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STATE COMPTROLLER



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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

August 4, 2000

Dr. Matthew Goldstein  
Chancellor  
City University of New York  
535 East 80<sup>th</sup> Street  
New York, NY 10021

Dr. Evangelos Gizis  
Acting President  
Hunter College  
695 Park Avenue  
New York, NY 10021

Re: Report 2000-F-4

Dear Dr. Goldstein and Dr. Gizis:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have reviewed the actions taken by officials of Hunter College of The City University of New York, as of July 20, 2000, to implement the recommendations contained in our audit report: *City University of New York Hunter College, Selected Financial Management Practices (Report 97-S-32)*. Our report, which was issued December 11, 1998, examined whether Hunter College maximized tuition revenues and dormitory rent collection and had the necessary controls in place to ensure proper safeguards over equipment.

**Background**

The City University of New York (CUNY) is the largest urban university system in the United States, with 21 campuses in the 5 boroughs, including 10 senior colleges. Hunter College, which began operations in 1870, is the second oldest college in the CUNY system. It enrolls more than 18,000 students each year, including full-time and part-time students and graduate students, and employs 1,200 full-time and part-time faculty.

Hunter College offers instruction at five separate locations in Manhattan. Besides the main school located at 68<sup>th</sup> Street and Lexington Avenue, it operates the Brookdale Campus School of

Nursing at 25<sup>th</sup> Street and 1<sup>st</sup> Avenue, the Social Work Campus at 79<sup>th</sup> Street and Lexington Avenue, the MFA Art Studio Building at 41<sup>st</sup> Street and 9<sup>th</sup> Avenue, and the Campus School (junior high and high school) at 94<sup>th</sup> Street and Park Avenue. It also operates residences, located at the Brookdale Campus, for a limited number of students.

### **Summary Conclusions**

Our prior audit found that Hunter College needed to strengthen controls over tuition revenues and dormitory rent collections. We found students had been registering for classes without having satisfied past-due tuition obligations, and have been residing in the dormitory without paying past and present rents. We also found that controls over Hunter's equipment inventory needed improvement. Equipment was not being tagged upon receipt and lost or missing items were not being reported as required.

For our follow-up review, we relied on the audit work performed by CUNY's Office of Internal Audit and Management Services. The Office of Internal Audit and Management Services (Internal Audit) had agreed to follow-up on our report as part of their annual audit plan. We reviewed Internal Audit's work papers from their follow-up review and discussed with Internal Audit officials the work they performed in conducting their follow-up review. We generally agreed with the results of Internal Audit's follow-up review and we concluded that Hunter College has made progress to address the control weaknesses identified in our prior report. The College has strengthened controls over tuition revenues and dormitory rent collections and has made progress in tagging equipment and identifying and disposing of obsolete equipment. College officials do not, however, agree that lost or missing items valued at more than \$250 have to be reported to the State Comptroller.

### **Summary of Status of Prior Recommendations**

Based on our review of Internal Audit's follow-up efforts to our prior audit, we conclude that of our 20 recommendations, Hunter College officials have implemented 11 recommendations, partially implemented 5 recommendations, and have not implemented 2 recommendations. Two recommendations were determined to be not applicable.

### **Follow-up Observations**

#### **Recommendation 1**

*Comply with CUNY guidelines and do not allow students to register if they have outstanding tuition receivables from prior semesters.*

Status - Partially Implemented

Agency Action - Hunter College has taken steps to strengthen the administration of the tuition collection process and to comply with CUNY guidelines. The College initiated cancellation

policy whereby students with outstanding tuition balances were subject to cancellation by the Bursar. However, despite these steps, Internal Audit found that three students from a sample of 50, were allowed to register without settling their prior semester's tuition liability.

### **Recommendation 2**

*Establish payment-due dates and charge students the appropriate late-payment fees when they do not pay on time.*

Status - Partially Implemented

Agency Action - The College implemented a cancellation policy for the Fall 1999 semester whereby a student's registration was subject to cancellation if tuition and fees were not paid by the due date indicated on the student's bill. Beginning with the Spring 2000 semester, cancellation dates were included with the published cancellation policy promulgated in the College's Schedule of Classes and on the College's website. Late payment fees of \$15 were charged on outstanding tuition and fees greater than \$100 for the Spring 2000 semester. The College did not however, implement a formal date for the purpose of charging a late payment fee.

### **Recommendation 3**

*Improve the accuracy and reliability of SIMS by revising in a timely manner the changes in the responsibility for the financial obligations, so it will identify those students who are directly responsible for paying their own tuition.*

Status - Implemented

Agency Action - Changes have been made to provide for more frequent updates of student financial aid data. SIMS is now updated daily during registration and at least once a week after registration. As a result, the accuracy and reliability of SIMS has been improved.

### **Recommendation 4**

*Verify that adequate supporting documentation is available before recording on SIMS that certain tuition payments are due from TAP or the Federal Direct Loan Program.*

Status - Implemented

Agency Action - The College has taken steps to assure that adequate documentation exists before payments from TAP or from the Federal Direct Loan Program are recorded.

