

STATE OF WEST VIRGINIA

AUDIT REPORT

OF

WEST VIRGINIA UNIVERSITY

INSTITUTE OF TECHNOLOGY

HOUSING AND DINING ACCOUNT

FOR THE PERIOD

JULY 1, 2001 - JUNE 30, 2003



OFFICE OF THE LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305-0610

WEST VIRGINIA UNIVERSITY INSTITUTE OF TECHNOLOGY

HOUSING AND DINING ACCOUNT

FOR THE PERIOD

JULY 1, 2001 - JUNE 30, 2003

WEST VIRGINIA LEGISLATURE
Joint Committee on Government and Finance

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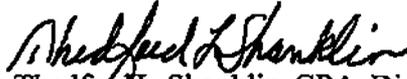
CHARLESTON, WEST VIRGINIA 25305-0610

To the Joint Committee on Government and Finance:

In compliance with the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, we have examined the Housing and Dining Account maintained by West Virginia University Institute of Technology (WVUIT).

Our examination covers the period July 1, 2001 through June 30, 2003. The results of this examination are set forth on the following pages of this report.

Respectfully submitted,


Theodore L. Shanklin, CPA, Director
Legislative Post Audit Division

TLS/ela

WEST VIRGINIA UNIVERSITY INSTITUTE OF TECHNOLOGY

HOUSING AND DINING ACCOUNT

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WEST VIRGINIA UNIVERSITY INSTITUTE OF TECHNOLOGY

HOUSING AND DINING ACCOUNT

EXIT CONFERENCE

We held an exit conference on May 6, 2004 with representatives of West Virginia University Institute of Technology (WVUIT) and all findings and recommendations were reviewed and discussed. The institution's responses are included in bold and italics in the Summary of Findings, Recommendations and Responses and after our findings in the General Remarks section of this report.

WEST VIRGINIA UNIVERSITY INSTITUTE OF TECHNOLOGY

HOUSING AND DINING ACCOUNT

INTRODUCTION

West Virginia University Institute of Technology (WVUIT) was established by the State Legislature in 1895 as Montgomery Preparatory School, a branch of West Virginia University. With the development of local district high schools, it was assigned a vocational education role beginning in 1917 and its name was changed to West Virginia Trade School. In 1921, again responding to changing community needs, it became a junior college, New River State School, with the primary function of training teachers for regional elementary schools. As a result of its growth to baccalaureate degree status, it became New River State College in 1931. By 1941, in response to demands for personnel from industries and businesses, the institution added technical and business programs. Recognizing this new role, the State Legislature renamed the college the West Virginia Institute of Technology. In 1952, the college began to offer bachelor degrees in engineering. This marked the first instance in which a West Virginia four-year college had developed a specialized role in providing educational services to its constituencies. In response to regional needs, Tech established community college programming in 1966. A master of engineering program was added in 1978.

By an act of the 1996 Legislature on July 1, 1996 the college became a regional campus of West Virginia University and was renamed West Virginia University Institute of Technology (WVU Tech).

WVU Tech is WVU's southern-most regional campus. Since programs offered by WVU Tech are primarily career oriented, the institution acknowledges the primacy of instruction, but it also encourages faculty to research in their respective fields, as a valuable concomitant to good instruction. Within the realm of public service, WVU Tech also stresses the importance of continuing education to serve the needs of the people of the region, including those in the industrial, business, and educational communities. WVU-Morgantown and WVU Tech, along with the other regional campuses, are working together to use technology to expand offerings available to students in the southern part of the state.

Baccalaureate degrees are offered in engineering, the sciences, computer science, business areas, social sciences, nursing, and humanities, and engineering technologies. Associate degrees are offered in engineering and industrial technologies, health, business, and general studies. The college also offers a Regents degree program for nontraditional students as well as extension and continuing education. One graduate degree, the master's of engineering, is offered. Tech maintains a cooperative education program for students majoring in degree programs and remedial education for those admitted to the college but not eligible for entrance into degree programs. The institution also offers a limited number of certificate programs in business and technology.

Currently, WVU Tech has an enrollment of 2,600 students and approximately 16,000 alumni. The college is located in Montgomery, West Virginia, 28 miles southeast of Charleston, the state capital. Situated on the Kanawha River in the rugged Allegheny Mountains, Montgomery has about 2,000 residents. In addition, 1,500 Tech students reside in the town from August to May. Montgomery is a friendly community, in which city officials and college administration have cooperated for more than 80 years in joint endeavors that have promoted the progress of Tech and at the same time have proved beneficial to residents of the community.

WEST VIRGINIA UNIVERSITY INSTITUTE OF TECHNOLOGY

HOUSING AND DINING ACCOUNT

ADMINISTRATIVE OFFICERS AND STAFF

AS OF JUNE 30, 2003

Dr. Karen R. LaRoe President
Michael L. Neese Dean, Division of Student Services
and Assistant to the President
Denise Kerby Chief Financial Officer
Cathy Aquino Controller
Michael Knight Director of Purchasing
Charles Davis Director of Residence Life
Karen Skaggs Administrative Secretary

WEST VIRGINIA UNIVERSITY INSTITUTE OF TECHNOLOGY

HOUSING AND DINING ACCOUNT

SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

Lack of Effective System of Internal Controls

1. During the course of our examination, it became apparent to us, based on the observed noncompliance with the West Virginia Code, West Virginia University Institute of Technology (WVUIT) did not have an effective system of internal controls in place over the Housing and Dining Account to ensure compliance with applicable State laws, rules and regulations. We believe an effective system of internal controls would have alerted management to these violations at an earlier date and allowed more timely corrective action.

Auditors' Recommendation

We recommend WVUIT comply with Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended and establish a system of internal controls.

Spending Unit's Response

We are pleased that the findings in this report do not indicate "material" weaknesses especially when compared to the magnitude (both dollar and number) of transactions involved. (See pages 13 - 16)

Food Service Contract

2. The contract between WVUIT and Chartwells for food service lacks specifics regarding the quality of food service to be provided by Chartwells, nor does it contain any quantitative or protective measures to determine compliance by Chartwells.

Auditors' Recommendation

We recommend WVUIT comply with Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended. We further recommend that upon expiration of the current contract, WVU rebid the food service at WVUIT and the new contract contain specifics regarding the quality and grade of items to be served and include measures to determine the vendor's compliance with the contract.

Spending Unit's Response

While no formal evaluation process is in place, the contract performance has appeared to be adequate. Tech will be in self-operation of the food service on August 1, 2004.

(See pages 16 - 18)

Posting of Financial Aid Awards to Student Accounts

3. We noted in 3 instances out of 26 student files examined where a student's Perkins or Wood Loan disbursement was reversed from the student's account because of the student's failure to sign a promissory note. As a result, each of these students owed WVUIT a balance of tuition and fees and/or other charges.

Auditors' Recommendation

We recommend WVUIT comply with Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended, through strengthening internal controls by not allowing the posting of financial aid awards to student accounts prior to the student's acceptance of those awards as evidenced by their signing of a promissory note.

Spending Unit's Response

We will use a master promissory note for Perkins Loans which should help alleviate the problem. (See pages 19 - 21)

Vending Commissions

4. WVUIT's vending contract with Mountain Vending, Inc. for snack and soda vending services expired on December 31, 2001 and was not rebid. WVUIT received \$6,320.99 in commissions from the vending machines during the audit period.

Auditors' Recommendation

We recommend WVUIT comply with Chapter 18B, Article 5, Section 2a(a) of the West Virginia Code by depositing all vending commissions earned from vending machines stationed in the dormitory facilities into the Housing and Dining Account. We also recommend WVUIT comply with Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended.

Spending Unit's Response

We will comply with the audit recommendation. (See pages 22 - 25)

Laundry Commissions

5. WVUIT's contract with Continental Laundry Services, Inc. expired on June 30, 2003 and was not rebid; and, WVUIT continued to use the vendor and has received \$5,410.69 in laundry commissions since June 30, 2003. Also, we observed 5 instances out of 25 transactions tested where we were unable to determine whether WVUIT received the proper amount of laundry commissions because the vendor failed to forward the monthly commissions report as required by the contract preventing us from recalculating the commissions paid.

Auditors' Recommendation

We recommend WVUIT comply with Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, by strengthening internal controls over the monitoring for compliance by vendors with the terms and conditions set forth in contracts.

Spending Unit's Response

We will comply with the audit recommendation. (See pages 25 - 29)

Refunds of Tuition and Fees

6. During our review of 50 refunds of tuition and fee transactions, we noted one student was refunded an excess of \$80.70 when withdrawing from a class; one instance where a student's withdrawal form was not signed by the course instructor and one instance where a student's tuition and fees were refunded at the wrong percentage.

Auditors' Recommendation

We recommend WVUIT comply with the University System of West Virginia Board of Trustees Legislative Rule, Title 128, Series 22. We further recommend the institution comply with Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, by strengthening internal controls over the refunds of tuition and fees to students.

