject:** RE: Presentation to the Legislative Post Audit Sub.docx

Thank you also for your kind words. I stated the first day I met you that in my audits I always go in with the attitude that I'm trying to help the spending unit, not to hurt them. It is rewarding to feel at the end of this long process that the objective was reached. It has been a pleasure to work with you and your staff. The attitude of the spending unit usually reflects upper management and everyone was kind, courteous, and went out of their way to make us comfortable. I know we can be a nuisance; however, all of your staff got us anything we asked for timely. I will attach a copy of the presentation to this email and whenever I'm in the area I will stop by for lunch. Again Thank you!!!

# FAIRMONT STATE UNIVERSITY

Lack of Internal Controls Over Cash Receipts  
Unapproved Course Fees Charged to Students' Accounts  
Deposits Not Made Timely

WEST VIRGINIA LEGISLATIVE AUDITOR  
POST AUDIT DIVISION



**LEGISLATIVE POST AUDIT SUBCOMMITTEE**

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**WEST VIRGINIA LEGISLATIVE AUDITOR  
LEGISLATIVE POST AUDIT DIVISION**

**Aaron Allred**  
Legislative Auditor

**Stacy L. Sneed, CPA, CICA**  
Director

**Ethelbert Scott, Jr., CPA**  
Audit Manager

**William Spencer III, CPA**  
Auditor-in-Charge

**Elmo Phillips, Auditor II**  
**Annamarie Short, Auditor I**  
**David Abraham, Auditor I**  
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**Gina Adams, Auditor I**  
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Post audit reports are available on-line at  
[www.legis.state.wv.us/joint/postaudit/reports.cfm](http://www.legis.state.wv.us/joint/postaudit/reports.cfm).

For more information about the Legislative Post Audit Division, please visit our website at  
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**WEST VIRGINIA LEGISLATURE**  
**Joint Committee on Government and Finance**

Stacy L. Sneed, CPA, CICA, Director  
Legislative Post Audit Division  
Building 1, Room W- 329  
1900 Kanawha Blvd. East  
Charleston, WV 25305-0610



Area Code (304)  
Phone: (304) 347-4880  
Fax: (304) 347-4889

The Joint Committee on Government and Finance:

In compliance with the provisions of the W.Va. Code §4-2, as amended, we have conducted a post audit of Fairmont State University for the period of July 1, 2007 through June 30, 2008.

We have conducted our audit in accordance with auditing standards generally accepted in the United States. Our audit disclosed certain findings, which are detailed in this report. The Spending Unit's management responded to the audit findings; we have included the responses following each finding.

Respectfully submitted,

A handwritten signature in cursive script that reads "Stacy L. Sneed".

Stacy L. Sneed, CPA, CICA, Director  
Legislative Post Audit Division

SLS/cdo



**FAIRMONT STATE UNIVERSITY  
JULY 1, 2007 – JUNE 30, 2008**

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FAIRMONT STATE UNIVERSITY  
JULY 1, 2007 – JUNE 30, 2008

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INDEPENDENT AUDITOR'S REPORT

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Post Audit Subcommittee:

**Compliance**

We have audited the Fairmont State University's (FSU) compliance with the laws, rules, and regulations applicable for the fiscal year 2008. Compliance with the requirements referred to above is the responsibility of FSU's management. Our responsibility is to express an opinion on the FSU's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on FSU. An audit includes examining, on a test basis, evidence about FSU's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of FSU's compliance with those requirements.

In our opinion, except for noncompliance noted in the findings of this report, FSU complied, in all material respects, with the compliance requirements referred to above that are applicable for fiscal year 2008.

**Internal Control**

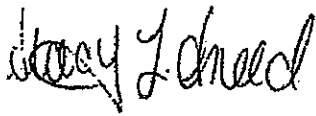
Management of FSU is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered FSU's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the FSU's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify deficiencies in internal control over compliance that we consider to be a *material weakness*.

This communication is intended solely for the information and use of the Post Audit Subcommittee, the members of the WV Legislature, and management of FSU. However, once released by the Post Audit Subcommittee, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,

A handwritten signature in black ink that reads "Stacy L. Sneed". The signature is written in a cursive style with a large initial 'S'.

Stacy L. Sneed, CPA, Director  
Legislative Post Audit Division

July 8, 2010

FAIRMONT STATE UNIVERSITY  
JULY 1, 2007 – JUNE 30, 2008

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EXECUTIVE SUMMARY

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**Finding 1                      Lack of Internal Controls Over Cash Receipts**

We noted the following lack of internal controls over cash receipts:

- FSU does not have an institution-wide policy and/or procedure for the control and documentation of receipts.
- Pre-numbered receipts are not issued for some cash collections.
- Some collection points are not recording cash and cash equivalents on a daily basis detailing at minimum the date received, payee, check number or cash receipt number, amount, and purpose.
- Mail logs are not completed to document receipts.
- Some department collections are not deposited intact.
- Money is collected but not counted until the next business day.
- Monies are not recorded on a standardized cash count sheet or tracking sheet.
- The numbers of all tickets printed and sold are not tracked on a standardized ticket sheet.
- FSU management does not properly oversee or control some of the Imprest Funds maintained by individual departments.
- We noted three out of 12 or 25% of the cash count locations totaling \$389.32 were not properly safeguarding their securities.
- Media Guides are professionally printed programs that tell about the school, specific sports programs, and the coaches. Media Guides are produced for Football, Men's Basketball, Women's Basketball, and Volleyball; however, there are no accounting/reconciliation records produced or maintained to reconcile or account for Media Guide revenue in the amount of \$700.00.
- FSU is not performing reconciliations on some receipts of cash and cash equivalents.
- We noted one parking lot attendant collects all of the parking lot monies in the amount of \$390.00.
- We noted one unauthorized Imprest Fund operated by the Student Health Department.

**Auditor's Recommendation**

We recommend FSU develop an institution-wide policy and procedure for the collection, counting, safeguarding, and depositing revenues at the Imprest Fund level and all cash collection points. We also recommend that FSU management perform random audits to review the Imprest Funds maintained by individual departments. In addition, we recommend that FSU comply with W.Va. Code §5A-8-9 and strengthen internal controls over cash collections at all cash collection points and Imprest Funds by implementing cash count sheets, ticket tracking sheets, cash and cash equivalent logs, and mail logs.

We also recommend FSU strengthen controls over the Student Health Department in the event they begin collecting monies again.

We also recommend FSU comply with W.Va. Code §5A-8-9 by properly safeguarding all monies.

In addition, we recommend FSU comply with the W.Va. Code §5A-8-9 by pre-numbering all Media Guides. This way they can segregate and account for all of the Media Guides that sold and not sold. In addition, when students are selling the Media Guides they will be able to determine the amount of Media Guides the student has on hand to sell and the amount of monies that needs to be remitted to the Athletic Department. Also, accounting for any FSU publications sold in the same manner as the recommendation for the aforementioned media guides. We also recommend FSU segregate key accounting functions, such as: (1) receiving payments, (2) processing/filling orders, (3) recording payments in the accounting records, and (4) reconciling accounting records to deposits.

**Spending Unit's Response**

Fairmont State University will refine the existing Procedure for Depositing Cash Check Receipts to assure an audit trail is maintained. We will also provide training to staff who are responsible for collecting and depositing monies and are responsible for Imprest Funds.

See Pages 16-20

**Finding 2 Unapproved Course Fees Charged to Student Accounts**

- We noted two out of 50 or 4% of the Items tested where students were charged a Graphics Technology Course fees in the amount of \$246.00 that was not approved by FSU's Board of Governors (BOG).

**Auditor's Recommendation**

We recommend FSU comply with W.Va. Code §18B-10-1(e) and have the fee approved by FSU's BOG's or cease collecting the fee.

**Spending Unit's Response**

The Graphics Course Fee is no longer assessed and stopped being assessed effective Summer Term 2009.

See Page 21

**Finding 3 Deposits Not Made Timely**

- We noted 26 out of 149 or 17% of all revenues tested in the amount of \$284,490.10 were not deposited within 24 hours of receipts as required by the W.Va. Code §12-2-2. Of the \$284,493.10 deposited, actual cash receipts totaled \$284,495.10 leaving a difference of \$5.00 not deposited by the Student Health Department.
- We noted three out of 12 or 25% of the cash count locations totaling \$3,028.91 were not making deposits in accordance with W.Va. Code §12-2-2.
- We noted a total of \$2,330.16 in receipts excluding start-up cash and monies due to the foundation that were not deposited timely.
- We noted monies on hand being held in a safe in the amount of \$500.00 from FSU's Procurement Office that was not deposited in accordance with the W.Va. Code.

- We noted Parking Garage monies totaling \$198.75 in cash on hand in the Public Safety Office that had not been deposited as required by W.Va. Code.
- We noted eight out of 10 or 80% of gate receipts tested in the amount of \$7,568.00 were not deposited within 24 hours of receipt as required by the W.Va. Code.

**Auditor's Recommendation**

We recommend that FSU comply with W.Va. Code §12-2-2 by depositing all monies within 24 hours.

**Spending Unit's Response**

As stated in our response to Finding 1, we will be doing an additional update to the Procedure for Depositing Cash/Check Receipts. We will also provide training to the departments to comply with W.Va. Code §12-2-2.

See Pages 22 & 23

**Finding 4                      Asset not properly recorded on Inventory Listing**

- We noted one out of 105 or 1% of the transactions tested where a DS4000 Expansion Unit Model 81 was purchased on 09/06/2007 with an original cost of \$7,034.00; however, it was not recorded on FSU's Fixed Asset Inventory listing.

**Auditor's Recommendation**

We recommend FSU comply with the West Virginia Higher Education Purchasing Procedures Manual and properly account for all assets in their possession. We also recommend FSU develop a policy and procedure to ensure all assets are properly coded and recorded.

**Spending Unit's Response**

In regard to the one item found, it was not properly coded as a capital asset purchase and therefore, not identified as a equipment to be capitalized. We consider this an isolated incident.

See Pages 24 & 25

**Finding 5                      Lack of supporting documentation**

- We noted 12 out of 58 or 21% of the employees tested totaling \$1,741.38 where FSU failed to maintain adequate tax withholding documentation.
- We noted six out of 15 or 40% of the employees tested totaling \$523.16 where FSU failed to maintain proper supporting documentation in the employees' payroll file.
- We noted three out of 149 or 2% of the transactions tested totaling \$276.95 where the
- Spending Unit failed to maintain adequate documentation supporting the amount of monies received for deposit.
- We noted one out of 58 or 2% of the employees tested where FSU did not properly calculate WV State withholding taxes according to the WVIT-104 maintained in the employee's file in the amount of \$31.76.

**Auditor's Recommendation**

We recommend that FSU comply with W.Va. Code §5A-8-9 and §21-5C-5 and maintain any supporting documentation that accompanies the transactions.

**Spending Unit's Response**

In regard to the three deposits totaling \$276.95, departments will be reminded follow the Procedure for Depositing Cash/Check Receipts. This procedure instructs the departments to "attach supporting documentation to yellow validated deposit ticket and keep for your files."

The deposit procedures were updated in February 2010 and sent electronically in a campus wide e-mail.

We feel that the majority of our departments comply with the procedure.

In regard to the payroll issues, the payroll office will now request employees to complete new employee forms – I-9, federal withholding and state withholding when they are hired full-time from a part-time position. These forms will be placed in the full-time employee file maintained by the payroll / benefit office.

See Pages 26 & 27

**Finding 6                      Documenting and Safeguarding Evidence**

- We noted no evidence documentation had been produced or maintained for the period under audit; therefore, we were unable to audit the Public Safety Office's (PSO) evidence maintenance and security.

**Auditor's Recommendation**

We recommend FSU develop written policies and procedures for documenting, safeguarding, and subsequently either destroying, disposing, forfeiting, or releasing evidence. We also recommend FSU comply with W.Va. Code §5A-8-9 and strengthen controls over evidence.

