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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

September 25, 2003

Dr. Matthew Goldstein
Chancellor
City University of New York
555 East 80th Street
New York, New York 10021

Edward V. Regan
President
Bernard M. Baruch College
One Bernard Baruch Way
New York, New York 10010

Re: Tuition and Fee Accounts Receivables
Report 2002-S-47

Dear Chancellor Goldstein and President Regan:

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 audited selected financial management practices related to the collection of tuition and fee accounts receivable at Bernard M. Baruch College of the City University of New York. Our audit covered the period January 1, 2000 through March 31, 2003.

A. Background

The City University of New York's (CUNY) Bernard M. Baruch College (College), located in Manhattan, is one of 11 senior colleges in the CUNY system. The College enrolled about 15,800 students for the 2001-02 school year. Each CUNY college uses CUNY's Student Information Management System (SIMS), which contains information about student registration, billing and payments. The College Bursar, who is responsible for collecting tuition and fee revenues, uses SIMS to generate bills for tuition and fees. The Bursar reports that about 40,000 such bills are sent out each semester, with most students receiving four or five bills.

According to the CUNY Tuition and Fee Manual (Manual), students must satisfy all their tuition and fee obligations before the first day of classes in a current term to be allowed to register for classes in that term. The Manual states that students who are delinquent and/or in default in any of their financial accounts with the College are not permitted to register unless the College President (or designee) waives this requirement in writing in exceptional hardship cases, consistent with

Federal and State regulations. According to College officials, a Bursar's stop is placed on students' SIMS records when they have not paid outstanding tuition and fees. The Bursar's stop prevents such students from reregistering and cancels course selections they have already made. Students can pay tuition and fees due by cash, check or credit card, approved financial aid, hardship or veteran deferrals, waivers, scholarships, accepted third party receivables, or any combination of the above. It is also College policy to write off accounts receivable balances that are over one year old and to simultaneously refer these accounts to a collection agency.

According to SIMS data as of January 31, 2003, the College's accounts receivable for tuition and fees totaled about $8.1 million. Of this amount, about $4.9 million related to semesters during our audit scope period (summer 2000 through fall 2002), and about $3.2 million related to semesters prior to our scope period. For the fiscal year ended June 30, 2002, the College wrote off $414,638 in receivables from its accounting records because College officials considered these debts uncollectible. The College Bursar referred most of these written off receivables to an agency to pursue collection.

The College's Zicklin School of Business (School) administers several Executive Programs, one of which was created specifically for Morgan Stanley Dean Witter (Morgan Stanley) employees who want to pursue an MBA at the College. The College also operates an Honors Program, which provides students recruited directly from high school with full College tuition scholarships, and College Now, a collaborative effort with CUNY that allows qualified high school students to enroll in courses that earn college credit.

In 2001, CUNY's Office of Internal Audit and Management Services (CUNY Internal Audit) issued a report of its review of the College's compliance with CUNY policy prohibiting students with outstanding receivable balances from prior semesters to register without first making appropriate payment arrangements. The report recommended, among other things, that student requests for hardship deferrals should be approved by a College official with oversight responsibility of the Bursar's Office and not by a staff member in the Bursar's Office. College officials responded that a group of staff members of the College's Controller's Office, independent of the Bursar's Office, approve all student installment plans. The officials further noted that the College Controller supervises this group, and in only rare cases does the Bursar approve a tuition deferment.

B. Audit Scope, Objectives and Methodology

We audited selected financial management practices concerning the collection of tuition and fee accounts receivable at the College for the period of January 1, 2000, through March 31, 2003. The objectives of our financial audit were to determine whether the College is complying with CUNY policy that prohibits students from registering for classes if they owe tuition and fees, and whether the College refers outstanding accounts to collection agencies by the end of the following academic year, in accordance with the College's policy. To accomplish these objectives, we reviewed the CUNY Tuition and Fee Manual and the College's tuition and fee policies and procedures. We also interviewed employees in the College Bursar Registrar Financial Aid and Executive Program offices and CUNY Internal Audit. We tested selected controls and transactions and reviewed data from SIMS and student files.