Spending Unit's Response

Exceptions made to the published refund percentage were not fully documented. Every effort will be made to fully document any approval of exceptions to established policy.

(See pages 29 - 33)

Miscellaneous Housing Charges

7. We noted three instances of 25 transactions tested where there was no rental/lease agreement signed by the person utilizing a campus facility; two instances where students were staying in the dormitory facilities without being registered for classes; and, two instances where the Banner System applied an overpayment credited to a student's account to outstanding charges from previous semesters.

Auditors' Recommendation

We recommend WVUIT comply with West Virginia Board of Trustees, Legislative Rule Title 128, Series 55. We also recommend WVUIT comply with the Housing and Dining contracts and Resident Assistant contracts which are signed by students. We further recommend WVUIT comply with both Chapter 5A, Article 8, Section 9 and Chapter 18B, Article 10, Section 1 of the West Virginia Code, as amended.

Spending Unit's Response

We will comply with the audit recommendation. (See pages 34 - 40)

Purchasing Card Transactions

8. We noted four transactions out of 16 transactions tested which were paid with a State Purchasing Card were not processed in accordance with the State Auditor's Purchasing Card Policies and Procedures Manual.

Auditors' Recommendation

We recommend WVUIT comply with Chapter 18B, Article 10, Section 13 of the West Virginia Code and Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended. We further recommend WVUIT comply with the State Auditor's Purchasing

Card Policies and Procedures Manual. Also, we recommend WVUIT require all cardholders to review their monthly Cardholder Statement of Account for accuracy.

Spending Unit's Response

Tech will begin self-operation of the food service on August 1, 2004. It should be noted that in both instances cited, the institution was billed less than the contract required.

(See pages 40 -44)

Usage of Dormitory Facilities by Off-Campus Groups/Individuals

9. We noted two instances where dormitory facilities of WVUIT were used and no executed lease/rental agreements were available. In addition, we believe one of these groups did not utilize the dormitory facilities for cultural or educational purposes.

Auditors' Recommendation

We recommend WVUIT comply with the University System of West Virginia Board of Trustees, Legislative Rule Title 128, Series 55. We further recommend WVUIT comply with Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended, through strengthening internal controls over use of institutional facilities by outside organizations/individuals.

Spending Unit's Response

We will comply with the audit recommendation. (See pages 44-46)

Easy Meal Cards

10. There was one instance out of 25 transactions tested totaling \$2,040.00 where eight 60-meal cards worth \$225.00 per card were issued to six student athletes through the Athletic Department; however, the charge was never paid by the Athletic Department.

Auditors' Recommendation

We recommend WVUIT comply with Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, by strengthening internal controls over the collection of miscellaneous revenues. We also recommend WVUIT transfer \$2,040.00 from the Athletic Account (4633) to the Housing and Dining Account (4629) in payment of the meal cards.

Spending Unit's Response

This issue is being reviewed to determine proper payment process. (See pages 47 and 48)

Record-keeping for Refund Local Bank Account

11. During our review of WVUIT's Refund local bank account for the period July 1, 2001 through June 30, 2003, we noted three instances where the monthly ending book balance was a negative amount. We also noted that for each of the 24 months that we reviewed, the institution's monthly ending book balance did not match the ending book balance that we calculated.

Auditors' Recommendation

We recommend WVUIT comply with Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended, through strengthening internal controls over the record keeping for the Refund Local Bank Account.

Spending Unit's Response

This local bank account is reconciled on a monthly basis. Due to clerical errors, there were two occasions (December 2001 and April 2002) when the account was in an overdraft situation; however, the amount of the overdraft is disputed. (See pages 48 - 50)

WEST VIRGINIA UNIVERSITY INSTITUTE OF TECHNOLOGY

HOUSING AND DINING ACCOUNT

GENERAL REMARKS

INTRODUCTION

We have completed a post audit of the West Virginia University Institute of Technology's Housing and Dining Account. The audit covered the period July 1, 2001 through June 30, 2003.

SPECIAL REVENUE ACCOUNT

During the audit period, WVUIT maintained a special revenue account to contain the proceeds received and pay expenses related to the operation of the University's housing and dining facilities as required by law. Monies collected were deposited with the State Treasurer in the following special revenue account:

<u>Account Number</u>	<u>Description</u>
4629-640	Housing and Dining Account Room and board, rental fees, damage deposit and interest for operation and maintenance costs and to service bonds.

LOCAL ACCOUNT

In order to have cash available for specific local operations, local bank accounts are used for managing funds required on a day-to-day basis. These local accounts are described as follows:

Refund Local Bank Account

This account is utilized for the issuance of refunds of tuition and fees/room and board to students when withdrawing from the institution or dropping a class. The account is periodically replenished with a State warrant issued from the institution's Revenue Clearing Account.

COMPLIANCE MATTERS

Chapter 18B of the West Virginia Code generally governs West Virginia University Institute of Technology. We tested applicable sections of the above plus other applicable chapters, articles, and sections of the West Virginia Code as they pertain to financial matters. Our findings are discussed below.

Lack of Effective System of Internal Controls

During the course of our audit, it became apparent to us, based on the observed noncompliance with the West Virginia Code, West Virginia University Institute of Technology did not have an effective system of internal controls in place to ensure compliance with applicable State laws, rules and regulations. Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, 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 designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities. . . .”

This law requires the agency head to have in place an effective system of internal controls in the form of policies and procedures set up to ensure the agency operates in compliance with the laws, rules and regulations which govern it.

During our audit of West Virginia University Institute of Technology's Housing and Dining Account, we found the following noncompliance with State laws or other rules and regulations: (1) During our review of cash disbursements from the Housing and Dining Account, we noted that the contract between WVUIT and Chartwells for food service lacks specificity regarding the level of service that is to be provided. The contract does not specify the types and quality of food service to be provided by Chartwells, nor does it contain any quantitative or protective measures to determine compliance by Chartwells. We further noted total payments for food service made to Chartwells during the period July 1, 2001 through June 30, 2003 amounted to \$1,516,442.08. (2) Awards of financial aid are entered into the Banner Computer System by the Financial Aid Office as they are awarded to each student and posted to the student's account regardless of whether the student has signed a promissory note. During our review of tuition and fees/room and board, we noted three instances where a student's Perkins or Wood Loan disbursement was reversed from the student's account due to his/her failure to sign a promissory note. The failure of the institution to require the students to sign the promissory notes prior to the posting of the loan proceeds to their account resulted in each of the students owing the institution a balance of tuition and fees and/or other charges. (3) During our review of miscellaneous revenues, we noted that WVUIT received vending commissions totaling \$6,320.99 from the sales of snacks and sodas from vending machines at the various dormitory facilities. However, these commissions were deposited to the Sales and Services of Educational Activities Account rather than the Housing and Dining Account. Further, WVUIT's vending contract with Mountain Vending, Inc. for snack and soda vending services expired on December 31, 2001 and was not rebid. (4) During our review of miscellaneous revenues, we noted five instances totaling \$4,031.51 where we were unable to

determine whether the institution received the proper amount of laundry commissions from Continental Laundry Services, Inc. The vendor did not include, as required by the contract, the monthly report supporting the commissions for the machines located in Maclin Hall. We further noted that although the contract expired June 30, 2003, WVUIT continued to receive laundry commissions from the vendor totaling \$5,410.69. (5) During our review of 50 refund of tuition and fees transactions, we noted one student was refunded an excess of \$80.70 for withdrawing from a class. Additionally, we noted one instance where a student's withdrawal form was not signed by the course instructor. Lastly, during our review of 50 tuition and fees/room and board transactions, we noted one instance in which one student's tuition and fees were refunded (charges were reversed) at the incorrect percentage. (6) During our review of 25 miscellaneous revenue transactions, we noted three instances in which there was no rental/lease agreement signed by the person utilizing a campus facility; two instances in which students were staying in the dormitory facilities without being registered for classes; and two instances in which the Banner System applied an overpayment credited to a student's account to outstanding charges from previous semesters. (7) During our audit of cash disbursements, we noted several purchasing card transactions which were not processed in accordance with the State Auditor's Purchasing Card Policies and Procedures Manual. (8) During our review of miscellaneous revenues, we noted two instances where outside organizations/individuals used the dormitory facilities and food services at WVUIT for which there was no lease/rental agreement for usage of the institution's dormitory facilities. In addition, one of these groups did not utilize the dormitory facilities for cultural or educational purposes. (9) There was one instance totaling \$2,040.00 where eight 60-meal cards @ \$255.00 per card were issued to six student athletes through the Athletic Department; however the charge was never paid by the

Athletic Department. (10) During our review of WVUIT's Refund local bank account for the period July 1, 2001 through June 30, 2003, we noted three instances where the monthly ending book balance was a negative amount. We also noted that for each of the 24 months that we reviewed, the institution's monthly ending book balance did not match the ending book balance that we prepared.

We recommend WVUIT comply with Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended, and establish a system of internal controls.