**Spending Unit's Response**

Written procedures and appropriate forms for the tracking of evidence will be maintained in the future.

See Pages 28-34

**Finding 7                      Unauthorized Refunds**

- We noted five out of 50 or 10% of the items tested where students' were refunded for non-refundable course fees equaling \$272.10.

**Auditor's Recommendation**

We recommend FSU comply with appropriate FSU Catalogue and discontinue refunding course fees or update their catalogue to reflect the change.

**Spending Unit's Response**

The 2010-2011 catalog has been updated to remove course fees from the non-refundable listing.

See Pages 35-37

**Finding 8                      Incorrect Course Fees Charged to Students**

- We noted four out of 50 or 8% of the items tested where FSU overcharged students for fees in the amount of \$46.00.

**Auditor's Recommendation**

We recommend FSU follow the appropriate FSU catalogue and the appropriate FSU Fee Planning Schedule for Special Fees and Charges by charging the correct amount for courses. In addition, we recommend FSU perform continuous testing of the information system to ensure students are charged correctly.

**Spending Unit's Response**

Research indicates that these fees were incorrectly attached to individual courses and inadvertently charged to the students. These have been corrected and staff makes every effort to make sure that this does not happen.

See Page 38

**Finding 9                      Timely Submission of Leave**

- We noted three out of 19 or 16% of employees tested in which employees turned in Leave Requests on average four months after the Annual and Sick Leave was taken.

**Auditor's Recommendation**

We recommend FSU comply with the Employee Handbook and the Leave Request Forms by requiring all employees to submit Annual Leave requests in advance and to submit Sick Leave Requests immediately following return to work. In addition, we recommend FSU put in place a policy and procedure in the employee handbook that informs the employees the correct procedure for requesting and taking leave.

**Spending Unit's Response**

The employee handbook is being revised by a committee and we have asked that the instructions at the top of the Leave Request form be added to the handbook.

We will do our best to make sure employees and supervisors are submitting Annual Leave in advance and Sick Leave requests immediately following the employee's return to work.

See Pages 39 & 40



**Finding 10****Leave Balance Finding**

- We noted one out of 30 or 3% of employees tested where the employee's sick leave balance was negative as of June 30, 2008.
- We also noted one out of 30 or 3% of employees tested where their leave was improperly calculated.

**Auditor Recommendation**

We recommend FSU comply with procedural rule Title 133 Series 38 of the Higher Education Policy Commission and have employees not take leave before it is accrued. We also recommend FSU comply with procedural rule Title 133 Series 38 of the Higher Education Policy Commission and Annual Leave should be reduced in order to cover the Sick Leave overdrawn balance or an employee should be required to go off payroll. In addition, we recommend FSU maintain accurate leave balances. Also, we recommend FSU comply with W.Va. Code §12-3-13.

**Spending Unit's Response**

In the future, Annual / Sick leave negative balances will be adjusted prior to the monthly leave close.

See Pages 41 & 42

**Finding 11****Misclassified Expenditures**

- We noted six out of 198 or 3% of the items tested were coded incorrectly in the amount of \$1,175.98.

**Auditor's Recommendation**

We recommend that FSU comply with the West Virginia State Budget Office's Expenditure Schedule Instructions by ensuring that transactions are classified with the appropriate object codes.

**Spending Unit's Response**

Fairmont State University concurs and will comply.

See Pages 43 & 44

**FAIRMONT STATE UNIVERSITY  
JULY 1, 2007 – JUNE 30, 2008**

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**INTRODUCTION**

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**POST AUDIT AUTHORITY**

This is the report on the post audit of Fairmont State University. This audit was conducted pursuant to W.Va. Code §4-2, as amended, which requires the Legislative Auditor to "make post audits of the revenues and funds of the spending units of the state government, at least once every two years, if practicable, to report any misapplication of state funds or erroneous, extravagant or unlawful expenditures by any spending unit, to ascertain facts and to make recommendations to the Legislature concerning post audit findings, the revenues and expenditures of the State and of the organization and functions of the State and its spending units."

**BACKGROUND**

Fairmont State University is a comprehensive, multi-site, public, coeducational institution. Founded in 1865 as a private school, Fairmont State University became a state institution in 1867 as a normal school. In 1931, the name was changed to Fairmont State Teachers College and in 1943 to Fairmont State College. In 1974 a community college component was implemented which earned independent accreditation in 2003. The Legislature changed the name of the institution to Fairmont State University in 2004. In 2006, the community and technical college (renamed Pierpont Community & Technical College) became a Division of the University.

FSU, with an enrollment of approximately 4,090, offers a quality education in a diverse and supportive learning environment that fosters individual growth, professional and career development, lifelong learning, global understanding and a commitment to excellence in academic and community pursuits. Serving the citizenry of north-central West Virginia and beyond, Fairmont State University is a student-centered institution of first choice among students who desire a flexible and relevant learning experience. The University provides a well-rounded education, enabling students to gain the knowledge and skills needed for self-fulfilling, responsible citizenship and employability in a rapidly changing global environment. Additional information on academic programs is available at [www.fairmontstate.edu](http://www.fairmontstate.edu).

Pierpont Community and Technical College of FSU has an enrollment of approximately 2,852 students and offers 50 associate degrees, certificate degrees and skill-set certificates. Pierpont C&TC serves a thirteen county region of West Virginia, including Barbour, Braxton, Calhoun, Doddridge, Gilmer, Harrison, Lewis, Marion, Monongalia, Preston, Randolph, Taylor and Upshur counties.

FAIRMONT STATE UNIVERSITY  
JULY 1, 2007 – JUNE 30, 2008

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SPENDING UNIT CONTACTS  
FOR EXAMINATION COVERING PERIOD OF JULY 1, 2007 THROUGH JUNE 30, 2008

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Dr. Thomas Krepel..... President (June 30, 2009 – Present).  
Dr. Charles McClain..... Interim President (August 1, 2008 – June 29, 2009)  
Enrico Porto ..... Vice President for Administrative and Fiscal Affairs  
Carolyn Fletcher..... Director of Accounting  
Monica Cochran..... Director of Procurement  
Cinda Ewing..... Director of Payroll  
Deborah Stiles..... Budget Director

**FAIRMONT STATE UNIVERSITY  
JULY 1, 2007 – JUNE 30, 2008**

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**AUDIT SCOPE**

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We have audited Fairmont State University funds for the period of July 1, 2007 through June 30, 2008. Our audit scope included a review of internal control and compliance with laws, regulations, and provisions of contracts or grant agreements. The audit was conducted in accordance with auditing standards generally accepted in the United States.

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**OBJECTIVES AND METHODOLOGIES**

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The objectives of our post audit were to audit the revenues and expenditures of the spending unit, to report any misapplication of state funds or erroneous, extravagant, or unlawful expenditures by any spending unit that we find, to ascertain facts, and to make recommendations to the Legislature concerning post audit findings, the revenues and expenditures of the state and of the organization, and functions of the state and its spending units. We were to determine whether expenditure and revenue transactions were related to the spending unit's programs, were reasonable, and were recorded properly in the accounting systems. Additionally, we were to examine the spending unit's records and internal control over transactions and to evaluate its compliance with applicable State laws, rules, and regulations.

In preparation for our testing, we studied legislation, applicable W.Va. Code sections, applicable rules and regulations, and policies of the spending unit. Provisions that we considered significant were documented and compliance with those requirements was verified by interview, observations of the spending unit's operations, and through inspections of documents and records. We also tested transactions and performed other auditing procedures that we considered necessary to achieve our objectives. Additionally, we reviewed the budget, studied financial trends, and interviewed spending unit personnel to obtain an understanding of the programs and the internal controls. In planning and conducting our post audit, we focused on the major financial-related areas of operations based on assessments of materiality and risk.

We did not audit the spending unit's federal financial assistance programs for compliance with federal laws and regulations because the State of West Virginia engages an independent accounting firm to annually audit such programs administered by State agencies.

A non-statistical sampling approach was used. Our samples of transactions were designed to provide conclusions about the validity of transactions, as well as internal control and compliance attributes. Transactions were selected for testing randomly and using professional judgment.

Fairmont State University's written response to the significant deficiencies and material weaknesses identified in our audit has not been subjected to the auditing procedures applied in the audit of the University and, accordingly, we express no opinion.

Fairmont State University's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives

pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets, and compliance with applicable laws, rules, and regulations are achieved. Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Post Audit Subcommittee in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

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### CONCLUSIONS

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This report includes findings regarding significant instances of noncompliance with applicable laws, rules, or regulations. Other less significant findings that did not warrant inclusion in this report were communicated to the University.

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### EXIT CONFERENCE

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We discussed this report with management of Fairmont State University on July 8, 2010. All findings and recommendations were reviewed and discussed. Management's response has been included at the end of each finding.

**FAIRMONT STATE UNIVERSITY  
JULY 1, 2007 – JUNE 30, 2008**

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**FUND LISTING**

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We have completed a post audit of Fairmont State University. The examination covers the period of July 1, 2007 through June 30, 2008.

**GENERAL REVENUE ACCOUNT**

The following accounts were maintained by Fairmont State University:

<u>Fund Number</u>	<u>Fund Name</u>
0360 .....	General Administration
0609 .....	General Administration Pierpont

**SPECIAL REVENUE ACCOUNTS**

Fairmont State University maintained the following special revenue accounts. These accounts represent funds from specific activities as required by law or administrative regulations. These funds were deposited with the State Treasurer in the following special revenue accounts:

<u>Fund Number</u>	<u>Fund Name</u>
4446 .....	Payroll Clearing
4447 .....	Revenue Clearing
4490 .....	Tuition & Required E&G Fees
4991 .....	Tuition & Required E&G Fees Pierpont
4491 .....	Auxiliary & Auxiliary Capital Fees
4993 .....	Auxiliary & Auxiliary Capital Fees Pierpont
4492 .....	Education & General Capital Fees
4994 .....	Education & General Capital Fees Pierpont
4495 .....	Gifts, Grants & Donations (Non-Federal)
4992 .....	Gifts, Grants & Donations (Non-Federal) Pierpont

**Payroll Clearing Fund**

This fund is a special revenue fund used for the clearing of payroll (governed by W.Va. Code §12-3- 12a).

**Tuition & Required E & G Fees Fund**

This fund comprises other collections, fees, licenses, and investment earnings used to support all tuition and required educational and general fees (governed by W.Va. Code §18B-10-1).

**Auxiliary & Auxiliary Capital Fees Fund**

This fund comprises other collections, fees, licenses, and investment earnings to fund all auxiliary and auxiliary capital fees (governed by W.Va. Code §18B-10- 1).

**Education & General Capital Fees Fund**

This fund comprises other collections, fees, licenses, and investment earnings to fund all required and general capital fees (governed by W.Va. Code §18B- 10- 1).

**Gifts, Grants & Donations (Non-Federal) Fund**

This fund comprises other collections, fees, licenses, and investment earnings to fund state, local and private grants, gifts, and contracts (governed by W.Va. Code §18-10-1).

**FEDERAL ACCOUNT**

Fairmont State University maintained the following accounts that were funded with Federal sources:

<b><u>Fund Number</u></b>	<b><u>Fund Name</u></b>
8769 .....	Federal Grants/Contracts
8891 .....	Federal Grants/Contracts Pierpont

**Federal Grants/Contracts Fund (8769)**

This fund is a Federal fund to account for all federal grants and contracts activity (governed by W.Va. Code §18B-4-4).