We conducted our audit in accordance with generally accepted government auditing standards. Such standards require that we plan and perform our audit to adequately assess those operations of the College that are included in our audit scope. These standards also require that we understand the College's internal control structure and its compliance with those laws, rules and regulations that are relevant to the College's operations included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operating records; and applying such other auditing procedures as we consider necessary in the circumstances. An audit also includes assessing the estimates, judgments and decisions made by management. We believe that our audit provides a reasonable basis for our findings, conclusions and recommendations.

We use a risk-based approach when selecting activities to be audited. This approach focuses our audit efforts on those operations that have been identified through a preliminary survey as having the greatest probability for needing improvement. Consequently, by design, finite audit resources are used to identify where and how improvements can be made. Thus, little audit effort is devoted to reviewing operations that may already be relatively efficient or effective. As a result, our audit reports are prepared on an "exception basis." This report, therefore, highlights those areas needing improvement and does not address activities that may be functioning properly.

C. Internal Control and Compliance Summary

Our consideration of the College's internal control structure identified weaknesses in the collection of accounts receivable. These weaknesses are explained in the sections of this report entitled Collection of Tuition and Fee Accounts Receivable and Accounts Receivable Write-off and Referral to Collection Agents.

D. Results of Audit

Our analysis of a sample of College accounts receivable showed the College does not always enforce CUNY Manual guidelines that require students to pay prior tuition and fee obligations before they register for additional course work. We found that, for a sample of students who owed debts from prior semesters, the College either did not impose Bursar stops to prevent such students from registering, or lifted the stops to allow registration to proceed without proper authorization or documentation. We also found that the managers of College-administered Executive Programs collected Program-related tuition that should have been paid to the Bursar. Thus, the College improperly wrote off almost $149,000 in tuition that should be either collected from Program students or recouped from the Executive Programs. The College also wrote off certain tuition and fee receivables from Honors Program students, even though CUNY has committed to pay these costs. In addition, the College does not strictly follow CUNY policy for timely referring debts for collection. We found the College had about $337,000 in outstanding tuition debt that was referred for collection late, or was not referred at all.

E. Collection of Tuition and Fee Accounts Receivable

The Manual requires that students be prevented from registering for courses if they owe tuition and fees. However, we found the College does allow students who owe tuition debts to register for new classes, even when the students have debts outstanding from several semesters. Although the

College needs flexibility to allow exemptions from this requirement, it must also control how exemptions are used, and who is authorized to give them, to minimize the risk for loss of revenue to the College. The College must also ensure the Bursar collects all tuition due, and bills the parties responsible for paying tuition costs, to avoid unnecessary write-offs of receivables.

Bursar Stops

To assess the College's compliance with Manual requirements, we analyzed SIMS accounts receivable information for the period comprising the summer 2000 through the fall 2002 semesters, and identified 810 students who owed tuition and fees for two or more semesters. From this group, we selected a judgmental sample of 20 students who, as of January 31, 2003, had tuition debts that were among the highest of the 810 students. Collectively, these 20 students owed a total of $92,377 in tuition and fees; their individual debts ranged from $2,366 to $12,710. (This sample excluded students in the Honors and College Now programs, since we examined these programs separately.) Five of the 20 students subsequently satisfied their outstanding debts.

When we reviewed the SIMS records of the 20 sampled students, we found there was no Bursar's stop on the records of 10 students who owed a total of $39,195: 6 students were in the Executive Programs and 4 students were recorded on SIMS as receiving financial aid. According to the Bursar, stops were not used to prevent registration for the Executive Program students at the request of Program officials, who said the Program would assume responsibility for collecting these debts. The Bursar also noted that College policy is to forego stops when students report they are receiving financial aid, in the expectation their debts will eventually be satisfied. However, we found the College did not impose Bursar's stops on the records of the above four students, even after their expected financial aid did not materialize, and their tuition debts remained unpaid. The College had no documentation to show why they did not impose stops, or why they departed from Manual requirements.