Spending Unit's Response

The findings specify a lack of internal controls. While some processing errors do occur and some procedural improvements can be made, no "material" weaknesses in internal control were noted. Even with the limited staffing levels available, the institution segregates duties to ensure the highest level of internal control possible. No material internal control weaknesses were cited in the financial, procurement, P-Card or single audits performed by outside parties on the period. We are pleased that the findings in this report do not indicate "material" weaknesses especially when compared to the magnitude (both dollar and number) of transactions involved.

Food Service Contract

On August 1, 1999, West Virginia University entered into a contract with Chartwells to provide food service for two of the University's regional campuses, WVUIT and Potomac State College. This contract included four one-year renewal options beyond the initial contract period of August 1, 1999 to July 31, 2000, all of which have been exercised by WVU. The contract is scheduled to expire on July 31, 2004.

During our review of cash disbursements from the Housing and Dining Account, we noted that the food service contract between WVUIT and Chartwells lacks specificity regarding the level of service that is to be provided. Section 3.1(C) of the contract states as follows:

“. . . The items to be offered for sale, their grade and quality, their size, portion and price are subject to approval by the campuses.... The regional campuses will have full access to the kitchen premises and will make frequent inspections of the food preparation operation as to standards of health, sanitation and safety. The Vendor will abide by such recommendations as may be the result of such review. . . .”

The contract does not specify the types and quality of food service to be provided by Chartwells, nor does it contain any quantitative or protective measures to determine compliance by Chartwells. The institution does not have a procedure in place whereby the grade and quality of foods is monitored and approved by WVUIT staff. Therefore, Chartwells cannot fail to comply with this contract regardless of the grade and quality of food served. We further noted total payments for food service made to Chartwells during the period July 1, 2001 through June 30, 2003 amounted to \$1,516,442.08.

We believe the lack of qualitative measures in the Chartwells contract is in noncompliance with the provisions of Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended, which states:

“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 designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities.”

The effect of the lack of specificity of the contract with Chartwells is that there are no criteria to be used by WVUIT in the evaluation of Chartwells' performance. Further, even if the institution were to develop specific expectations of Chartwells, the institution could not assure itself that those expectations would be met because the contract does not appear to have enforcement provisions sufficient to accomplish such objectives. The contract does not contain language regarding the specific quality and grade of the items that are expected to be served by Chartwells and which would therefore be acceptable under the agreement. We spoke with the Director of Residence Life who stated that the institution does not monitor Chartwells to determine whether the quality and grade of foods is acceptable because the institution is satisfied with the service that Chartwells provides. He stated that he and other staff members will occasionally dine in the cafeteria; however, he generally does not visit the kitchen and storage areas to determine the quality and grade of items being served.

We recommend WVUIT comply with Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended. We further recommend that upon expiration of the current contract, WVU rebid the food service at WVUIT and the new contract contain specifics regarding the quality and grade of items to be served and include measures to determine the vendor's compliance with the contract.

Spending Unit's Response

While no formal evaluation process is in place, the contract performance has appeared to be adequate. Tech will begin self-operation of the food service on August 1, 2004.

Posting of Financial Aid Awards to Student Accounts

Awards of financial aid are entered into the Banner Computer System by the Financial Aid Office as they are awarded to each student. On the first day of the semester, the Computer Center initiates a process whereby these financial aid awards are released and posted to the individual student accounts against any outstanding charges owed. Included in these financial aid awards are Perkins and Wood Loans for which a promissory note must be signed by the student. These loans are often posted to the students' accounts prior to the signing of the promissory note by the students.

We obtained a listing of students whose Perkins or Wood Loans had been reversed from their account because the loan had been canceled or declined during the period July 1, 2001 through June 30, 2003. From this list of 365 students, we selected 26 students and reviewed the students' financial aid files. We noted three instances where a student's Perkins or Wood Loan was reversed from the student's account due to his/her failure to sign a promissory note resulting in the student owing the institution a balance of tuition and fees and/or other charges. The following schedule details the three instances which we observed:

<u>Student</u>	<u>Semester Awarded</u>	<u>Loan Type</u>	<u>Loan Amount</u>	<u>Action Taken</u>	<u>Amount Owed</u>
#1	Fall 2001	Perkins	\$800.00	The \$800 loan, posted for Fall 2001 semester on August 31, 2001, was reversed on June 27, 2002 after the student failed to sign the note. The student's account was turned over to a collection agency on June 4, 2003.	\$800.00
#2	Fall 2001	Wood	\$800.00	The \$800 loan, posted for Fall 2001 semester on August 14, 2001, was reversed on June 27, 2002 after the student failed to sign the note. The student's account was turned over to a collection agency on August 15, 2003.	\$800.00

<u>Student</u>	<u>Semester Awarded</u>	<u>Loan Type</u>	<u>Loan Amount</u>	<u>Action Taken</u>	<u>Amount Owed</u>
#3	Fall 2001	Perkins	\$800.00	The \$800 loan, posted for Fall 2001 semester on August 14, 2001, was reversed on July 1, 2002 after the student failed to sign the note. The student's account (\$3,255) was turned over to a collection agency on August 29, 2002 and subsequently written off on June 23, 2003.	\$800.00 (for loan)

We believe the practice of posting financial aid awards to student's accounts prior to the execution of a promissory note is in noncompliance with the provisions of Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended, which states:

"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 designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities."

The institution's practice whereby financial aid awards are posted to student accounts prior to the student signing a promissory note means the institution is recognizing a loan receivable in its financial records when in fact, the paperwork with respect to the loan is incomplete. This practice is also indicative of weak internal controls over cash assets because students have the capacity to access and draw on these awards when the paperwork is incomplete and the rights of the institution to collect repayment of the loan proceeds have not been formally established through full completion of the loan documents. Lastly, students who receive a billing for additional amounts due after the loan transaction has been reversed may not understand the charges for which they are being billed, if they through misunderstanding believed their account was paid in full.

We spoke with both the Director of Financial Aid and the Supervisor/Student Loans concerning the automatic posting of financial aid awards to student accounts before students have signed a promissory note. We were told that the Computer Center was instructed to perform this process so that the financial aid personal expense checks could be prepared by the Computer Center in order to reduce the workload of the agency personnel who would otherwise prepare the checks manually as they are disbursed to the students.

Effective August 2004, WVUIT's Business Office will begin a process whereby Perkins Loans will be released in the system only for those students who have a signed master promissory note on file. This policy change affects only the Perkins Loan Program, therefore, errors similar to those mentioned above could continue to occur within the Wood Loan Program.

We recommend WVUIT comply with Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended, through strengthening internal controls by not allowing the posting of financial aid awards to student accounts prior to the students' acceptance of those awards as evidenced by their signing of a promissory note.

Spending Unit's Response

Use of a master promissory note for Perkins should help alleviate this issue. Efforts will be made to prevent the loans from being credited to the student's accounts until promissory notes are signed. This process had been previously used. It will require additional administrative costs to prevent delays in disbursement of funds to students. It should also be noted that funds were not lost.

Vending Commissions

During the period July 1, 2001 through June 30, 2003, WVUIT received vending commissions totaling \$6,320.99 from the sale of snacks and sodas through vending machines stationed at the various dormitory facilities. WVUIT received \$3,763.98 in vending commissions (snacks/sodas) from Mountain Vending, Inc., while the institution received \$2,557.01 in vending commissions (sodas) from Coca-Cola Bottling Company. However, these vending commissions were deposited to the Sales and Services of Educational Activities Account (4628) rather than to the Housing and Dining Account (4629).

WVUIT maintained separate vending contracts for snack and soda machines during the audit period. WVUIT's vending contract with Mountain Vending, Inc. for snack and soda vending services expired on December 31, 2001. WVUIT did not rebid this contract after it had expired. Effective January 1, 2002, WVUIT began receiving vending services for sodas from Coca-Cola Bottling Company in accordance with the contract previously negotiated by the West Virginia University (WVU) Procurement Services Department on behalf of the WVU main campus and its regional campuses.

Even though WVUIT's contract with Mountain Vending, Inc. had expired, the institution continued to receive vending services for snacks from this vendor for which the institution received vending commissions.