FAIRMONT STATE UNIVERSITY  
JULY 1, 2007 – JUNE 30, 2008

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REPORTABLE COMPLIANCE AND OTHER MATTERS

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**Finding 1**                      **Lack of Internal Controls Over Cash Receipts**

**Condition:**                      We noted the following lack of internal controls over cash receipts:

- FSU does not have an institution-wide policy and/or procedure for the control and documentation of receipts.
- Pre-numbered receipts are not issued for all cash collections.
- Some collection points are not recording cash and cash equivalents on a daily basis detailing at minimum the date received, payee, check number or cash receipt number, amount, and purpose.
- Mail logs are not completed to document receipts.
- Some department collections are not deposited intact.
- Money is collected but not counted until the next business day.
- Monies awaiting deposit collected at collection points are not recorded on a standardized cash count sheet or tracking sheet.
- The numbers of all tickets printed and sold are not tracked on a standardized ticket sheet.
- FSU management does not properly oversee or control the Imprest Funds maintained by some of the individual departments.
- We noted three out of 12 or 25% of the cash count locations totaling \$389.32 were not properly safeguarding their securities.
- Media Guides are professionally printed programs that tell about the school, specific sports programs, and the coaches. Media Guides are produced for Football, Men's Basketball, Women's Basketball, and Volleyball; however, there are no accounting records produced or maintained to reconcile or account for media guide revenue in the amount of \$700.00.
- FSU was not performing reconciliations on some receipts of cash and cash equivalents.
- We noted one parking lot attendant collects all of the parking lot monies in the amount of \$390.00.
- We noted one unauthorized Imprest Fund operated by the Student Health Department.

**Criteria:**                      W.Va. Code §5A-8-9, as amended, states in part:

“The head of each agency shall:

- (a) Establish and maintain an active, continuing program for the economical and efficient management of the records of the agency.



(b) Make and maintain records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities...."

W.Va. Code §12-2-2, states in part:

(a) "All officials and employees of the state authorized by statute to accept moneys due the State of West Virginia shall keep a daily itemized record of moneys received for deposit..."

State Treasurer's Office Legislative Rule Title 112, Series 3 Establishment of Imprest Funds from the Secretary of State's Code of State Rules states in part:

"3.1. Any state agency requiring the establishment of an Imprest Fund shall make application to the Treasurer on the forms prescribed by him or her. The forms shall indicate the name, purpose, desired balance of the Imprest Fund, physical location, and the person responsible for the Imprest Fund as well as the agency name. Upon being satisfied that the application is complete and that the need for the Imprest Fund is valid, the Treasurer shall notify the agency of the approval for establishment of the Imprest Fund. The Treasurer shall also notify the State Auditor and Legislative Auditor by sending them copies of a quarterly report listing all funds approved."

Cause:

The Director of Occupational Safety/Chief of Police stated the Imprest Fund monies are not recorded on a cash count form. The Director of Student Affairs and the Director of Student Activities stated that the money is collected; however, it is not counted until the next business day. Whenever the money is counted the next business day, it is only recorded on a deposit ticket and not on a standardized cash count collection form. The Student Affairs and Activities utilize a notebook to track ticket sales which is not maintained after the deposit is made. The Student Health Center stated they no longer charge for their services; therefore, they no longer collect revenues.

The Copy Center Program Assistant stated, "throughout the work day, someone is always present in the Copy Center to safeguard the lock box". The Library Assistant I stated, "the cash is maintained in a cash box and is locked in a desk drawer each night and there are only two employees that have keys to this desk drawer". The Falcon Center Director stated, "access to the safe, startup money, and extra change is limited to the four (4) managers and four (4) student supervisors. There is one key for each lock bag and it is maintained in the safe".

FSU's Athletic Director stated they sell approximately 70 Media Guides per year for \$10. He stated they do not account for Media Guides because when the

coaches visit prospective athletes, most of the Media Guides are given out as a way to encourage a recruit to consider playing sports for FSU; however, we believe there should be an accounting/reconciliation of all Media Guides whether they are given away and/or sold.

The Athletic Director also stated they no longer have the parking attendant collecting any monies.

The Director of the Student Health Department stated FSU's Student Health Department no longer accepts monies and all their services are paid for in the students tuition and fees.

**Effect:**

FSU had deposits of \$42,212,796.51 in fiscal year 2008. Not having an institution-wide policy and procedure for documenting and collecting revenues, there is no consistency between departments for the collection and depositing of monies and in some instances no audit trail maintained. When receipts are not issued for all collections, there is no way to verify that the monies collected were deposited in full. When collections are not recorded on a daily basis, management and/or auditors are unable to verify that the collections were authorized to be collected and if the monies were deposited intact and timely. If money is collected and not counted at the site of collection, this may allow employees to lose or not report money collected. If the number of tickets sold is not tracked on a standardized form, this may allow employees to keep funds that should be counted as part of ticket sales and to miscalculate the amount of tickets actually sold. Without recording monies for deposit, there is no way to verify or determine if the proper amount was deposited. Without proper management over site, the possibility exists that allows employees to operate in an environment that is susceptible to theft and/or fraud.

By not properly safeguarding receipts, they are more susceptible to theft and fraud.

By not accounting for all Media Guides, there could be sales that are never recognized by the Athletic Department. In addition, having one parking lot attendant collect all the monies, there is a greater risk of theft and/or fraud to occur.

By not having the same amount of start-up monies when operating an Imprest Fund, deposits are not being made intact.

**Recommendation:**

We recommend FSU develop an institution-wide policy and procedure for the collection, counting, safeguarding, and depositing revenues at the Imprest Fund level and all cash collection points. We also recommend that FSU management perform random audits to review the Imprest Funds maintained by individual departments. In addition, we recommend that FSU comply with W.Va. Code §5A-8-9 and strengthen internal controls over cash collections at all cash collection points and Imprest Funds by implementing cash count sheets, ticket tracking sheets, cash and cash equivalent logs, and mail logs.

We also recommend FSU strengthen controls over the Student Health Department in the event they begin collecting monies again.

We also recommend FSU comply with W.Va. Code §5A-8-9 by properly safeguarding all monies.

In addition, we recommend FSU comply with the W.Va. Code §5A-8-9 by pre-numbering all Media Guides. This way they can segregate and account for all of the Media Guides that are sold and not sold. In addition, when students are selling the Media Guides they will be able to determine the amount of Media Guides the student has on hand to sell and the amount of monies that needs to be remitted to the Athletic Department. Also, accounting for any FSU publications sold in the same manner as the recommendation for the aforementioned Media Guides. We recommend FSU perform reconciliations on all receipts of cash and cash equivalents. We also recommend FSU segregate key accounting functions, such as: (1) receiving payments, (2) processing/filling orders, (3) recording payments in the accounting records, and (4) reconciling accounting records to deposits. Last, we recommend FSU comply with the State Treasurer's Office Legislative Rule Title 112, Series 3 Establishment of Imprest Funds from the Secretary of State's Code of State Rules and get all Imprest Funds approved by the State Treasurer's Office.

Spending Unit's  
Response:

Fairmont State University will refine the existing Procedure for Depositing Cash Check Receipts to assure an audit trail is maintained. We will also provide training to staff who are responsible for collecting and depositing monies and are responsible for Imprest Funds. Fairmont State University has engaged an audit firm to do audits off our cash receipts processes. The first audit was done in September 2007 for fiscal year 2007 and we plan to do another audit during the Fall of 2010. We will provide findings from this legislative audit to the audit firm so review of these areas will be concentrated on.

We will document and request in our written procedures that where cash registers do not document collections of cash and cash equivalents that mail logs, cash receipt forms, and logs must be used for audit trails on all collections.

It should be recognized that the majority of revenues collected by FSU are for student fees and these fees are collected centrally. Attached Table 1 shows a breakdown of revenues collected centrally and by departments. Collections are to be deposits within 24 hours to the Central Business Operations as stated in the Procedure for Depositing Cash/Checks which was updated and distributed campus-wide in February 2010. We expect departments to comply with this rule.

We recognize that a few departments have not been practicing proper cash receipting and documenting same. Those departments will be a focus of our training to comply with W.Va. Code 12-2-2. While we recognize some areas of weakness we feel that the vast majority of our revenue/cash collection follow State Treasurer's Code.

Summary of Deposits				
FY 2008				
Total Deposits			42,212,796.51	
Total Student A/R Deposits			32,726,434.70	77.53%
Total Departmental Deposits			9,486,361.81	22.47%
* Departmental Deposits only consist of 22.47% of the institutions total deposits.				
Depositing Group	Number of Deposits	Average Deposit	Total of Deposits	Percentage of Total Deposits
Gear-Up	31	169,802.84	5,263,887.94	12.47%
Various State and Federal Grants	109	9,848.02	1,073,434.24	2.54%
Bookstore and Dining Vendor	4	190,663.07	762,652.28	1.81%
Aladdin Salary Clearing	14	19,262.58	269,676.11	0.64%
Work Study	43	5,945.22	255,644.56	0.61%
Falcon Center	958	259.05	252,012.00	0.60%
Neighborhood Investment	6	40,712.91	244,277.47	0.58%
Engaged Learning Grant	7	34,823.66	243,765.59	0.58%
Athletics	152	1,389.40	210,276.38	0.50%
Copy Center	130	1,149.23	149,033.45	0.35%
R&C Expenditure Reductions - FSU	246	571.00	139,691.36	0.33%
Safety and Security	301	340.01	102,172.39	0.24%
Workforce and Continuing Education	163	577.79	93,699.35	0.22%
UHC Agreement	11	7,500.00	82,500.00	0.20%
Financial Aid Admin Fees	4	14,731.50	58,926.00	0.14%
Aladdin Salary Reimbursement	2	19,000.00	38,000.00	0.09%
Index Sales and Box Office	100	109.71	10,971.20	0.03%
R&C Expenditure Reductions - R&C	33	631.43	20,837.60	0.05%
Foundation Matching Funds	3	11,100.00	33,300.00	0.08%
GR&C Department Collections	36	677.22	24,383.85	0.06%
FSU Departmental Collections	23	700.54	16,273.41	0.04%
Student Health Services	34	572.79	19,475.86	0.05%
Housing	64	288.49	18,491.25	0.04%
Off Campus Outreach	1	10,324.00	10,324.00	0.03%
Student Activities Fee	25	323.32	8,083.03	0.02%
Library Borrower's Fee	350	21.51	7,529.35	0.02%
Wheeling Symphony	1	7,500.00	7,500.00	0.02%
School of Nursing	4	319.83	1,279.32	0.003%
School of Business	9	173.33	1,559.97	0.004%
Caperton Center	3	292.73	878.19	0.002%
School of Science and Math	2	271.31	542.61	0.001%
State Tax	224	0.55	124.08	0.00%
Dept. of Language and Literature	2	48.00	96.00	0.00%
School of Fine Arts	1	39.95	39.95	0.00%
Deposits Resulting from Departmental Activity			1,152,673.54	2.73%

**Finding 2**

**Unapproved Course Fees Charged to Student's Accounts**

**Condition:**

We noted two out of 50 instances or 4% of the items tested where students were charged unapproved Graphics Technology Course fees in the amount of \$246.00 that was not approved by FSU's Board of Governors (BOG).

**Criteria:**

W.Va. Code §18B-10-1(e) states:

"The schedule of all tuition and fees, and any changes in the schedule, shall be entered in the minutes of the meeting of the appropriate governing board and the board shall file with the commission or council, or both, as appropriate, and the Legislative Auditor a certified copy of the schedule and changes."

**Cause:**

FSU's Vice President of Administrative and Fiscal Affairs stated that he had received an e-mail requesting the approval for the Graphics Course fee; however, he had not prepared the fee request for presentation to the BOG so that the fee could be approved. The unapproved fee was manually inputted into the Banner System by enrollment services and charged to student's accounts in expectation that the fee would soon be approved.

**Effect:**

Without FSU's BOG's approval, 41 students were charged a total of \$5,166.00 for this unauthorized and unapproved fee.

**Recommendation:**

We recommend FSU comply with W.Va. Code §18B-10-1(e) and have the fee approved by FSU's BOG or cease collecting the fee.

