

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
Board of Trustees

Finance and Audit Committee
January 8, 2009

Attendance: Robert Duhaime, Steven Budd, Ned Densmore, Chair, Robert Mallat, Harvey Hill, Nicholas Halias, Lynn Kilchenstein, Will Arvelo, Richard Gustafson, Katharine Eneguess, Richard Heath, Mark Edelstein, Lucille Jordan, Paul Holloway, Kim Trisciani, and Charles Annal.

Others in Attendance: Michael Marr, Amber Wheeler, Melanie Kirby, Sarah Woods, William Beyer, Timothy Fontaine, Susan Proulx, Kelly Chapman, and Alice Mowery

The Meeting was called to order at 8:00 a.m. at Little Hall, NHTI.

1. Approval of Minutes of November 6, 2008.

VOTE: On motion by Chair Ned Densmore, seconded by Harvey Hill, the Committee voted unanimously to approve the minutes of November 6, 2008 as written.

2. Financial Report, December 2, 2008 – Credits Sold

Mike Marr distributed a report of the overall system YTD as of December 2, 2008. In order to meet budgeted revenue on a gross basis approximately 95,000 additional credits will need to be sold. This goal was met last year and is felt to be achievable this year. A credit sold report was run after January 6, 2009. This was compared to total credits sold last Spring of 08 (entire term) to Spring of 09 (as of January 6, 2009). This report indicates where the system stands thus far. A report of accrued revenue was compiled comparing Spring 2008 as of a week before the start of classes, to Spring of 2009 as of a week before the start of classes indicating a change of 1% in accrued revenue at this time. Chancellor Gustafson reminded the Committee that this is a very busy time with open houses and registration and that this could look very different a week from now after registration. The accrued revenue number at this time is

\$16,225,404 compared to Spring 2008 of \$16,074,082. After the Drop/Add period, Mike Marr will recalculate the report.

3. Financial Aid Update – Susan Proulx

Susan Proulx reported on the status of the specific audit years.

2003 – 2004 – Program Review. One college remains open and is awaiting the determination from the Department of Education.

2004 – 2005 – File Review – All Colleges. This is open and ongoing and is awaiting the final determination from the Department of Education.

2006 – 2007 A-133 – Single Audit. Closed

2007 – 2008 A-133 – Single Audit. Ongoing - KPMG is presently reviewing the work papers. The half-time and three-quarter time student budgets will need to be addressed and corrected over all campuses.

2008 – 2009 – Award Year. Reviews are being conducted in key compliance areas.

4. Internal Audit Update – Sarah Woods

Sarah Woods distributed an Audit Manual that has been developed and asked that the Finance Committee members read for approval at the next Finance Committee meeting on March 25, 2009. She will present the annual audit plan in March.

Sarah is working at this time to set up a network drive.

The presidents will be completing risk assessments which are due on either February 2 or February 6, 2009.

5. Pass-Through Fee Increases Policy

VOTE: On motion by Robert Mallat, seconded by Harvey Hill, the Finance Committee voted unanimously to approve the Pass Through Fee Increases Policy of December 29, 2008 as written as follows:

Changes in pass-through fees for vendor provided tests, assessments and other services may be modified with the approval of the college president. These modifications/increases shall be reported to the Finance and Audit Committee annually at the time when the Committee considers the establishment of tuition rates and student fees.

6. LBA Audit Observations Update - Michael Marr

1. The System has contracted with the CFO of PSU to help develop an approach to policies and procedures including fraud policy, risk assessment policy, and banking policy and exemptions and waivers. Some progress has been made toward having new policies in place.
2. The Internal Audit has been cleared at this time. It has been acknowledged that the entire internal audit focused on Financial Aid. This was where significant risk was identified. We are now beginning to structure the internal audit function to encompass other business functions, which Sarah Woods has started to address.
3. Payroll has also been addressed with regard to segregating duties on the Personnel Action Form. This concern has been cleared.
4. The question was raised as to what constitutes a proper expenditure out of the Student Activity Account. Kelly Chapman and Mike Marr met with the VP of Student Affairs and they will begin drafting a policy or statement around this issue.

Above are concerns that have been addressed since the report was issued.

At some time in the future, the audit will be presented to a policy committee for review. The Finance Committee will review the status of the concerns in April.

7. FY09 Payback to General Fund by Campus – Michael Marr

Mr. Marr distributed a chart depicting what each campus owes and what has been paid thus far of the \$296,000. The system is to pay back just under \$2.1 million to the State done on an expenditure basis. The \$2.077 million was divided by seven months amounting to a monthly payment of \$296,000 paid to the State over the next seven months with the payment due on the 15th of each month.

All of the System Office payment was taken along with \$139,000 of NHTI's payment to make the first payment. Each campus has provided an overview of where the monies will come from.

8. FY2010-11 Budget Update – Chancellor Richard Gustafson

On Monday, January 12, Chancellor Gustafson will be meeting with the Governor to review our proposed 2010 – 2011 budget request. On Friday, January 16, 2009, Chancellor Gustafson, Ned Densmore, Michael Marr and Kelly Chapman will meet with the Governor and his staff to continue the discussion. Any increase in the budget will be tied to enrollment with the goal of keeping tuition flat.

9. Other

White Mountains Community College is requesting the use of lapse funds in the amount of \$4,460 for renovations to the existing reception area in order to bring this area into ADA compliance which was cited as a deficiency during the civil rights audit.

VOTE: On motion by Robert Mallat, seconded by Nicholas Halias, the Committee voted unanimously to grant White Mountains Community College permission to withdraw funds from the lapsed account in the amount of \$4,460 for the renovations to the existing reception area.

The next Finance Committee meeting is scheduled for March 25, 2009.

On motion by Robert Mallat, seconded by Harvey Hill, the meeting was adjourned at 8:55 a.m.

Respectfully submitted,

Karen Keeler
Administrative Assistant
Manchester Community College