Chapter 18B, Article 5, Section 2a(a) of the West Virginia Code states:

“(a) In accordance with the provisions of section seventeen, article two, chapter five-a of this code, the transfer of amounts between items of appropriations, or the transfer of moneys in a special account established for a particular purpose into another account for expenditure for another purpose, are specifically authorized for a

spending unit under the jurisdiction of the governing boards subject to the following conditions:

(1) The president or other administrative head of a state institution of higher education submits a written request to the appropriate governing board. The appropriate governing board approves the request for the transfer and submits a written request for the transfer to the secretary of education and the arts. The legislative auditor and the legislative oversight commission on education accountability are to be furnished a copy of the request;

(2) The secretary of education and the arts, after consultation with the appropriate governing board, gives written approval to a request for a transfer and follows such procedures as may be required by the secretary of administration, the auditor and the treasurer to effect the transfer prior to any expenditure of the moneys so transferred;

(3) Such a transfer does not:

(A) Expand a program, establish a new program or provide capital for an expense that cannot be paid during the current fiscal year; or

(B) Increase the moneys allocated or appropriated to personal services unless:

(i) Such transfer to personal services is made on an emergency basis for the employment of personnel for summer school, and then only in such amounts as mandated for salary purposes by articles eight and nine of this chapter: Provided, That moneys transferred for the employment of personnel for summer school shall be separately accounted for to indicate which of the accounts appropriated by the Legislature are increased or reduced as a result of the transfer; or

(ii) A quarterly allotment of funds pursuant to section fifteen, article two, chapter five-a of this code is insufficient to meet the appropriated personal services budget of the spending unit in that fiscal quarter, in which case a transfer may only be made to meet the insufficiency and shall be accompanied by a pledge to replace funds in the original accounts by the end of that fiscal year;

(4) Not more than five percent of the total allocation or appropriation in any general revenue account of a state institution of higher education may be transferred between the items of allocation or appropriation thereof or between the accounts established for such institution;

(5) The transfer of monies in a special account established for a particular purpose into another account for expenditure for another purpose shall not exceed such amounts as are determined by the president or other administrative head of the institution to be in excess of that reasonably required to accomplish the purposes for which the account was established, unless such excess balances are

insufficient to provide the amounts necessary for a temporary transfer in the case of a quarterly allotment which is insufficient to meet the appropriated personal services budget;

(6) Funds in any general or special account established for a specific state institution of higher education shall not be transferred pursuant to this section for use by another state institution of higher education.”

Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, 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 designed to furnish information to protect the legal and financial rights for the state and of persons directly affected by the agency’s activities. . . .”

In addition, the contract between WVUIT and Mountain Vending, Inc. addresses the obtaining of a new contract following the expiration of the initial contract as follows:

“Life of Contract: This contract becomes effective on January 1, 1997 and extends for a period of one (1) year or until such “reasonable time” thereafter as is necessary to obtain a new contract. The “reasonable time” thereafter shall not exceed (3) months. The vendor may terminate this contract for any reason upon expiration of one (1) year from the effective date of this contract by giving the Director of Purchasing thirty (30) days written notice.”

By not depositing vending commissions earned from vending machines stationed in WVUIT’s dormitory facilities to the Housing and Dining Account, WVUIT is without the use of these monies to help fund the operations of its dormitory facilities. Also, not rebidding the contract for snack machine vending services may result in WVUIT receiving a lower commission rate on snack machine sales than it might have received had the institution rebid the contract.

The Chief Financial Officer told us it is WVUIT's practice to deposit all vending commissions received from snack and soda sales to the Sales and Services of Educational Activities Account (4628) since these monies are utilized at the discretion of the President of WVUIT to benefit the entire institution. Regarding the contract for soda machine vending services not being rebid, both the Chief Financial Officer and Purchasing Director told us the institution was satisfied with the vending services which were continuing to be provided by Mountain Vending, Inc. and that it was not considered a priority to rebid this contract.

We recommend WVUIT comply with Chapter 18B, Article 5, Section 2a(a) of the West Virginia Code by depositing all vending commissions earned from vending machines stationed in the dormitory facilities to the Housing and Dining Account. We also recommend WVUIT comply with Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended.

Spending Unit's Response

This oversight is in process of being corrected. There was no discontinuance of revenue as a result of the contracts not being re-bid. The possibility of a software application to provide tracking for contract expirations will be explored. Deposit of the vending receipts will be reviewed for appropriate handling and verification of revenue received.

Laundry Commissions

Effective July 1, 1998, WVUIT entered into a contract with Continental Laundry Systems, Inc. whereby this vendor was to provide coin-operated laundry services in the campus residence halls upon which the institution would receive a monthly commission. This contract included four one-year renewal options as part of the terms and conditions beyond the initial contract period of July 1, 1998 through June 30, 1999.

During our review of 25 miscellaneous revenue transactions, we noted five instances totaling \$4,031.51 where we were unable to determine whether the institution received the proper amount of laundry commissions from Continental Laundry Services, Inc. Under the terms and conditions of this contract, the vendor is to provide with each commission payment submitted a detailed report itemizing dollar sales by category (washer/dryer) and location.

However, we noted the vendor did not include as part of the monthly report supporting these five payments dollar sales by category and location for Maclin Hall (currently being utilized by the Department of Corrections as its Corrections Academy). Due to incomplete monthly reports submitted by the vendor, we were unable to determine for these five transactions whether the institution received the proper commission amount to which it was entitled. During the period July 1, 2001 through June 30, 2003, the institution received a total of \$15,285.81 in laundry commissions from this vendor.

We also noted three instances totaling \$2,675.07 where WVUIT received a commission check for laundry commissions from Continental Laundry Services, Inc. after the 15th day of the month for the previous month's sales. The contract requires Continental Laundry Services, Inc. to pay WVUIT the commission percentage of 55% of gross sales on or before the 15th day of each month for the previous month. These payments ranged from two to 12 days late.

Lastly, we noted the institution continued to receive laundry commissions from this same vendor on the usage of coin-operated laundry services in campus residence halls without rebidding the contract after the initial contract with this vendor had expired on June 30, 2003. Subsequent to June 30, 2003, WVUIT has received a total of \$5,410.69 in laundry commissions from this vendor. Prior to the expiration of this contract, the institution did not execute a change order

renewing the contract for the 2003 fiscal year representing the last of the allowable four one-year renewal options available under the contract.

We believe the above instances are in noncompliance with the institution's contract with Continental Laundry Services, Inc. which states in part,

"... COMMISSION:

The commission to the college shall be 55% monthly of the gross collected . . .

GENERAL . . .

12. The Contractor shall pay the college the commission percentage on gross sales on or before the 15th day of each month for the previous month. Each payment shall be accompanied by a detailed explanation of dollar sales by category and location . . .

Life of Contract: This contract becomes effective on JULY 1, 1998 and extends for a period of one (1) year or until such reasonable time thereafter as is necessary to obtain a new contract. The reasonable time period shall not exceed three (3) months . . .

Renewal: This contract may be renewed upon the mutual written consent of the college and vendor submitted to the Director of Purchasing thirty (30) days prior to the expiration date. Such renewal shall be in accordance to the terms and conditions of the original contract and shall be limited to four (4) successive one (1) year periods. . . ."

We also believe the instances noted above are in noncompliance with Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, which 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 designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities. . . ."

West Virginia University Institute of Technology receiving incomplete monthly reports from the vendor may result in the institution being unable to verify whether the institution had received their proper share of vending commissions in accordance with the contracted commission percentage of gross sales. Agency personnel assigned to the Office of Residence Life are responsible for ensuring Continental Laundry Services, Inc. is in compliance with the terms and conditions of the contract. However, the Director of Residence Life told us there is no contract monitoring of this contract by his office. He stated once the commission check is received along with the monthly laundry commissions report, the commission check is sent to the Cashier's Office for deposit without the monthly laundry commissions report being reviewed as verification the institution received its proper share of commissions. Thus, there is no monitoring of the contract, nor any recalculation of the amount of commissions that should have been received.

WVUIT not rebidding the contract for providing coin-operated laundry services in campus residence halls may result in WVUIT receiving a lower commission rate on laundry services than it might have received had the institution rebid the contract. We were informed by the Purchasing Director that WVUIT decided not to rebid this contract due to the institution was still considering whether to contract with a vendor such as Continental Laundry to provide laundry service on a commission basis or whether to contract with a vendor on a monthly fee basis to provide laundry services.

We recommend WVUIT comply with Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, by strengthening internal controls over the monitoring for compliance by vendors with the terms and conditions set forth in contracts.

Spending Unit's Response

This oversight is in process of being corrected. There was no discontinuance of revenue as a result of the contracts not being re-bid. The possibility of a software application to provide tracking for contract expirations will be explored. Deposit of the vending receipts will be reviewed for appropriate handling and verification of revenue received.

Refunds of Tuition and Fees

During our review of 50 tuition and fees/room and board transactions, we noted one instance in which one student's tuition and fees were refunded at the incorrect percentage. This student was enrolled for the Fall 2001 semester in the four year Computer Science program. Tuition and fees totaling \$3,685 were assessed to the student's account. The student also elected the Deferred Payment Option for her tuition and fees but did not meet the 60 percent down payment requirement. On August 24, 2001 the student elected the deferred payment option, paid a \$1,000 down payment (27.1% of the total charges, which failed to meet the 60 percent down payment requirement), and executed a promissory note for the balance owed.

On September 23, 2001, during the fifth week of class, the student became ill and was treated at Charleston Area Medical Center. A doctor's excuse stating that she was a patient from September 23, 2001 to October 6, 2001 was attached to the student's Withdrawal Form. The Withdrawal Form was finalized and signed by the former Registrar on October 19, 2001 during the ninth week of class at which time she would not be entitled to a refund of tuition and fees (reversal of charges). The former Registrar authorized, on a note that was attached to the form, the use of September 23, 2001 as the official date of withdrawal in order for the student to receive a 50 percent refund. Fifty percent of the refundable charges were reversed from the student's account on October

31, 2001. On November 16, 2001 the student was billed for the remaining balance of tuition and fees plus applicable interest charges (18% APR).