**Spending Unit's Response:**

Student tuition and fee assessments as stated in W.Va. Code 18B-10-1(e) require the approval of the appropriate governing boards before assessment for these fees are allowed. The Vice President of Administrative and Fiscal Affairs recognized that the Graphics Technology Course Fee was assessed without Board approval. The Graphics Course Fee is no longer assessed and stopped being assessed effective Summer Term 2009.

**Finding 3 Deposits Not Made Timely**

**Condition:** We noted FSU was not performing deposits within 24 hours as required by West Virginia Code detailed in the following table:

<b>Test/Department</b>	<b># of Items Tested</b>	<b>Noncompliance %</b>	<b>Amount</b>	<b>Range of Days Held</b>
Revenues	149	17%	\$271,066.10	3 - 15
Imprest Funds	12	25%	\$ 3,028.91	N/A
Athletic Revenues	N/A	N/A	\$ 2,330.16	N/A
Business Office Safe	N/A	N/A	\$ 500.00	N/A
Athletic Gate Receipts	10	80%	\$ 7,568.00	1 - 7
<b>TOTAL</b>			<b>\$284,493.17</b>	

**Criteria:** W.Va. Code §12-2-2 states in part:

“...All officials and employees of the state authorized by statute to accept monies due the state of West Virginia shall keep a daily itemized record of moneys received for deposit in the State Treasury and shall deposit within twenty-four hours with the state treasurer all monies received or collected by them for or on behalf of the state for any purpose whatsoever....”  
(Emphasis Added)

**Cause:** FSU’s Procedure for Depositing Cash/Check Receipts dated November 5, 2007 states in part, “...Cash and checks MUST be deposited timely to the Central Business Operations (daily if volumes warrant it). Deposits should be made no later than once a week...”

The Athletic Director stated, “sometimes there are multiple games scheduled in a four or five day period. The ticket receipts are maintained in the safe for up to four or five days until all the games are played, then all the money is deposited at one time.”

FSU’s PRG ASST II, Student Accounts, stated, “a deposit on hand from the procurement section that had not been fully collected was on hand in the safe and they were awaiting the remaining portion of the deposit from the procurement section so the entire amount could be deposited.”

FSU’s Director of Occupational Safety/Chief of Police stated, “when the coins are removed from the parking bins they are supposed to be deposited.”

The Student Health Department Director stated, “we hold some monies from deposits to make change for the following day.”

**Effect:** When monies are not deposited timely and in their entirety, there is a greater risk that they may be misplaced or stolen. In addition, by not depositing these monies timely, FSU is losing interest it could be earning on these monies. When monies are not deposited daily, the monies are more susceptible to theft. In one instance, a moneybag containing numerous days’ collections was reported missing and the staff did not recognize it was missing until 17 days later. After

further investigation, the staff could not identify when it became missing due to lack of daily depositing.

**Recommendation:** We recommend that Fairmont State University comply with W.Va. Code §12-2-2 by depositing all monies within 24 hours.

**Spending Unit's Response:** We agree that when monies are not deposited timely and in their entirety, there is a greater risk that receipts may be misplaced or stolen and a loss of interest can occur. Our policy was updated during February 2010 to require all deposits, regardless of size must be deposited within 24 hours to the Central Business Operations. As stated in our response to Finding 1, we will be doing an additional update to the Procedure for Depositing Cash/Check Receipts. We will also provide training to the departments to comply with W.Va. Code 12-2-2.

**Finding 4**

**Assets Not Properly Recorded on Inventory Listing**

**Condition:**

We noted one out of 105 or 1% of the transactions tested where a DS4000 Expansion Unit Model 81 (Disk Drive Storage Unit) was purchased on 09/06/2007 with an original cost of \$7,034.00; however, it was not recorded on FSU's Fixed Asset Inventory listing.

**Criteria:**

Section 9, Subsection 3, Paragraph 3 of the West Virginia Higher Education Purchasing Procedures Manual states in part:

"a. Account for all equipment and furnishings with a value at the time of purchase of \$5,000.00 or more per unit..."

**Cause:**

FSU's Accountant stated when the equipment is purchased on the P-card, sometimes the account code assigned by the purchasing department prevents the asset from being recorded on the asset inventory, because the account code is improperly assigned; therefore, the Accounting department has no record of the acquisition.

**Effect:**

FSU's inventory is understated by \$7,034.00 because the asset was not entered into the FSU's Fixed Assets Inventory System. Also, without properly recording the asset on the Fixed Assets Inventory System, this asset with an acquisition cost of \$7,034.00 will not be properly retired.

**Recommendation:**

We recommend FSU comply with the West Virginia Higher Education Purchasing Procedures Manual and properly account for all assets in their possession. We also recommend FSU develop a policy and procedure to ensure all assets are properly coded and recorded.

**Spending Unit's Response:**

Fairmont State University utilizes the Banner Fixed Asset module to record, capitalize and depreciate assets over \$5,000. Assets over \$5,000 are coded with specific account codes at the time of purchase. The Accountant runs an extract process that transfers the properly coded assets to the Banner Fixed Asset Module. The Procurement Office audits the departments transactions to insure proper account codes have been used. Also, Accounting extracts payment data at year end for certain account codes and reviews invoices to identify any additional fixed assets. We believe that our procedures comply with the West Virginia Higher Education Purchasing Manual. We also follow procedures to ensure assets are properly coded.

During fiscal year 2010, we completed a physical inventory of our fixed assets. We also completed the accounting transaction necessary to comply with the Separation of Assets and Liabilities Agreement between Fairmont State University and Pierpont Community and Technical College. We believe that our fixed asset records are complete and accurate as of June 30, 2010.



In regard to the one item found, it was not properly coded as a capital asset purchase and therefore, not identified as a equipment to be capitalized. We consider this an isolated incident.

**Finding 5                      Lack of Supporting Documentation**

**Condition:**                      We noted the following:

- 12 out of 58 or 21% of the employees tested totaling \$1,741.38 where FSU failed to maintain adequate tax withholding documentation; therefore, we were unable to determine if the employee was paid the proper amount and if FSU matched the correct amount of taxes.
- Six out of 15 or 40% of the employees tested totaling \$523.16 where FSU failed to maintain proper supporting documentation in the employees' payroll file; therefore, we were unable to determine if the employee was paid the proper amount and if the payroll deductions were properly authorized and/or calculated.
- One out of 58 or 2% of the employees tested where FSU did not properly calculate WV State withholding taxes according to the WVIT-104 maintained in the employee's file in the amount of \$31.76.
- Three out of 149 or 2% of the transactions tested totaling \$276.95 where the spending unit failed to maintain adequate documentation supporting the amount of monies received for deposit and reconciliations were not performed.

**Criteria:**                      W.Va. Code §5A-8-9 states in part:

"The head of each agency shall: ... (b) Make and maintain records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures and essential transactions of the agency designated to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities...."

W.Va. Code §21-5C-5 states in part:

"Every employer subject to the provisions of this article shall make or cause to be made, and shall keep and preserve at his place of business for a period of two years, a written record or records of the name and address of each of his employees as herein defined, his rate of pay, hours of employment, payroll deductions, and amount paid him for each pay period."

**Cause:**                      The Director of Payroll stated FSU was unable to locate the documentation. Regarding the \$276.95, the Interim Chief of Police stated receipts are not issued for departmental token purchases.

**Effect:**                      By not maintaining proper tax documentation, we are unable to determine if the proper amount was authorized and/or withheld from the employee's pay.

By not maintaining adequate payroll deduction forms, employees could have their salary reduced for unauthorized deductions.

By not maintaining proper supporting documentation and not performing reconciliations for cash-receipts, we were unable to determine the number of parking tokens sold and if the proper amount was collected and deposited.

Without proper supporting documentation, there is no way to reconcile receipts.

**Recommendation:** We recommend that FSU comply with W.Va. Code §5A-8-9 and W.Va. Code §21-5C-5 and maintain any supporting documentation that accompanies the transactions.

**Spending Unit's  
Response:**

In regard to the three deposits totaling \$276.95, departments will be reminded follow the Procedure for Depositing Cash/Check Receipts. This procedure instructs the departments to "*attach supporting documentation to yellow validated deposit ticket and keep for your files.*" The deposit procedures were updated in February 2010 and sent electronically in a campus wide e-mail.

We feel that the majority of our departments comply with the procedure.

In regard to the payroll issues, the payroll office will now request employees to complete new employee forms – I-9, federal withholding and state withholding when they are hired full-time from a part-time position. These forms will be placed in the full-time employee file maintained by the payroll / benefit office.

**Finding 6 Documenting and Safeguarding Evidence**

**Condition:** We noted no documentation was produced or maintained by FSU for an undisclosed amount of confiscated marijuana and two (2) confiscated air pistols located in the file cabinet drawer along with the \$200 Imprest Fund for the Parking Garage coin meters. Evidence is collected, seized, or received by members of the Public Safety Office (PSO) in order to prove the existence or non-existence of a fact. In order to protect the integrity of evidence and ensure its admissibility in court, it is crucial that records document how the evidence was obtained, who handled the evidence, and its ultimate disposition (if applicable). While documenting the business procedures of the PSO, the Director of Occupational Safety/Chief of Police stated FSU's procedures instruct PSO staff on how evidence should be safeguarded, documented, and subsequently either destroyed, disposed, forfeited, or released to the owner. During our audit of FSU's PSO, we noted no documentation had been produced or maintained for the period under audit; therefore, we were unable to audit the PSO's evidence maintenance and security.

**Criteria:** W.Va. Code §5A-8-9, as amended, states in part:

"The head of each agency shall:

(a) Establish and maintain an active, continuing program for the economical and efficient management of the records of the agency.

(b) Make and maintain records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities...."

**Cause:** The Director of Occupational Safety/Chief of Police stated the Post Audit procedures he signed as correct and FSU's Public Safety Division have never been performed since became employed. He stated no documentation has been generated regarding evidence collection. We performed our cash count on October 29, 2008 where we were made aware of two confiscated air pistols and an undisclosed amount of marijuana in the file cabinet drawer.

**Effect:** As of October 28, 2009, the Director of Occupational Safety/Chief of Police stated the air pistols were still on hand; however, the marijuana was released to the Three Rivers Drug Task Force. He stated no disposition documentation was generated or maintained to support who received the marijuana and how it was disposed of. Improper documentation limits an items ability to be traced and accounted for. Items that cannot be accounted for may cause suspicion of theft or misappropriation.

**Recommendation:** We recommend FSU develop written policies and procedures for documenting, safeguarding, and subsequently either destroying, disposing, forfeiting, or releasing evidence. We also recommend FSU comply with W.Va. Code §5A-8-9 and strengthen controls over evidence.

**Spending Unit's  
Response:**

We agree that safeguarding evidence and documenting the destruction of, disposing of, forfeiting of, or the release of evidence is necessary. Written procedures and appropriate forms for the tracking of evidence will be maintained in the future.

As of January 1, 2010 an evidence room has been established. Only Chief Bradley and Officer Swain have access to the evidence room. Please find enclosed copies of log sheets and chain of custody in reference to evidence, as well as release forms. Certified officers with crime scene investigation training are the only individuals who handle the evidence.

Past evidence handled by prior Chief of Police William Bickerstaff cannot be accounted for and current Chief Bradley can only be accountable for evidence submitted as of January 1, 2010. All evidence is held in the evidence room and logged. Evidence is not kept in any other part of the office.

Policy of documenting and handling of evidence is in the process of being updated.