The other ten students in our sample, whose total debt was $53,182, had Bursar's stops imposed on their SIMS records. However, the stops were subsequently lifted for seven of the ten students so the students could register for classes. One of the seven students was a foreign student who was allowed to register for three semesters (summer and fall 2002 and spring 2003) because the College believed the student's government would pay his tuition expenses, as it reportedly had done in the past. However, none of this student's $7,453 in expenses has been paid. In another case, a student who owed $3,441 for the spring 2002 semester was allowed to register for classes in the fall 2002 semester because, according to the Registrar, the student had committed to a payment plan. CUNY permits students to use payment plans in certain circumstances, but requires such students to sign written agreements indicating they will comply with plan provisions. However, the College had no written agreement with this student. Although we could find no record on SIMS, according to College officials, the remaining three students had Bursar's stops cleared from their SIMS records. However, College officials could not document why or exactly when the stops had been lifted. According to officials, SIMS design does not keep a complete record of transaction history for student accounts. Thus, these three students were allowed to register for classes despite there being no record on SIMS that the Bursar stops had been cleared.

We concluded that the College's inconsistent use of the Bursar's stop (both imposing and clearing the stop) diminishes the effectiveness of this control measure for enforcing payment of tuition debts and limiting students' ability to incur more debt when they still owe money for prior semesters. The Bursar told us the College honors requests to lift stops from a variety of people (the College Vice President, the Deans, the Financial Aid Director and students themselves). Further, College officials acknowledged that 17 employees, including 2 employees in the College Computing and Technology Center, have access to SIMS and can lift a Bursar's stop. However, six of the employees work in the Bursar's Office, and they should be the only ones authorized to lift a Bursor's stop. To help ensure the College collects outstanding tuition debts from students, and to limit the growth of new tuition debt that could be difficult to collect, the College should impose and lift Bursar's stops only when these actions are approved and documented by an authorized person.

The College should also document any instance in which it waives a student's tuition obligations due to exceptional hardship. CUNY policy allows students who owe past tuition debt to register for classes (and thus avoid a Bursar's stop) when the College President (or a designee) has waived the obligation in writing. However, none of the 20 students had waivers. In fact, College officials had a documented explanation for just 1 of the 20 students who were allowed to register for classes, despite their outstanding debts. We also found that the College has no written guidelines to define exceptional hardship, and that no one is officially designated to issue waivers. The College should develop guidance and protocols for using waivers, and require documentation for any exception to Manual requirements, both to ensure compliance with CUNY requirements and to provide evidence that exceptions are properly approved and processed.

During our audit, College officials informed us they expect that the problems created by SIMS transaction record keeping deficiencies will be corrected with the implementation of a new system that CUNY is in the process of purchasing. The officials indicated that the new system will integrate all student information, human resources and financial records into a comprehensive system, and will keep a complete record of transaction history. Thus, the officials anticipate that the problems encountered during this audit will be resolved when the new system is fully operational.

Morgan Stanley Executive Program

A September 1999 agreement between the School and Morgan Stanley created an on-site MBA program. According to the agreement, Morgan Stanley pays the College an administrative fee of $25,000 for each group of students that attends the program, but students pay their own tuition. Three of the 20 students in our sample were enrolled in the Morgan Stanley Executive Program. When we examined the operations of the Executive Program, we found that significant communication lapses between the Bursar and the School, as well as generally lax record keeping practices by the School, resulted in the College's writing off $148,928 in receivables that should have been collected from Morgan Stanley students for the spring 2000 through the fall 2001 semesters.