On January 16, 2002, the Applications Programmer in the Registrar's Office noted in the margin of the Withdrawal Form that the official withdrawal date to be used was August 27, 2001 to change the refund percentage to 90 percent. An additional 40 percent of the refundable charges were reversed on the student's account on January 16, 2002 resulting in an overpayment of \$419.87. This overpayment was applied to the Spring 2002 semester charges. There was no written authorization by the former Registrar to use the August 27, 2001 withdrawal date. The following schedule illustrates the differences between calculating the refunded amount at 90 percent and the amount that would have been refunded at 50 percent:

<u>Fee/Charge</u>	<u>Amount</u>	<u>Amount owed to WVUIT @ 50% Refund</u>	<u>Amount owed to WVUIT @ 90% Refund</u>
Tuition (TN2U)	\$1,605.00	\$ 802.50	\$ 160.50
College Fee (CL2N)	1,855.00	927.50	185.50
Engineering Major Fee (ENGS)	135.00	67.50	13.50
Engineering Lab Fee (ELAB) *nonrefundable	<u>90.00</u>	<u>90.00</u>	<u>90.00</u>
Total Tuition & Fees Owed	<u>\$3,685.00</u>	<u>\$1,887.50</u>	<u>\$ 449.50</u>
Late Charge (LATC)		5.00	5.00
Accrued Interest @ 1.5% (18% APR)		<u>125.63</u>	<u>125.63</u>
Subtotal (Amount Owed to WVUIT)		2,018.13	580.13
Less: Payments to WVUIT		<u>(1,000.00)</u>	<u>(1,000.00)</u>
Balance owed to WVUIT upon withdrawal		<u>\$1,018.13</u>	<u>(\$ 19.87)</u>

The granting of a refund of 90 percent to this student rather than a 50 percent refund results in the loss of revenue to WVUIT in the amount of \$1,438.00 (\$1018.13 balance + \$419.87 overpayment applied to Spring 2002 charges).

During our review of 50 refunds of tuition and fee payments, we noted one student was over refunded by \$80.70 for withdrawing from a class. This student's overpayment is detailed in the following schedule.

<u>Semester</u>	<u>Date of Refund</u>	<u>Actual Amount Refunded</u>	<u>Recalculated Refund Amount</u>	<u>Amount Overpaid</u>
Fall 2002	10/25/2002	\$269.01	\$188.31	\$80.70

Additionally, we noted one instance where a student's withdrawal form was not signed by the course instructor.

We believe the two instances of improper calculation of refunds described above are in noncompliance with the University System of West Virginia Board of Trustees Legislative Rule Title 128, Series 22, Section 4 which states in part:

“ . . . students who officially withdraw during a semester in the academic year shall receive a refund of regular fees in accordance with the following schedule.

4.1.1 Academic year (Semester)	
During the first and second weeks	90% refund
During the third and fourth weeks	70% refund
During the fifth and sixth weeks	50% refund
Beginning with the seventh week	No refund . . .”

We also believe these refunds and the instance where a student's withdrawal form was not signed by the course instructor are in noncompliance with the provisions of Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, which 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 designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities. . . ."

We further believe that the failure of WVUIT to collect a 60 percent down payment from the student who withdrew due to medical reasons is in noncompliance with Legislative Rule of the University System of West Virginia Board of Trustees, Title 128, Series 22, Section 7 which states in part:

". . . After all financial aid is applied to the student's account, sixty percent (60%) of the balance of student fees must be paid prior to the start of classes."

The institution's improper calculation of refunds of tuition and fees due students withdrawing from a class or the institution may result in students being under or over refunded. Also, a student withdrawing from a class whose withdrawal slip is not signed by the course instructor may result in the student receiving a refund which the student is not eligible to receive. We spoke with the Applications Programmer in the Registrar's Office regarding the refund to this student's account. She told us that she could not provide any written authorization by the Registrar for the change of the official withdraw date to August 27, 2001. We also spoke with the Controller who told us that the institution tries to accommodate students when special circumstances exist. Regarding the student's down payment, the Controller said that the institution works with

international students, such as this student, who do not have the money to make a 60 percent down payment.

Regarding the student who was over refunded after withdrawing from a class, agency records indicated this student dropped a three-hour class on September 3, 2002 during the third week of classes of the Fall 2002 semester qualifying her to receive a 70% refund. However, the institution paid her a 100% refund of tuition and fees for this dropped class. The student's withdrawal form was signed by the institution's former registrar approving the issuance of a 100% refund to the student, but agency personnel could not provide us with either a reasonable explanation or additional documentation to explain the reason the student was entitled to receive a 100% refund.

The instance of a student's withdrawal slip not being signed by the course instructor is the result of inadequate review by agency personnel assigned to the Registrar's Office who are responsible for processing student withdrawal forms. Specifically, Registrar's Office personnel are responsible for ensuring student withdrawal forms have been properly approved before entering the information from the withdrawal forms into the Banner System.

We recommend WVUIT comply with the University System of West Virginia Board of Trustees Legislative Rule Title 128, Series 22. We further recommend the institution comply with Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, by strengthening internal controls over the refund of tuition and fees to students.

Spending Unit's Response

Exceptions made to the published refund percentage were not fully documented.

Every effort will be made to fully document any approval of exceptions to established policy.

Miscellaneous Housing Charges

During our review of 25 miscellaneous revenue transactions, we noted three instances totaling \$425.00 in which there was no rental/lease agreement signed by the person utilizing a campus facility. These instances are documented in the following table:

<u>Number</u>	<u>Date Received</u>	<u>Amount Collected</u>	<u>Reason for Stay</u>
1	10/16/02	\$175.00	Visiting professor staying on campus while teaching a course
2	03/14/03	\$175.00	Visiting professor staying on campus while teaching a course
3	08/07/02	\$ 75.00	Student's parent stayed on campus while visiting son

We also noted two instances where students were staying in the dormitory facilities without being registered for classes. These instances are documented in the following schedule:

<u>Student</u>	<u>Semester</u>	<u>Amount Assessed and Collected</u>	<u>Reason for Stay</u>
#1	Summer 2002	\$926.00	Athlete practicing during the summer
#2	Spring 2003	WVUIT did not receive any money since he was a Resident Assistant	Resident Assistant

The first student was an athlete who stayed in the dormitory facilities during the summer of 2002 without being a registered student. Agency records indicate he registered for an internet course after the course had begun; however, he never attended the course. A Drop Slip was completed once the class was over and all of his charges were backed out of the Banner System except for his housing charge of \$926.00. He automatically received a failing grade for not completing the course. We believe if the student received a grade in the class, regardless of whether

or not he attended the course, he should still have been required to pay for the class. The student's tuition costs for this course amounted to \$567.76.

Upon reviewing the second student's records, we determined that he had signed both a Housing and Food Service contract and a Terms and Conditions of Employment for Resident Assistants contract for the 2002-2003 academic year. Resident Assistants are not required to pay for their room and board as long as they are registered as full-time students during the academic year. Agency records indicated he was registered for classes during the Fall 2002 semester, but was not registered for classes during the Spring 2003 semester. Thus, this student was provided room and board amounting to \$2,509.00 during the Spring 2003 semester without being registered for classes. These charges were waived due to the student's status as a Resident Assistant for this academic year.

Additionally, we noted two instances totaling \$950.00 where a student's past charges were paid by a current overpayment (categorized as a refund of tuition and fees) posted to the student's account in the Banner System. One student had a dorm damage charge of \$24.00 posted to his account on May 28, 2002, while another student had a housing charge of \$926.00 posted to his account on May 25, 2002. Since these charges were previous charges still outstanding on each student's account, the overpayment was applied to these outstanding charges. Even though these previous charges were paid, the Housing and Dining Account received no monies. The Controller explained that the Banner System treats the payment of any outstanding charges on a student's account by an overpayment as a non-cash transaction. Thus, in order for any monies to be credited to the Housing and Dining Account, agency personnel would have to initiate a re-application of fees in Banner to apply this payment to the proper accounts.

We believe the instances of a lack of rental/lease agreement are in noncompliance with West Virginia Board of Trustees, Legislative Rule Title 128, Series 55 which states in part:

***POLICIES ON USE OF INSTITUTIONAL FACILITIES . . .**

§128-55-2. Policy Introduction.

2.1. Facilities of institutions under the governance of the West Virginia Board of Trustees are intended for use in the conduct of its educational programs. As such, first priority for the use of facilities will be given to the academic, administrative and student functions at each institution.

2.2. In its many aspects of service to the public, the Board of Trustees also recognizes the need and permits the use of facilities which may provide benefits otherwise not available in the community. Consideration of requests from campus and off-campus groups will be guided by the following policy statements. . . .