**SEE ATTACHMENTS**

DEPARTMENT OF PUBLIC SAFETY  
FAIRMONT STATE

EVIDENCE LOG

DATE OF INCIDENT	CASE#	DATE OF LOG ENTRY/TIME	INVESTIGATING OFFICER
9/11/09	02-425 Parks center	9/2/09 07:00	

COMMENTS:

**EVIDENCE**

Offense No. \_\_\_\_\_

Evidence Description \_\_\_\_\_

Place Evidence found \_\_\_\_\_

Date & time of recovery \_\_\_\_\_

Suspect \_\_\_\_\_ Offense \_\_\_\_\_

Evidence recovered by \_\_\_\_\_

(signature required)

**CHAIN OF POSSESSION OF EVIDENCE**

(Signatures required)

<u>From</u>	<u>TO</u>	<u>Date</u>	<u>Time</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____

DEPARTMENT OF PUBLIC SAFETY  
FAIRMONT STATE  
PROPERTY RELEASE FORMS

SAFEKEEPING  
LOST & FOUND  
OTHER

REPORTING PERSON

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

TELEPHONE \_\_\_\_\_

DATE \_\_\_\_\_ TIME \_\_\_\_\_

Description of Item

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OFFICER \_\_\_\_\_

RELEASING OFFICER \_\_\_\_\_ DATE \_\_\_\_\_ TIME \_\_\_\_\_ (signature required)

CASE# \_\_\_\_\_

(if applicable)

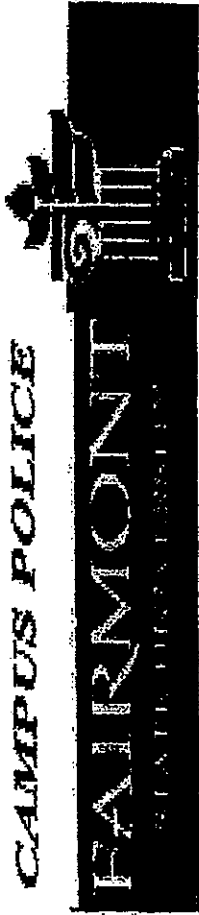
RELEASED TO \_\_\_\_\_ DATE \_\_\_\_\_ TIME \_\_\_\_\_

Signature Required)

ADDRESS \_\_\_\_\_

TELEPHONE \_\_\_\_\_





EVIDENCE LOG #'S

2010000

DATE OF INCIDENT	DATE OF ENTRY	EVIDENCE LOG NUMBER	CASE NUMBER	OFFICER SIGNATURE
1/18/10	1/27/10	2010001	---	
02/01/10	02/01/10	2010002	2010020004	
02/06/10	02/06/10	2010003	2010020005	
02/17/10	02/17/10	2010004	---	
02/22/10	02/22/10	2010005	---	
3/5/10	3/5/10	2010006	---	

FAIRMONT  
STATE UNIVERSITY

PIERPONT  
COMMUNITY & TECHNICAL COLLEGE

DEPARTMENT OF PUBLIC SAFETY

EVIDENCE LOG

CASE #: \_\_\_\_\_

EVIDENCE LOG #: 20100005

EVIDENCE DESCRIPTION:

Approx. 3 lbs. Pk. High Woodcut Cigarettes  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

LOCATION EVIDENCE WAS FOUND:

Rm. 215 Peace Hall FSU  
\_\_\_\_\_

DATE OF RECOVERY: 2/22/10

TIME OF RECOVERY: 11:02 pm

SUSPECT: \_\_\_\_\_

OFFENSE: \_\_\_\_\_

VICTIM: Peace Hall FSU

RECOVERING OFFICER: \_\_\_\_\_

CHAIN OF CUSTODY

OFFICER	RELEASED TO	DATE/TIME
_____	_____	<u>2/22/10 1:45</u>
_____	_____	_____
_____	_____	_____

**Finding 7**

**Unauthorized Refunds**

**Condition:** We noted five out of 50 or 10% of the items tested where students' were refunded non-refundable course fees equaling \$272.10.

**Criteria:** Fairmont State University's 2007 – 2008 Catalogue states in part:

“...Special Fees (Non-Refundable) — Applicable To All Students...Course Fee (per credit hour)...\$4.00”

**Cause:** The Vice President of Fiscal Affairs, stated that he was aware of course fees being refunded, but was unaware that the FSU 2007-2008 Catalogue cited all special fees, including course fees, as non-refundable fees. He stated the catalogue would be updated and course fees removed off the non-refundable fees.

**Effect:** By refunding non-refundable fees to student accounts, the University is losing revenues.

**Recommendation:** We recommend FSU comply with the appropriate FSU Catalogue and discontinue refunding course fees or update their catalogue to reflect the change.

**Spending Unit's Response:**

The 2010-2011 catalog has been updated to remove course fees from the non-refundable listing. Please see the attached copies of pages from the 2010-2011 catalog and the 2007-2008 catalog.

**SEE ATTACHMENTS**

# Expenses and Financial Aid

## PAYMENT OF TUITION AND FEES

Students attending FSU or Pierpont are offered an alternative to payment in full at the time of registration. This payment plan is known as the Fairmont State Installment Plan Service, or FIPS. This allows students to pay their balance in four equal payments. If payment is not received before the due date each month, a \$25 late fee will be added to the account. The registration process is not complete until all fees, plus interest and/or any penalties, have been paid in full. Fees can be paid with Visa, MasterCard, American Express and Discover Card. Students receiving financial aid must apply 100 percent of their aid prior to FIPS payments.

Registration is not completed until payment of tuition, residence hall rent, board, and fees has cleared. A late payment charge of \$50 will be assessed on the first day of class; a \$10 charge will be assessed on each check returned for "insufficient funds" unless the student can obtain an admission of error on the part of the bank. The Office of Enrollment Services shall declare the fees unpaid and registration canceled until the check has been redeemed and the additional charge paid. Student records will not be released by the Office of Enrollment Services for any student who has a delinquent financial obligation to either institution.

All outstanding amounts resulting from nonpayment of tuition and fees are the responsibility of the student. Withdrawal from school, officially or unofficially, will not cancel any financial obligation already incurred. Additionally, failure to pay all financial obligations may result in debts being turned over to a collection agency. Collection costs, including attorney fees and other charges necessary for the collection of any amount due, will be added to the student's account balance.

**NOTE:** The term "resident" refers to classification for fee purposes only. See end of this section for resident classifications.

All fees subject to change. Please see our homepage for the most current tuition and fee information.

Please remember that bills are no longer being sent via mail, but billing information, reminders and important notices are sent to each student's institutional e-mail address.

## Tuition and Fees (2010-2011)

### PIERPONT COMMUNITY & TECHNICAL COLLEGE TUITION & FEES PER SEMESTER

	On Campus		Off Campus		Virtual	
	WV Resident	Non-Resident	WV Resident	Non-Resident	WV Resident	Non-Resident
12 hours.....	1826	4332	1645	4151	1365	2568
11 hours.....	1724	4015	1537	3828	1254	2354
10 hours.....	1570	3650	1400	3480	1140	2180
9 hours.....	1413	3285	1260	3132	1026	1926
8 hours.....	1256	2920	1120	2784	912	1712
7 hours.....	1099	2555	980	2436	798	1498
6 hours.....	942	2190	840	2088	684	1284
5 hours.....	785	1825	700	1740	570	1070
4 hours.....	628	1460	560	1392	456	856
3 hours.....	471	1095	420	1044	342	642
2 hours.....	314	730	280	696	228	428
1 hour.....	157	365	140	348	114	214

### FAIRMONT STATE UNIVERSITY TUITION & FEES PER SEMESTER

	On Campus		Off Campus		Virtual	
	WV Resident	Non-Resident	WV Resident	Non-Resident	WV Resident	Non-Resident
12 hours.....	2586	5452	2297	5163	2017	3216
11 hours.....	2373	4994	2131	4752	1868	2948
10 hours.....	2160	4540	1940	4320	1680	2580
9 hours.....	1944	4085	1745	3885	1512	2412
8 hours.....	1728	3632	1552	3456	1344	2144
7 hours.....	1512	3178	1358	3024	1176	1876
6 hours.....	1296	2724	1164	2592	1008	1608
5 hours.....	1080	2270	970	2160	840	1340
4 hours.....	864	1816	776	1728	672	1072
3 hours.....	648	1362	582	1296	504	804
2 hours.....	432	908	388	864	336	536
1 hour.....	216	454	194	432	168	268

### GRADUATE COLLEGE TUITION & FEES PER SEMESTER

	On Campus		Off Campus		Virtual	
	WV Resident	Non-Resident	WV Resident	Non-Resident	WV Resident	Non-Resident
9 hours.....	2810	5998	2521	5709	2156	3069
8 hours.....	2488	5320	2256	5068	1928	2728
7 hours.....	2177	4655	1974	4452	1687	2387
6 hours.....	1866	3990	1692	3816	1446	2046
5 hours.....	1555	3325	1410	3180	1205	1705
4 hours.....	1244	2660	1128	2544	964	1364
3 hours.....	933	1995	846	1908	723	1023
2 hours.....	622	1330	564	1272	482	682
1 hour.....	311	665	282	636	241	341

### SPECIAL FEES (NON-REFUNDABLE) - APPLICABLE TO ALL STUDENTS

New Student Orientation Fee.....	\$120.00
Graduation Fee (inc. cap and gown).....	\$50.00
* Special course fees may apply	

# Expenses and Financial Aid

## PAYMENT OF TUITION AND FEES

Students attending Fairmont State University are offered an alternative to payment in full at the time of registration. This payment plan is known as the Fairmont State Installment Plan Service, or FIPS. This allows students to pay their balance in four equal payments. If payment is not received before the due date each month, a \$25 late fee will be added to the account. The registration process is not complete until all fees, plus interest and/or any penalties, have been paid in full. Fees can be paid with Visa, MasterCard, American Express and Discover Card. Students receiving financial aid must apply 100 percent of their aid prior to FIPS payments.

Registration is not completed until payment of tuition, residence hall rent, board, and fees has cleared. A late payment charge of \$50 will be assessed on the first day of class; a \$10 charge will be assessed on each check returned for "insufficient funds" unless the student can obtain an admission of error on the part of the bank. The Student Accounts Office shall declare the fees unpaid and registration canceled until the check has been redeemed and the additional charge paid. Student records will not be released by the Registrar's Office for any student who has a delinquent financial obligation to Fairmont State.

All outstanding amounts resulting from non-payment of tuition and fees are the responsibility of the student. Withdrawal from school, officially or unofficially, will not cancel any financial obligation already incurred. Additionally, failure to pay all financial obligations may result in debts being turned over to a collection agency. Collection costs, including attorney fees and other charges necessary for the collection of any amount due, will be added to the student's account balance.