**Recommendation 5**

*Ask CUNY to prepare a written procedures manual for the processing of financial aid information on SIMS.*

Status - Implemented

Agency Action - CUNY acknowledges that this request was made by the College. CUNY's SIMS technical group does not plan to prepare a manual at this time, but will support College efforts to develop procedures for interfacing with SIMS.

**Recommendation 6**

*Require students to file financial aid forms before the school year begins.*

Status - Implemented

Agency Action - The College catalog requires that "Applications for financial aid must be filed each year. Students should apply as soon as the new applications are available, which is usually in early spring." The work performed by Internal Audit found that the Financial Aid Office was requiring the forms to be filed.

**Recommendation 7**

*Ensure that the Financial Aid Office maintains a copy of all student loan applications.*

Status - Implemented

Agency Action - Copies of student loan applications are now being maintained by the Financial Aid Office.

**Recommendation 8**

*Restrict dormitory residency to students who comply with payment/matriculation rules. Determine what actions need to be taken if they fail to comply.*

Status - Partially Implemented

Agency Action - Administrative policy requires the Residence Hall not to accept a student in the Dormitory prior to payment or Financial Aid Certification. A sample of students residing in the dormitory in the Spring of 1999 found all complied with the College's payment/matriculation rules. There were, however, students from the Graduate School who were still residing in the dormitory. Although College officials stated that these students were conducting research projects at Hunter, the students were not registered as required by the College's published dormitory guidelines.

**Recommendation 9**

*Apply late-payment penalties where appropriate.*

Status - Implemented

Agency Action - Late-payment fees of \$15 were being charged by the College when accounts were not settled by an established due date.

**Recommendation 10**

*Adapt SIMS to include billing and payment information for dormitory rents.*

Status - Not Applicable

Agency Action - SIMS is not being used for this purpose. CUNY and the College have developed other ways to accomplish the intent of this recommendation.

**Recommendation 11**

*Place "M" stops on all the SIMS records of all students who owe dormitory rent.*

Status - Partially Implemented

Agency Action - The College agrees with this recommendation and has indicated that "M" stops were placed on student records as of the first day of classes. Internal Audit, however, found that this was not always being done. When this was brought to the College's attention, "M" stops were placed on any exceptions.

**Recommendation 12**

*Turn over accounts receivables to collection agents in a timely manner.*

Status - Implemented

Agency Action - Receivables are being turned over.

**Recommendation 13**

*Improve communication between dormitory staff and the Bursar's Office regarding dormitory occupancy and residents' billings and collections.*

Status - Implemented

Agency Action - Improved communication between dormitory staff and the Bursar's Office was noted during the course of the work performed by Internal Audit.

**Recommendation 14**

*Maximize the number of available rooms and apartments through timely maintenance and repair.*

Status - Partially Implemented

Agency Action - Physical observation of the dormitory by Internal Audit found that for the Fall 1999 semester a total of 19 rooms were being held vacant and 18 needed repairs. The College was in the process of maximizing the number of available rooms.

**Recommendation 15**

*Ensure that each dormitory resident signs a Residence Hall Agreement for each year he or she lives in the dormitory.*

Status - Implemented

Agency Action - Internal Audit found that the dormitory residents did have signed Residence Hall Agreements.

**Recommendation 16**

*Comply with appropriate SUNY/CUNY guidelines concerning equipment inventory procedures.*

Status - Not Implemented

Agency Action - The College did not conduct an annual physical inventory of fixed assets during fiscal year 1999 due to the implementation of the University's new INSITE system.

**Recommendation 17**

*Tag equipment items in a timely manner.*

Status - Implemented

Agency Action - A sample of equipment items found them all to be tagged.

**Recommendation 18**

*Improve communication regarding lost or stolen equipment items. Report to the State Comptroller all lost or missing items valued at more than \$250.*

Status - Not Implemented

Agency Action - There are still no written procedures indicating the responsibility of the Security Office in notifying the Property Manager about incidents of equipment theft. CUNY still maintains that lost or missing equipment is not subject to the reporting requirements of the State Comptroller.

**Recommendation 19**

*Identify obsolete equipment and dispose of it according to proper procedure.*

Status - Implemented

Agency Action - A policy memo has been issued by Hunter's Director of Office Services and Property Management informing the college community of the procedure for disposing of equipment.

**Recommendation 20**

*Evaluate the justifications for all purchases; follow up purchases to verify that the equipment was used for its intended purpose.*

Status - Not Applicable

Agency Action - The specific examples cited in our audit report of unused equipment have been addressed. Equipment purchases are reviewed by the Department Head level to determine if they are needed.

Major contributor to this report was William Nealon.

We would appreciate your response to this report within 30 days, indicating any actions planned or taken to address any unresolved matters discussed in this report. We also thank the management and staff of the University for the courtesies and cooperation extended to us during this review.

Very truly yours,

Jerry Barber  
Audit Director

cc: Charles Conaway