§128-55-3. By Off-Campus Groups or Individuals (Nonstate Employee)

. . .(c) A standard rental/lease agreement accompanied by evidence of such insurance protection as may be required to adequately protect the institution shall be executed by the campus sponsor and also be signed by a responsible officer of the noncampus organization desiring to use a campus facility; . . .

§128-55-4. By Campus Groups for Nontraditional Programs (State Employee)

. . .(c) A formal agreement shall be developed and signed by an authorized representative of the group or unit responsible for the program and the President of the institution or his designee. Said agreement shall establish the responsibilities of the institution and the sponsor, including detailed financial obligations to the institution from revenues. All agreements must ensure that the institution will receive reimbursement for all identifiable direct and indirect costs; ...”

We believe the instances of students' charges being paid from current overpayments credited to their account are in noncompliance with Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, which 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 designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities. . . ."

We also believe the instances of students staying in the dormitory facilities without being registered for classes are in noncompliance with the institution's Housing and Food Service Contract with each student which states:

"GENERAL PROVISIONS . . .

IV. RESIDENT OBLIGATIONS

1. Enrolled Status

(a) The Resident agrees to become and remain enrolled as a full time student maintaining at minimum 12 credit hours for the entire period covered by this contract. Furthermore, Resident agrees to notify the Office of Resident Life of any failure or inability to meet this requirement. During Summer Sessions, you must be enrolled in a credit bearing course. . . ."

Additionally, WVUIT is in noncompliance with the Terms and Conditions of Employment form required to be signed by all Resident Assistants. This form states in part:

Basic Requirements . . .

3. I will remain a full-time student throughout the entire academic year. . . ."

Finally, the instance of a student receiving a grade in a class for which he did not pay is in noncompliance with Chapter 18B, Article 10, Section 1(f) of the West Virginia Code, as amended, which states in part,

“ . . . (f) All fees are due and payable by the student upon enrollment and registration for classes except as provided for in this subsection: (1) The governing boards shall permit fee payments to be made in up to three installments over the course of the academic term. All fees shall be paid prior to the awarding of course credit at the end of the academic term. (2) The governing boards also shall authorize the acceptance of credit cards or other payment methods which may be generally available to students for the payment of fees. The governing boards may charge the students for the reasonable and customary charges incurred in accepting credit cards and other methods of payment. (3) If a governing board determines that a student's finances are affected adversely by a legal work stoppage, it may allow the student an additional six months to pay the fees for any academic term. The governing board shall determine on a case-by-case basis if the finances of a student are affected adversely.”

The lack of a signed rental/lease agreement for a person utilizing a campus dorm facility may result in the institution's inability to hold that person accountable for housing rent or damage because there would be no written evidence concerning the usage of the facilities or the student's obligations with respect to the dorm space. Students staying in dorms without being registered for classes may prevent a student who is registered from obtaining a dorm room. We believe the aforementioned instances where no rental/lease agreement was signed by the person utilizing a campus dorm facility were the result of the Office of Residence Life's practice of not requiring non-students who utilize the institution's dormitory facilities to sign some form of lease agreement. The instances of students staying in the dorms without being registered for classes were the result of WVUIT not having a control procedure in place to allow the Office of Residence Life

to verify whether students are registered for classes before students are assigned a dorm room. Additionally, we believe these instances occurred as the result of WVUIT not upholding the provisions regarding resident obligations set out in the Housing and Food Service Contract which students residing in the dorms are required to sign. Another factor contributing to the occurrence of these instances was the lack of control procedure in place which would allow the Registrar's Office to notify the Office of Residence Life whenever a student drops below full time or withdraws from school.

Also, a student being registered for a class and receiving a grade in the class without paying for the class results in WVUIT not receiving payment of tuition and fees from the student which is due the institution. The instance of a student being enrolled in a class in which he received a grade and was not required to pay for that class is a result of WVUIT's failure to comply with the rules and regulations regarding the payment of tuition and fees. In addition, WVUIT failed to document the reason for allowing the student to drop this class after the class was over and backing out 100% of his tuition and fee charges from the Banner System.

Finally, the practice of allowing a student's past charges to be paid from current overpayments of tuition and fees in Banner may result in monies not being properly credited to the Housing and Dining Account.

We recommend WVUIT comply with West Virginia Board of Trustees, Legislative Rule Title 128, Series 55. We also recommend WVUIT comply with the Housing and Dining contracts and Resident Assistant contracts which are signed by students. We further recommend WVUIT comply with both Chapter 5A, Article 8, Section 9 and Chapter 18B, Article 10, Section 1 of the West Virginia Code, as amended.

Spending Unit's Response

Procedures will be implemented to ensure that standard rental/lease agreements are completed for campus facility usage. Current procedures include comparing students living in the residence halls with those enrolled for classes. The implication of having non-enrolled students living in the residence hall will be researched. If appropriate, the residence hall contract will be changed to allow other than full time students to live in the residence hall "with written permission of the President or his/her designee."

Purchasing Card Transactions

Our sample of cash disbursement transactions processed through the Housing and Dining Account consisted of 59 transactions, 16 of which were paid with a State purchasing card. During our audit of the 16 transactions paid with a State purchasing card, we noted several transactions were not processed in accordance with the State Auditor's Purchasing Card Policies and Procedures Manual.

Specifically, we noted two transactions totaling \$251.43 which were erroneously charged to the Housing and Dining Account. One transaction amounting to \$76.61 related to the purchase of office supplies for the Child Care Center on July 11, 2002, while the other transaction amounting to \$174.82 was for the purchase of brake parts and a door handle for a 2001 Chevy Malibu on May 28, 2003. With respect to this car, there are no vehicles assigned to the Office of Residence Life and on inquiry of agency personnel, we learned the vehicle in question is part of the institution's Central Vehicle Fleet.

In addition, we noted two transactions relating to the payment of cable television services to Charter Communications where the Housing and Dining Account was charged more than its pro rata share of the monthly billings. A department's share of the monthly utility billings received from Charter Communications for providing cable television services is based on the number of cable outlets utilized by each department. Prior to August 16, 2002, Residence Life utilized 481 of 500 cable outlets; thus, its share of the total monthly billing for cable television services approximated 96.2% (481/500). Starting after August 16, 2002, the number of cable outlets in use by WVUIT was reduced. Thus, the portion to be paid by Residence Life was reduced to 94.4% (320/339). However, the Business Office continued to utilize the old rates in determining Residence Life's pro rata share of each monthly billing received from Charter Communications. As a result, we noted the Housing and Dining Account paid \$120.72 more than was required for cable television services covering the period September 17, 2002 through November 16, 2002.

Finally, we noted the monthly Cardholder Statement of Account itemizing the purchasing card transactions of six cardholders had not been signed by either the cardholder or one of WVUIT's purchasing card coordinators indicating the transactions had been reviewed and reconciled.

Chapter 18B, Article 10, Section 13 of the West Virginia Code states:

"The appropriate governing board of each state institution of higher education shall fix the fees to be charged students and faculty members for rooms, board and meals at the dormitories, faculty homes, dining halls and cafeterias operated by such board at the institution. Such fees shall be commensurate with the complete cost of such services.

All fees collected for such services shall be used first to pay the operating and maintenance costs of the dormitories, faculty homes, dining halls and cafeterias and to meet interest, principal and sinking fund requirements due on any outstanding revenue bonds for which such receipts may have been pledged as security. Any such receipts not needed for these purposes may be expended by the appropriate governing board to defray the costs in whole or in part for the construction of any such facility.”

Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, 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 designed to furnish information to protect the legal and financial rights for the state and of persons directly affected by the agency’s activities. . . .”

In addition, Section 7.2 of the State Auditor’s Purchasing Card Policies and Procedures Manual states in part:

“**Log Sheets:** Each cardholder is required to maintain a log sheet (see Appendix 9) containing the date, vendor name, and an item description, as well as the appropriate object code for each expenditure. Log sheets can be computerized or manual and must be signed by both the cardholder and the agency coordinator to indicate that all entries have been reconciled and are legitimate. . . .”

Finally, Section 8.1 of the State Auditor’s Purchasing Card Policies and Procedures Manual states in part:

“**Purchasing Card Reconciliation:** Each cardholder is responsible for reconciling his or her statement every month. The agency card coordinator is responsible for reconciling the master statement...Agency purchasing card coordinators are responsible for reconciling the master statement. This includes reviewing all transactions to ensure that they are legitimate and for official state business, and that all required documentation is present.”

Cardholders not reviewing their monthly Cardholder Statement of Account may result in transactions being charged to the wrong accounts or transaction amounts being improperly prorated among accounts. Beginning in July 2002, WVUIT began utilizing a new software program to process purchasing card transactions. Within 48 hours of making a purchasing card transaction, the cardholder must turn in any documentation (credit card receipt/vendor invoice) supporting the transaction into the Business Office for further processing.