*NOTE: The term "resident" refers to classification for fee purposes only. See end of this section for resident classifications.*

*All fees subject to change. Please see Fairmont State homepage for most current tuition and fee information. Please remember that bills are no longer being sent via mail, but billing information, reminders and important notices are sent to each student's Fairmont State generated e-mail address.*

## Tuition and Fees

### PIERPONT COMMUNITY & TECHNICAL COLLEGE TUITION & FEES PER SEMESTER

	On Campus WV Resident	On Campus Non-Resident	Off Campus WV Resident	Off Campus Non-Resident	Virtual WV Resident	Virtual Non-Resident
12 hours	\$1,701	\$3,792	\$1,502	\$3,593	\$1,260	\$2,460
11 hours	1,594	3,508	1,396	3,310	1,155	2,255
10 hours	1,450	3,190	1,270	3,010	1,050	2,050
9 hours	1,305	2,871	1,145	2,709	945	1,845
8 hours	1,160	2,552	1,016	2,408	840	1,640
7 hours	1,015	2,233	889	2,107	735	1,435
6 hours	870	1,914	762	1,806	630	1,230
5 hours	725	1,595	635	1,505	525	1,025
4 hours	580	1,276	508	1,204	420	820
3 hours	435	957	381	903	315	615
2 hours	290	638	254	602	210	410
1 hour	145	319	127	301	105	205

### FAIRMONT STATE UNIVERSITY TUITION & FEES PER SEMESTER

	On Campus WV Resident	On Campus Non-Resident	Off Campus WV Resident	Off Campus Non-Resident	Virtual WV Resident	Virtual Non-Resident
12 hours	\$2,261	\$4,728	\$2,014	\$4,481	\$1,788	\$2,988
11 hours	2,067	4,322	1,869	4,124	1,639	2,739
10 hours	1,880	3,930	1,700	3,750	1,490	2,490
9 hours	1,692	3,537	1,530	3,375	1,341	2,241
8 hours	1,504	3,144	1,360	3,000	1,192	1,992
7 hours	1,316	2,751	1,190	2,625	1,043	1,743
6 hours	1,128	2,358	1,020	2,250	894	1,494
5 hours	940	1,965	850	1,875	745	1,245
4 hours	752	1,572	680	1,500	596	996
3 hours	564	1,179	510	1,125	447	747
2 hours	376	786	340	750	298	498
1 hour	188	393	170	375	149	249

### GRADUATE COLLEGE TUITION & FEES PER SEMESTER

	On Campus WV Resident	On Campus Non-Resident	Off Campus WV Resident	Off Campus Non-Resident	Virtual WV Resident	Virtual Non-Resident
9 hours	\$2,442	\$5,187	\$2,196	\$4,941	\$1,899	\$2,799
8 hours	2,152	4,592	1,968	4,408	1,686	2,488
7 hours	1,883	4,018	1,722	3,857	1,477	2,177
6 hours	1,614	3,444	1,476	3,306	1,266	1,866
5 hours	1,345	2,870	1,230	2,755	1,055	1,555
4 hours	1,076	2,296	984	2,204	844	1,244
3 hours	807	1,722	738	1,653	633	933
2 hours	538	1,148	492	1,102	422	622
1 hour	269	574	246	551	211	311

### SPECIAL FEES (NON-REFUNDABLE) — APPLICABLE TO ALL STUDENTS

New Student Orientation Fee	\$120.00
Graduation Fee (inc. cap and gown)	\$50.00
Course Fee (per credit hour)	\$4.00

\* Special course fees may apply

**Finding 8**

**Incorrect Course Fees Charged to Students**

**Condition:**

We noted four out of 50 instances or 8% of the items tested where FSU overcharged students for fees in the amount of \$46.00. We noted two out of 50 instances or (4%) where students were overcharged course fees totaling \$11.00 in overpayments. In addition, we noted two out of 50 instances or (4%) where students were assessed an incorrect Baccalaureate Enhancement Fee totaling \$35.00 in overpayments.

**Criteria:**

Fairmont State University's 2007 – 2008 Catalogue states in part:

“...Special Fees (Non-Refundable) — Applicable To All Students: Course Fee (per credit hour).....\$4.00...”

Fairmont State University's Board of Governor's 2007 – 2008 approved fee schedule, which states in part:

“...Course Fee (Per Credit Hour) (previously known as Technology Fee).....\$4.00 ...Community College Baccalaureate Enhancement Fee (Per Credit Hour) – Resident.....\$50.00...”

**Cause:**

FSU's Vice President of Administrative and Fiscal Affairs, stated, “the fee schedules provided to the Auditors were the schedules that enrollment services should have been referring to during the audit period”.

**Effect:**

By not performing thorough reviews of each charge that could be placed onto a student's account, students may be over or undercharged.

**Recommendation:**

We recommend FSU comply with the appropriate FSU catalogue and the appropriate FSU Fee Planning Schedule for Special Fees and Charges by charging the correct amount for courses. In addition, we recommend FSU perform continuous testing of the information system to ensure students are charged correctly.

**Spending Unit's Response:**

“The student fee assessments are generated by tables set up within the student system. Ninety-nine plus percent of all fees are automatically created. We set up the fee tables based on Board Approved Fees and changes (usually once every year prior to the assessment of Fall Semester fees).

Research indicates that these fees were incorrectly attached to individual courses and inadvertently charged to the students. These have been corrected and staff makes every effort to make sure that this does not happen. They are aware that only approved fees may be attached to courses.

**Finding 9**

**Timely Submission of Leave**

**Condition:**

During our audit of Sick and Annual Leave, we noted three out of 30 or 10% of employees tested in which employees turned in Leave Requests on average four months after the Annual and Sick Leave was taken.

**Criteria:**

Fairmont State University's Employee Handbook states in part:

"...Annual leave must be approved in advance by the supervisor. Annual leave shall be arranged to fit operating schedules; however, consideration shall be given to an employee's request..."

Additionally, the Employee Leave Request Form states the following:

"This form is to be completed by employee and signed by employee's supervisor prior to taking annual leave or upon return from sick leave."

**Cause:**

The Payroll Director stated the employee did not submit their leave timely.

**Effect:**

By not submitting leave request timely, employees leave records are not updated and current balances will remain incorrect until they are submitted. In addition, this will provide an opportunity for employees to take leave that may have not been accrued due to an overstatement in Annual or Sick Leave balances.

**Recommendation:**

We recommend FSU comply with the Employee Handbook and the Leave Request Forms by requiring all employees to submit Annual Leave requests in advance and to submit Sick Leave Requests immediately following return to work. In addition, we recommend FSU to put in place a policy and procedure in the employee handbook that informs the employees the correct procedure for requesting and taking leave.

**Spending Unit's**

**Response:**

The employee handbook is being revised by a committee and we have asked that the instructions at the top of the Leave Request form be added to the handbook – *Annual Leave request forms are to be completed by the employee and signed by the employee's supervisor prior to taking annual leave. Sick Leave request forms are to be completed by the employee and signed by the employee's supervisor upon return from sick leave. Original Leave Request forms are to be submitted to the Payroll Office immediately upon approval by the Supervisor.* A total of 329 employees submit leave forms. Also, leave balances are e-mailed to the employee supervisors monthly. A reminder to submit Sick and Annual Leave forms immediately will be added to the supervisors e-mail.

We will do our best to make sure employees and supervisors are submitting Annual Leave in advance and Sick Leave requests immediately following the employee's return to work.



**Finding 10**

**Leave Balance**

**Condition:**

We noted one out of 30 or 3% of employees tested where the employee's Sick Leave balance was negative in the amount of .5 days as of June 30, 2008. Additionally, Annual leave was not transferred to cover the negative Sick Leave balance and/or the employee was not taken off payroll. We also noted one out of 30 or 3% of employees tested where their leave was improperly calculated for a difference of one hour.

**Criteria:**

Section 2.3 of Higher Education Policy Commission Procedural Rule Title 133, Series 38, *Employee Leave*, states in part:

"Annual and sick leave may not be taken before it is accrued. If an employee works less than a full month, annual and sick leave shall be accumulated on a pro rata basis."

Additionally, section 5.7 states in part:

"In cases, except those involving catastrophic sick leave as defined in Section 8.1, where all accumulated sick leave has been used and annual leave is available, it shall be the option of an employee either to use any accumulated annual leave until it has also expired, rather than being removed from the payroll, or to retain the accumulated annual leave for use after return to work, but be taken off the payroll immediately after the accumulated sick leave has expired."

W.Va. Code §12-3-13 states:

"No money shall be drawn from the treasury to pay the salary of any officer or employee before his services have been rendered."

**Cause:**

The Director of Payroll stated when the Sick Leave balance becomes negative they wait for the next month accruals to see if the negative balance is cleared. If not, it is taken from the Annual leave. During this audit period, FSU's payroll department received an "End of Month Leave Summary Update Log" that listed employees who had overdrawn their Sick Leave. This report was monitored by payroll and human resources were given a copy of the report if employees were overdrawn on Sick Leave." She also stated one hour of leave was miscalculated.

**Effect:**

As of 06/30/2008 there were a total of five employees with a negative leave balance. The average leave balance of those five employees was -0.4 annual days and -0.1 sick days. If payroll waits one month and monitors the situation, this allows employees to take additional leave that has not yet been earned. This could result in overpayment to employees that should have been removed from payroll. Also, improperly maintained Sick and Annual Leave balances could result in employees receiving more/less days of leave than the employee is entitled. Additionally, the employee may be underpaid or overpaid for lump sum payments for any unused Annual Leave upon their retirement/resignation

or could adversely affect an employee's retirement annuity or the amount of extended health insurance coverage an employee would be entitled to receive for any unused Sick Leave.

**Recommendation:** We recommend FSU comply with procedural rule Title 133 Series 38 of the Higher Education Policy Commission and have employees not take leave before it is accrued. We also recommend FSU comply with procedural rule Title 133 Series 38 of the Higher Education Policy Commission and Annual Leave should be reduced in order to cover the Sick Leave overdrawn balance or an employee should be required to go off payroll. In addition, we recommend FSU maintain accurate leave balances. Also, we recommend FSU comply with W.Va. Code §12-3-13.

**Spending Unit's  
Response:**

In the future, Annual / Sick leave negative balances will be adjusted prior to the monthly leave close. If there is a negative annual and sick leave balance the employee will be removed from payroll. Leave balances are emailed to the employee supervisors monthly. Annual / Sick leave balances with less than 5 days are highlighted in red on the supervisor report.

**Finding 11****Misclassified Expenditures****Condition:**

We noted six out of 198 or 3% of the items tested were coded incorrectly in the amount of \$1,175.98 according to the West Virginia State Budget Office's Expenditure Schedule. The six items noted are detailed in the chart below:

<u>Transaction Date</u>	<u>Transaction Amount</u>	<u>Object Code per Agency</u>	<u>Object Code Description per Agency</u>	<u>Audited Object Code</u>	<u>Audited Object Code Description</u>
06/21/07	\$255.00	026	Travel	052	Training and Development
08/21/07	\$180.00	026	Travel	122	Consultant Payments for Capital Asset Projects
08/21/07	\$192.00	026	Travel	122	Consultant Payments for Capital Asset Projects
10/02/07	\$132.00	026	Travel	052	Training and Development
06/02/08	\$335.00	026	Travel	029	Vehicle Rental
04/14/08	\$ 81.98	026	Travel	029	Vehicle Rental

**Criteria:**

West Virginia Expenditure Schedule Instructions for Fiscal Year 2008, an object code is:

"An expenditure classification; referring to the lowest and most detailed state level of classification...."

West Virginia State Budget Office's Expenditure Schedule Instructions for Fiscal Year 2008, definitions for the pertinent object codes are as follows:

**Travel (026):** "Payments for authorized in-state and out-of-state travel expenses in accordance with the State Travel Regulations as issued by the Travel Management Office, Division of Purchasing, Department of Administration and other approved travel plans. ... Includes athletic travel, team and associated individual travel."

**Vehicle Rental (029):** "Auto, aircraft (i.e., fixed wing and helicopter), farm equipment (off road) rental, earth moving, hauling, and DOH emergencies for snow/flood."

**Training and Development (052):** All costs that are associated with the training, development, and education of an employee, including those materials solely purchased for in-house training (transparencies, films, videos, etc.); rental of training facilities; video conferencing charges related to training and education; any professional consulting services in the

conducting of training; reimbursement of authorized travel expenses (as allowed by the State Travel Regulations) incurred while attending training seminars; and tuition reimbursements for job related course work and IS&C site training fees.”...

Consultant Payments for Capital Asset Projects (122); Fees for services by consultants (including architects and engineers) undertaking design, contract inspection, etc. of capital asset projects.

**Cause:** The Accounts Payable Coordinator stated, “all on-campus travel is coded using object code 025 (Contractual and Professional) and all off-campus travel is coded using object code 026 (Travel)”.

In addition, she stated “The contract was encumbered under object codes 122 and 026 only. The invoice had the items under reimbursable and they did not realize they were not travel items, it was an error on FSU’s part”.

**Effect:** By misclassifying expenditures under an incorrect object code, annual budgeted amounts could be affected. In addition, financial statements could be misstated.

**Recommendation:** We recommend that FSU comply with the West Virginia State Budget Office’s Expenditure Schedule Instructions by ensuring that transactions are classified with the appropriate object codes.

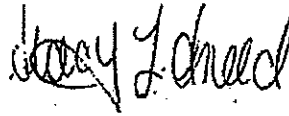
**Spending Unit’s Response:** Fairmont State University concurs and will comply. We are currently working with the State Auditor’s Office on implementing new Travel Software. To ensure that all travel expenses are properly classified, we will be establishing within the software the appropriate account codes for all travel related expenditures.

**STATE OF WEST VIRGINIA**

**OFFICE OF THE LEGISLATIVE AUDITOR, TO WIT:**

I, Stacy L. Sneed, CPA, CICA, Director of the Legislative Post Audit Division, do hereby certify that the report appended hereto was made under my direction and supervision, under the provisions of the W.Va. Code §4-2, as amended, and that the same is a true and correct copy of said report.

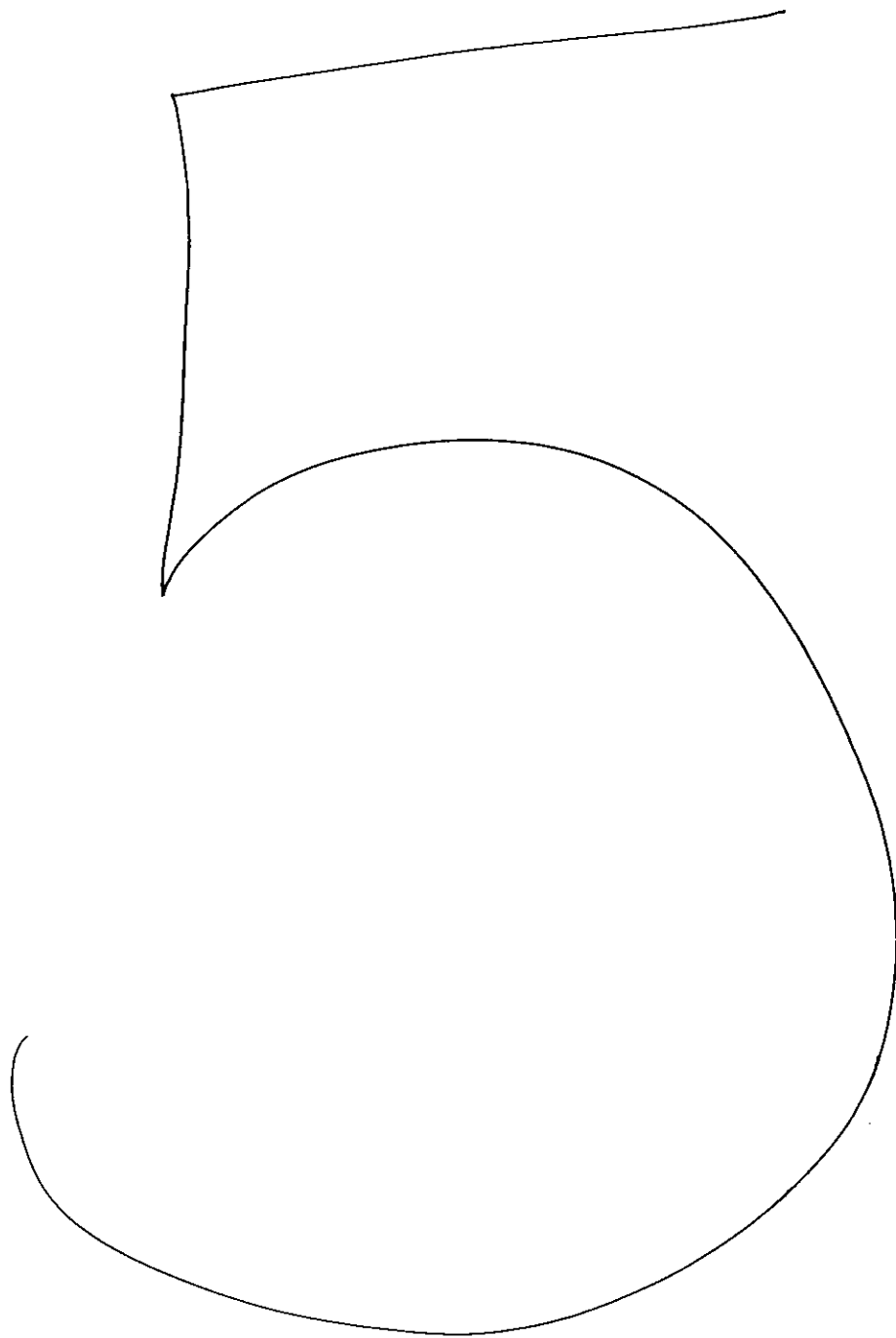
Given under my hand this 20<sup>th</sup> day of July 2010.



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Stacy L. Sneed, CPA, CICA, Director  
Legislative Post Audit Division

Copy forwarded to the Secretary of the Department of Administration to be filed as a public record. Copies forwarded to the West Virginia Higher Education Policy Commission; Fairmont State University; Governor; Attorney General; and State Auditor.



**Pierpont Community and Technical College  
Board of Governors  
August 24, 2010**

**Item:** Classified staff step increase progression to keep staff fully funded on Mercer pay scale for years of service step.

**Committee:** Committee of the Whole

**Information Item Only**

**Staff Member:** Dale Bradley

**Background:** In 2009 fiscal year all classified staff employees were brought to their target salary on the Mercer pay scale authorized by the State Legislature several years ago. This action was encouraged by both the Legislature and the Higher Education Policy Commission.

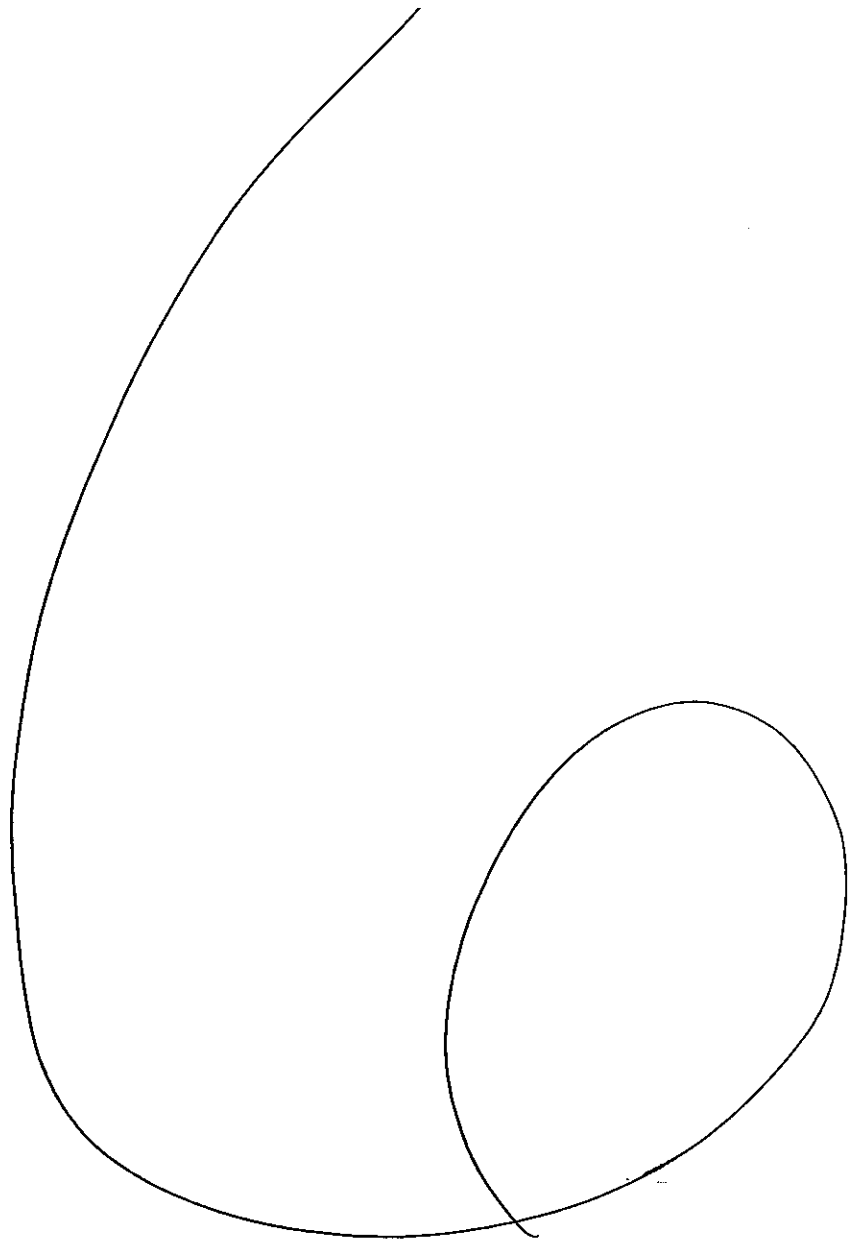
Each year after full funding of the pay scale we should be providing years-of-service step increases to classified staff up to the current 15 year maximum step pay structure.

In June the Board of Governors approved the addition of new budget to provide for the bringing of classified staff to the next step (year-of-service) of the Mercer pay scale.

This item is to inform the Board of Governors that the step increase will be implemented in October 2010. Non-arrears employees will see their step increase in the October 15<sup>th</sup> pay and arrears employees will see their step increase in the October 31<sup>st</sup> pay.

Please be mindful that this does not provide step increase for all classified employees, only those with less than 15 years of service. Step increases will be given to 17 of the 27 classified staff members.

The Unrestricted, Restricted, and Auxiliary Fund budgets set aside for this step increase are sufficient.





**Pierpont Community and Technical College  
Board of Governors  
August 24, 2010**

**ITEM:** Update of Capital Projects for FY 2011

**COMMITTEE:** Committee of the Whole

**RECOMMENDED RESOLUTION:**

Be it resolved that the Board of Governors approves the attached updated E&G Capital Project plan for FY 2011.

**STAFF MEMBER:** Dale Bradley

**BACKGROUND:**

East Bond funding for two additional projects has been provided. The Musick Library elevator and Hardway Hall renovation have been added to the two projects we were hopeful to receive and already included on our 2011 Capital Project list. Those projects were Turley Center renovation and Wallman Hall renovation. Please find attached the updated E&G Capital Project list and narrative describing what is planned in each project.