Once this documentation is received by the Business Office, Business Office personnel immediately utilize this documentation to reconcile the transaction through the software program. With the implementation of this new software, cardholders were no longer required to maintain log sheets to reconcile their purchasing card transactions at the end of the month. On a monthly basis, a Cardholder Statement of Account is generated by the software program for each cardholder which itemizes each cardholder's purchasing card transactions for the month. The institution does not make these cardholder statements available to cardholders for review and signature. We believe the occurrence of the types of errors noted earlier could be greatly reduced if the institution implemented a procedure requiring all cardholders to review their monthly Cardholder Statement of Account for accuracy.

We recommend WVUIT comply with Chapter 18B, Article 10, Section 13 of the West Virginia Code and Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended. We further recommend WVUIT comply with the State Auditor's Purchasing Card Policies and Procedures Manual. Also, we recommend WVUIT require all cardholders to review their monthly Cardholder Statement of Account for accuracy.

Spending Unit's Response

P-Card audit by the State Auditor resulted in commendation of the program at Tech. Additionally, Tech received the highest rating from the Procurement Audit conducted by Suttle and Stalnaker this past year. These instances appear isolated; however, a review will be made to determine any process improvements that can be implemented.

Usage of Dormitory Facilities by Off-Campus Groups/Individuals

During our review of miscellaneous revenues, we noted two instances where outside organizations/individuals (such as summer groups) used the dormitory facilities at WVUIT for which there was no lease/rental agreement for usage of the institution's dormitory facilities. These two organizations/individuals used dormitory facilities for separate functions during the Summer of 2001. Specifically, St. Peter's Catholic Church paid the institution for lodging, food service, and other miscellaneous charges incurred during a July 2001 function amounting to \$7,320.25. Meanwhile, the President of WVUIT paid the institution for guest accommodations incurred in August 2001 totaling \$340.00 related to providing guest accommodations for members of her wedding party; however, we were unable to determine from the records made available to us and inquiries made of agency personnel exactly how many guests were provided housing for this event.

The President's purpose for the use of the dormitory facilities at WVUIT which as previously stated was to provide guest accommodations for members of her wedding party does not appear to be either for an educational or cultural purpose as required by Legislative Rule Title 128, Series 55 Policies on Use of Institutional Facilities. We further noted that the Office of Residence Life does not maintain a published listing of charges for use of the facilities by outside organizations/individuals or use a detailed standard rental/lease agreement for these organizations/individuals.

We believe these instances of use of dormitory facilities is in noncompliance with the University System of West Virginia Board of Trustees, Title 128, Series 55, Section 3, relating to the use of institutional facilities by off-campus groups or individuals, which states in part:

“3.1. . . . The community use of a college or university facility must have an educational or cultural purpose and must have a campus sponsor . . .

3.2. . . . (c) A standard rental/lease agreement accompanied by evidence of such insurance protection as may be required to adequately protect the institution shall be executed by the campus sponsor and also be signed by a responsible officer of the noncampus organization desiring to use a campus facility . . .”

3.2. . . . (d). . . All charges must be reasonable, charged equally to all similar groups, and be published in advance. . . .” (Emphasis added)

We also believe these instances are in noncompliance with the provisions of Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended, which states:

“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 designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities.”

The institution’s failure to execute and/or maintain a standard rental/lease agreement for organizations/individuals using the institution’s facilities is the inability of the institution to enforce the agreement, if necessary. Further, the lack of a detailed written agreement could result in a disagreement between the parties regarding services to be provided and prices of those services. Also, the institution allowing organizations/individuals to use institutional facilities for purposes other than those that are educational or cultural could result in an organization that wishes to use those facilities for the intended purposes being unable to do so. Further, the institution’s failure to

those facilities for the intended purposes being unable to do so. Further, the institution's failure to maintain a published listing of prices for the use of its facilities means that organizations/individuals may not be charged equally and the institution may not receive a reasonable fee for the use of the facilities.

We spoke with the Director of Residence Life who told us that he negotiates the prices to be charged each organization/individual on a case-by-case basis with the specific organization/individual or, if he is directed to do so, he accepts the prices that the organization/individual offers. The negotiations between the Office of Residence Life and these groups or individuals are often conducted using electronic mail. Mr. Davis also stated that it is not generally the practice of the institution to require those organizations/groups who utilize the institution's facilities to sign a standard rental/lease agreement.

We recommend WVUIT comply with the University System of West Virginia Board of Trustees, Legislative Rule Title 128, Series 55. We further recommend WVUIT comply with Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended, through strengthening internal controls over use of institutional facilities by outside organizations/individuals.

Spending Unit's Response

Procedures will be implemented to ensure that standard rental/lease agreements are completed for campus facility usage and established rate schedules are used. Although interpretation of a cultural event can be very subjective, usage of dormitory facilities by off-campus groups/individuals for other than educational or cultural purposes would appear to be allowable under the Policy Section 2.2 as listed on page 34 of the report (...permits the use of facilities which may provide benefits otherwise not available in the community). There are no hotels or motels in Montgomery.

Easy Meal Cards

During our review of 25 miscellaneous revenue transactions, we noted one instance totaling \$2,040.00 where eight 60-meal cards @ \$255.00 per card were issued to six student athletes through the Athletic Department. The Athletic Department was subsequently invoiced for payment of these meal cards by the Office of Residence Life, but the Athletic Department never paid the invoice.

We believe the failure to collect the moneys due the Housing and Dining Account is in noncompliance with Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, which 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 designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities. . . .”

West Virginia University of Technology not receiving payment from the Athletic Department for the issuance of these meal cards results in WVUIT being without the use of these monies to fund the operation of the dormitory facilities. We were told by the Controller the aforementioned instance of WVUIT not receiving the money from the Athletic Department for these meal cards is the result of an oversight on the part of both the Athletic Department and the Office of Residence Life regarding the payment of this invoice.

We recommend WVUIT comply with Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, by strengthening internal controls over the collection of miscellaneous revenues. We also recommend WVUIT transfer \$2,040 from the Athletic Account (4633) to the Housing and Dining Account (4629) in payment of the meal cards.

Spending Unit's Response

This issue is being reviewed to determine proper payment process.

Record-keeping For Refund Local Bank Account

During our review of WVUIT's Refund Local Bank Account for the period July 1, 2001 through June 30, 2003, we prepared a computerized check register for the Refund Account based on the deposits made to and expenditures made from the account. Using this check register, we reconciled the bank statement balance to our recalculated checkbook balance for each month of the audit period. We performed this process since the institution's computerized check register did not reflect a daily balance. Based on our monthly reconciliations, we noted three instances where the monthly ending book balance was in fact a negative amount meaning the Refund Account was technically overdrawn on WVUIT's books. These three instances of negative ending balances are detailed in the following table:

<u>Month</u>	<u>Recalculated Ending Book Balance</u>
December 2001	(\$1,723.60)
April 2002	(\$2,344.59)
March 2003	(\$1,449.95)

We also noted that for each of the 24 months that we reviewed, the institution's monthly reconciled ending book balance did not match the ending book balance of the reconciliation which we prepared. We further noted that the institution's check register for the account did not include a daily cash balance, rather only a monthly cash balance that is determined after batches of checks have been periodically entered onto the spreadsheet.

We believe the record-keeping with respect to the Refund Account is in noncompliance with the provisions of Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended, which states:

“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 designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities.”

The institution's failure to maintain an accurate daily balance for the Refund Local Bank Account could result in the account being overdrawn thereby incurring bank charges for non-sufficient fund checks. The Controller periodically enters the checks that have been written into a computerized Check Register maintained as a Lotus spreadsheet. This spreadsheet contains the check information for each check including an itemized breakdown of the amount being refunded (tuition, fees, room and board, etc.) The spreadsheet also contains a list of all deposits for the fiscal year, summary of the total refunds for each month, and the book balance as of the last check of the batch that was entered. The Controller does not have the ability to determine the cash balance of the account as the checks are written.

Monthly, the Cashier's Office receives a bank statement along with any cancelled checks drawn on the account from United National Bank. An Accounting Assistant I in the Business Office is responsible for reconciling the check register balance to the monthly bank statement. She uses the duplicate copies of the checks maintained by the Controller and matches the checks returned from the bank with the duplicates by writing on the duplicate check the month the check cleared the bank. The Accounting Assistant I then records the check number, check date, and amount of any

outstanding checks onto a Bank Reconciliation Form on a Lotus spreadsheet. She will also record the bank statement balance onto the Bank Reconciliation Form. From this amount, she will subtract the amount of any outstanding checks to arrive at the book balance. The Controller will then review the bank reconciliation prepared by the Accounting Assistant I. The book balance amount is verified to the amount recorded on the last duplicate check.

We recommend WVUIT comply with Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended, through strengthening internal controls over the record keeping over the Refund Local Bank Account.

Spending Unit's Response

This local bank account is reconciled on a monthly basis. The recalculated ending book balances provided in the report do not agree with the reconciled bank balance. Due to clerical errors, there were two occasions (December 2001 and April 2002) when the account was in an over draft situation; however, the amount of the overdraft is disputed. Additionally, no over draft charges were incurred. The March 2003 reconciled balance was \$135.07. Contrary to statements in the report, the account balance is computed on other than a month-end basis and the Controller does have the ability to determine the cash balance of the account as the checks are written.