**CAPITAL PROJECTS**

**FY 2011**

<i>Project</i>	<i>Project Budget</i>	<i>Expenses &amp; Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>	
Byrd Center - HVAC Units (2)	\$ 50,000.00	\$ -	\$ 50,000.00	Requests for expressions of interest from architectural firms has been prepared and responses are due in on 8/27	<b>In Progress</b>
Byrd Center - Roof Renewal	\$ 400,000.00	\$ -	\$ 400,000.00	Requests for expressions of interest from architectural firms has been prepared and responses are due in on 8/27	
Hardway Hall - HVAC Unit	\$ 56,472.00	\$ 56,472.00	\$ -	Equipment to be installed during week of August 2nd	
Hunt Haught Hall Glass Front	\$ 238,386.00	\$ -	\$ 238,386.00	Expressions of Interest are due from architectural firms on 7/28	
Hunt Haught Hall - HVAC Units	\$ 500,000.00	\$ -	\$ 500,000.00	Expressions of Interest are due from architectural firms on 7/28	
Infrastructure - Hardway Hall	\$ 400,000.00	\$ 393,275.00	\$ 6,725.00	Concrete work on front porch has been completed. Masonry work on sides of steps is approx. 50% complete. Work continues on terra cotta cleaning and sealing.	
Infrastructure - IT Emergency Back-Up	\$ 197,299.00	\$ 16,550.00	\$ 180,749.00	Purchase order has been finalized with design firm.	
Infrastructure - Retaining Walls	\$ 130,000.00	\$ 9,000.00	\$ 121,000.00	Purchase order has been finalized with design firm.	
Infrastructure - Retaining Wall Merchant Street	\$ 175,000.00	\$ 3,500.00	\$ 171,500.00	Purchase order has been finalized with design firm.	
Infrastructure - Paving Lot #15	\$ 58,560.00	\$ -	\$ 58,560.00		<b>Not Started</b>
Locust Avenue	\$ 40,000.00	\$ -	\$ 40,000.00		
Turley Center Renovations	\$ 6,000,000.00	\$ -	\$ 6,000,000.00	Bond Funding - Description Attached	
Wallman Hall Renovations	\$ 5,200,000.00	\$ -	\$ 5,200,000.00	Bond Funding - Description Attached	
Musick Library Elevator	\$ 2,000,000.00	\$ -	\$ 2,000,000.00	Bond Funding - Description Attached	
Hardway Hall Renovations	\$ 5,500,000.00	\$ -	\$ 5,500,000.00	Bond Funding - Description Attached	
Turley Center Renovations - FF&E	\$ 550,000.00	\$ -	\$ 550,000.00		
Academic Fund	\$ 100,000.00	\$ -	\$ 100,000.00	On-going - Numerous projects through-out year	<b>On-Going</b>
Landscaping	\$ 100,000.00	\$ 13,033.70	\$ 86,966.30	On-going - Numerous projects through-out year	
Physical Plant - Small Projects	\$ 197,000.00	\$ 2,107.00	\$ 194,893.00	On-going - Numerous projects through-out year	
	<b>\$ 21,386,245.00</b>	<b>\$ 437,465.70</b>	<b>\$ 20,948,779.30</b>		

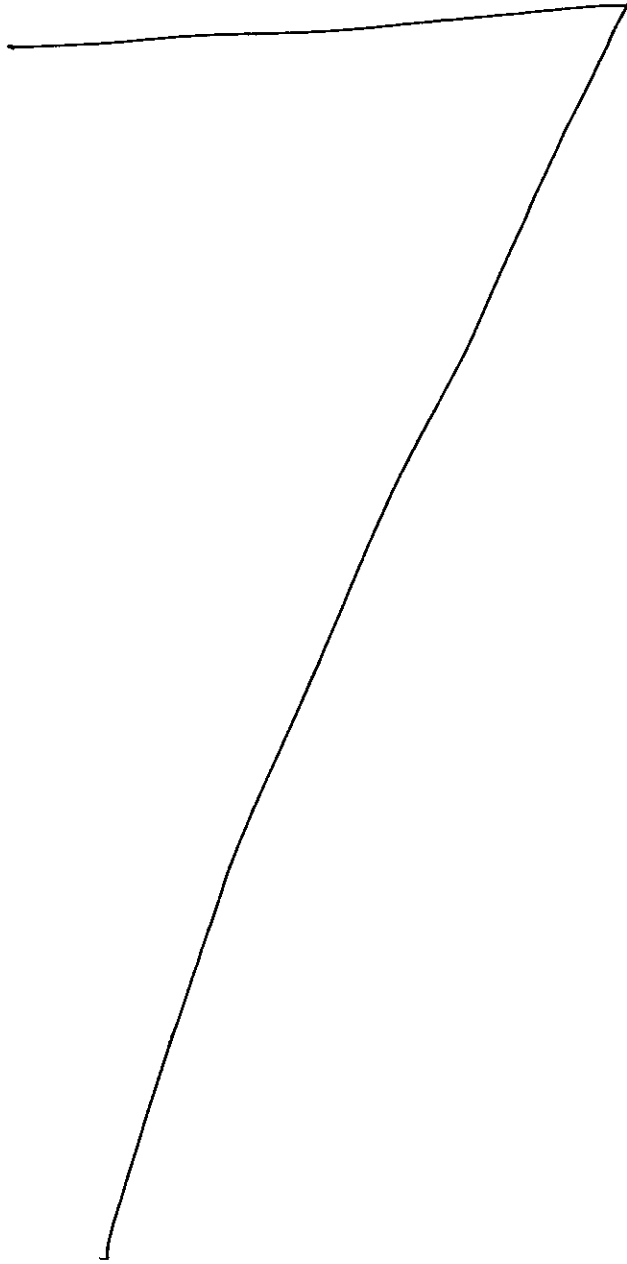
## **Descriptions for EAST Bond Projects:**

**Turley Center:** This project will consist of a complete interior gutting of the building back to the bare structure. All existing mechanical and electrical will be removed. This space will become home for The Student Access and Success Center. New office partitioning, along with new ceiling and floor finishes will be installed throughout this facility. All new plumbing, HVAC, and electrical systems will be installed throughout this facility.

**Musick Library Elevator:** This project will consist of a new elevator to serve as ADA access to the Musick Library. Currently, handicapped persons must access the library thru one of several buildings.....Education or Engineering Technology, to avoid traveling from the parking garage or the Hunt Haught Hall parking lot. This elevator will be located on the west end of the library near the entrance to the tunnel. Several utilities were roughed in for this when the inner campus walks were completed. Elevator may have lobby that ties into tunnel so that users will not have to go back out into elements prior to entering the building.

**Wallman Hall:** This project will consist of complete overhaul of the mechanical and electrical systems. More energy efficient hvac system will be installed with new boiler, chiller, VAV boxes, temperature control system, diffusers, ductwork, etc. New plumbing will include water saving fixtures and controls. Electrical upgrades will include new switchgear, lighting with energy saving ballasts & bulbs, addressable fire alarm system, etc. It is anticipated that new ceilings will be installed in certain areas as required for the installation of these systems.

**Hardway Hall:** This project will also consist of complete overhaul of the mechanical and electrical systems. More energy efficient hvac system will be installed with new boiler, possible chiller, VAV boxes, temperature control system, diffusers, ductwork, etc. New plumbing will include water saving fixtures and controls. Electrical upgrades will include new switchgear, lighting with energy saving ballasts & bulbs, addressable fire alarm system, etc. It is anticipated that new ceilings will be installed in certain areas as required for the installation of these systems. Window air conditioners will be removed and more energy efficient windows may be installed if funds are available.



**Pierpont Community & Technical College  
Board of Governors  
August 24, 2010**

Item: FY2012 State Appropriation Request

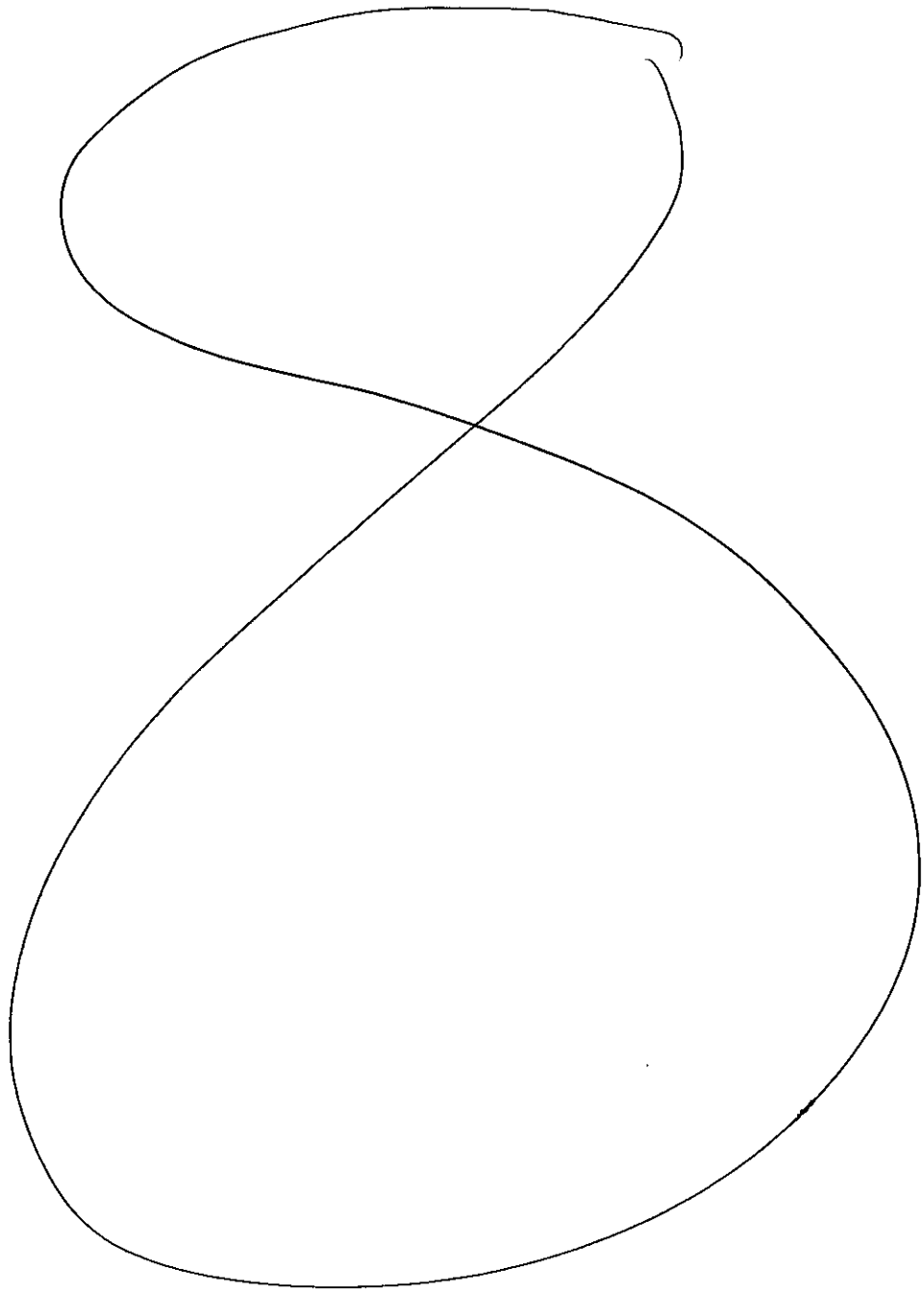
Committee: Committee of the Whole

**Informational Item**

Staff Member: Dale Bradley

Background:

The supporting documentation related to our FY2012 State Appropriation Request was unavailable by the publication deadline date. Information will be distributed at meeting.



**Pierpont Community and Technical College  
Board of Governors  
August 24, 2010**

**Item:** FY 2012 Capital Appropriation Request

**Committee:** Committee of the Whole

**Recommended Resolution:** Be it resolved, that the Board of Governors approve the attached updated E&G Capital Appropriation Request.

**Staff Member:** Dale Bradley and Jim Decker

**Background:** Annually prior to September 1<sup>st</sup> we are requested and required to submit our capital project priorities that have a relation to the campus master plan and we request funding for, or we plan to fund, and/or we have been funded for and these funded projects are in-progress.

This prioritized list is evaluated by CTCC (HEPC) staff and is awarded a state wide CTCC (HEPC) prioritized projects list for funding based on the following categories:

- Code compliance projects receive the highest priority.
- Re-roofing and building envelope projects are the second highest priority.
- HVAC and energy and utility improvements are the third highest priority.
- Building and campus renewal (renovation) projects.
- New Buildings

There is no guarantee that the list being submitted will receive funding, however, the recently funded projects provided to the University totaling over \$18,000,000 was a result of prior year submissions.

Please note: The University and Community and Technical College are required to submit separate and unduplicated projects to the CTCC (HEPC) staff, however, our Separation of Assets Agreement requires us to be jointly responsible for all Education and General buildings. Therefore, the submissions on behalf of each institution are being reviewed and approved by both institutions, (please reference the Separation of Assets document {pages 5 & 6} section titled "Education and General Buildings and Infrastructure").

Please find attached recommended prioritized lists for both institutions for your approval and the instructions provided by the CTCC (HEPC) staff.

Prioritized Capital Project lists will be provided as a handout at the meeting.