INDEPENDENT AUDITORS' OPINION

The Joint Committee on Government and Finance:

We have audited the statement of cash receipts, disbursements and changes in cash balances of the Housing and Dining Account of West Virginia University Institute of Technology for the years ended June 30, 2003 and June 30, 2002. The financial statement is the responsibility of the management of West Virginia University Institute of Technology. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit 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 the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, the financial statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues collected and expenses paid of the Housing and Dining Account of West Virginia University Institute of Technology for the years ended June 30, 2003 and June 30, 2002, on the basis of accounting described in Note A.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The supplemental information is presented for the purpose of additional analysis and is not a required part of the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

Respectfully submitted,


Theford L. Shanklin, CPA, Director
Legislative Post Audit Division

March 22, 2004

Auditors: Michael E. Sizemore, CPA, Supervisor
Neil M. McEachron, Jr., CPA, Auditor-in-Charge
Amy J. Swain, CPA
Stacy L. Sneed

**WEST VIRGINIA UNIVERSITY INSTITUTE OF TECHNOLOGY
HOUSING AND DINING ACCOUNT
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCES**

	<u>Year Ended June 30, 2003</u>		
	<u>Special Revenue</u>	<u>Local Accounts</u>	<u>Combined Totals</u>
Cash Receipts:			
Room and Board	\$1,902,097.53	\$ 0.00	\$1,902,097.53
Tuition and Fees	17,470.77	0.00	17,470.77
Investment Earnings	18,295.11	0.00	18,295.11
Miscellaneous	<u>0.00</u>	<u>246,052.96</u>	<u>246,052.90</u>
Total Cash Receipts	1,937,863.41	246,052.96	2,183,916.37
Disbursements:			
Personal Services	448,708.39	0.00	448,708.39
Employee Benefits	152,997.48	0.00	152,997.48
Current Expenses	1,365,714.62	0.00	1,365,714.62
Repairs and Alterations	40,741.27	0.00	40,741.27
Assets	4,744.00	0.00	4,744.00
Other Disbursements	21,103.45	0.00	21,103.45
Refunds of Tuition and Fees/Room and Board	0.00	247,586.10	247,586.10
Miscellaneous	<u>3,960.00</u>	<u>0.00</u>	<u>3,960.00</u>
Total Cash Disbursements	<u>2,037,969.21</u>	<u>247,586.10</u>	<u>2,285,555.31</u>
Cash Receipts (Under)/Over Disbursements	(100,105.80)	(1,533.14)	(101,638.94)
Beginning Balance	<u>485,313.16</u>	<u>41,000.00</u>	<u>526,313.16</u>
Ending Balance	<u>\$ 385,207.36</u>	<u>\$ 39,466.86</u>	<u>\$ 424,674.22</u>

See Notes to Financial Statement

Year Ended June 30, 2002

<u>Special Revenue</u>	<u>Local Accounts</u>	<u>Combined Totals</u>
\$1,919,473.48	\$ 0.00	\$1,919,473.48
0.00	0.00	0.00
28,335.91	0.00	28,335.91
<u>0.00</u>	<u>246,256.51</u>	<u>246,256.51</u>
1,947,809.39	246,256.51	2,194,065.90
444,608.47	0.00	444,608.47
7,982.39	0.00	7,982.39
1,198,185.53	0.00	1,198,185.53
59,924.30	0.00	59,924.30
3,050.00	0.00	3,050.00
125,193.97	0.00	125,193.97
0.00	205,256.51	205,256.51
<u>5,000.00</u>	<u>0.00</u>	<u>5,000.00</u>
<u>1,843,944.66</u>	<u>205,256.51</u>	<u>2,049,201.17</u>
103,864.73	41,000.00	144,864.73
<u>381,448.43</u>	<u>0.00</u>	<u>381,448.43</u>
<u>\$ 485,313.16</u>	<u>\$ 41,000.00</u>	<u>\$ 526,313.16</u>

WEST VIRGINIA UNIVERSITY INSTITUTE OF TECHNOLOGY

HOUSING AND DINING ACCOUNT

NOTES TO FINANCIAL STATEMENT

Note A - Accounting Policy

Accounting Method: The cash basis of accounting was followed for all accounts. Therefore, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Combined Totals: The combined totals contain the totals of similar accounts. Since the cash receipts of certain accounts are restricted by various laws, rules and regulations, the totaling of the accounts is for memorandum purposes only and does not indicate that the combined totals are available in any manner other than that provided by such laws, rules and regulations.

Note B - Pension Plan

All eligible employees are members of either the West Virginia State Teachers' Retirement System (STRS) or the Teachers' Insurance Annuity Association (TIAA). Effective July 1, 1991, STRS was closed to new participants.

For the West Virginia State Teachers' Retirement System, employees' contributions are 6.0% of their total annual salaries and employees are vested under certain circumstances. The University's contributions to the STRS was at the rate of 15.0% of each enrolled employee's total annual salaries for the years ended June 30, 2003 and 2002, respectively.

Each employee who participates in the Teachers' Insurance Annuity Association is required to contribute 6.0% of their total annual compensation. The University matches the employees' 6.0% contributions. Contributions are immediately and fully vested.

West Virginia University Institute of Technology's pension expenditures were as follows:

	<u>Year Ended June 30,</u>	
	<u>2003</u>	<u>2002</u>
Special Revenue	<u>\$55,797.01</u>	<u>\$43,185.78</u>

SUPPLEMENTAL INFORMATION

WEST VIRGINIA UNIVERSITY INSTITUTE OF TECHNOLOGY

HOUSING AND DINING ACCOUNT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS

AND CHANGE IN CASH BALANCE

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>2003</u>	<u>2002</u>
<u>Housing and Dining Account</u>		
Cash Receipts:		
Room and Board	\$1,902,097.53	\$1,919,473.48
Less: Refunds	<u>3,960.00</u>	<u>5,000.00</u>
	1,898,137.53	1,914,473.48
Tuition and Fees	17,470.77	0.00
Investment Earnings	<u>18,295.11</u>	<u>28,335.91</u>
	1,933,903.41	1,942,809.39
 Disbursements:		
Personal Services	448,708.39	444,608.47
Employee Benefits	152,997.48	7,982.39
Current Expenses	1,365,714.62	1,198,185.53
Repairs and Alterations	40,741.27	59,924.30
Assets	4,744.00	3,050.00
Other Disbursements	<u>21,103.45</u>	<u>125,193.97</u>
	<u>2,034,009.21</u>	<u>1,838,944.66</u>
 Cash Receipts (Under)/Over Disbursements	(100,105.80)	103,864.73
 Beginning Balance	<u>485,313.16</u>	<u>381,448.43</u>
 Ending Balance	<u>\$ 385,207.36</u>	<u>\$ 485,313.16</u>

WEST VIRGINIA UNIVERSITY INSTITUTE OF TECHNOLOGY

HOUSING AND DINING ACCOUNT

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

LOCAL ACCOUNTS

	<u>Year Ended June 30,</u>	
	<u>2003</u>	<u>2002</u>
<u>Refund Account</u>		
Beginning Balance	\$ 41,000.00	\$ 0.00
Cash Receipts	<u>246,052.96</u>	<u>246,256.51</u>
TOTAL CASH TO ACCOUNT FOR	<u>\$287,052.96</u>	<u>\$246,256.51</u>
Cash Disbursements	\$247,586.10	\$205,256.51
Ending Balance	<u>39,466.88</u>	<u>41,000.00</u>
TOTAL CASH ACCOUNTED FOR	<u>\$287,052.98</u>	<u>\$246,256.51</u>

WEST VIRGINIA UNIVERSITY INSTITUTE OF TECHNOLOGY

HOUSING AND DINING ACCOUNT

JUNE 30, 2003

Refund Account

Balance per Bank \$42,749.01

Less: Outstanding Checks

Check No.	6941	100.00
	7054	1,507.00
	7123	10.00
	7274	100.00
	7312	211.32
	7365	25.00
	7387	30.00
	7610	30.00
	7643	248.16
	7696	15.23
	7778	82.27
	8035	4.00
	8043	334.00
	8132	78.92
	8216	129.67
	8297	10.00
	8328	10.73
	8373	18.15
	8391	7.68
	8393	<u>330.00</u>
		<u>3,282.13</u>

Balance per Book \$39,466.88

STATE OF WEST VIRGINIA

OFFICE OF THE LEGISLATIVE AUDITOR, TO WIT:

I, Thedford L. Shanklin, CPA, 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 West Virginia Code, Chapter 4, Article 2, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 17th day of May, 2004.


Thedford L. Shanklin, CPA, 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 West Virginia University Institute of Technology; Higher Education Policy Commission; Governor; Attorney General; State Auditor; and, Director of Finance Division, Department of Administration.