According to the Manual, all tuition receipts should be deposited in the College's tuition account, which is maintained by the Bursar. However, we found that the School did not send the Bursar all the Executive Program fees it collected from Morgan Stanley students. According to the Bursar's records the 47 students enrolled in the Morgan Stanley program owed a total of $184,346 in

tuition and fees for the above four semesters. According to Executive Program financial records as of February 10, 2003, these 47 students had collectively paid $125,278 of this tuition liability. Executive Program bank accounts show that only $28,000 remains of the total amount collected. According to information provided by Executive Program staff, the balance of the funds collected was spent on Morgan Stanley program expenses. The School's Associate Dean said he believed it was appropriate to keep – and apparently spend – the funds in the Executive Program account since this was a CUNY-approved program.

The Bursar reports that, in December 2001, Executive Program officials sent him $50,000, the total amount of Morgan Stanley's administrative fee payments for two years. According to the Bursar, he did not know which student accounts he should credit with this money, so he applied $35,418 equally among all the students' accounts to satisfy all their fall 2001 tuition liabilities. He reports that he reserved the remaining $14,582 (without credits to any specific student) because he was not told which students had actually made tuition payments.

The Bursar also told us he was informed that Morgan Stanley was supposed to pay students' tuition, although the agreement clearly indicates the students must pay their own tuition. When the tuition was not paid, the Bursar said he was told that the company had reneged on its promise to pay. Since SIMS shows a $148,928 tuition liability for these students, the Bursar wrote off the entire amount as uncollectible. These amounts should have been turned over to the College's collection agency to pursue collection efforts.

Before collection efforts begin, however, the Bursar will first have to coordinate bookkeeping records with the Executive Program to determine how many individual students have paid, and how much they still owe. Coordination will require addressing billing inconsistencies. SIMS records tuition liability as $555 per course, but the Executive Program bills Morgan Stanley students $750 per course. Properly accounting for tuition receipts will require maintaining reliable student account records. The School's Dean said the Executive Program does not currently maintain summary records of the amounts Morgan Stanley students were billed, the amounts they paid and the amounts due. Instead, the Executive Program maintains only students' individual accounts, which vary significantly from SIMS records. For example, the SIMS records for the 3 Morgan Stanley students in our sample show they were billed a total of $17,855, but paid only $2,843. However, according to Executive Program account records, these 3 students paid almost the entire amount due. Most of their payments do not appear on SIMS because these monies were not forwarded to the Bursar's office.

During our audit, College officials advised us that they have identified the specific administrative problems related to our findings about the Morgan Stanley program, and are taking corrective steps to ensure they do not recur.

Executive MBA Program

The School's Executive Program also provides a two-year Executive MBA Program and a one-year Master's in Finance (MSF) program. At the time of our audit, the tuition and fee costs for the MBA and MSF programs were $54,000 and $25,000, respectively. Executive Program records show

that 37 students enrolled in both these programs for the period, fall 2000 through spring 2002, owed a total of $172,771 ($25,691 for tuition and $147,080 for program fees).

According to the Administrative Director of the Executive Programs, Executive Program students are responsible for paying their tuition costs, and sign a contract that shows a payment schedule and the amount due. Tuition payments received should be deposited in the College's bank account maintained by the Bursar. However, Executive Program officials told us they sent the Bursar only a portion of the tuition and fees paid by Executive MBA and MSF students for the period, fall 2000 through spring 2002. As with the Morgan Stanley program, Executive Program officials remitted most of the tuition paid to the Bursar but kept the remaining tuition and fees in the Executive Program account. Once again, the Bursar believed other parties – in this case, the students' employers – were responsible for paying tuition, but had failed to do so.

There are also similar discrepancies between SIMS records and Executive Program records regarding the amounts Executive MBA and MSF students were billed and the amounts they paid for courses taken during this period. For example, Executive Program accounting records show that the 3 Executive MBA and MSF students in our sample were billed $58,000 for tuition and program fees but had paid only $12,409. However, according to SIMS, these students were billed $17,954 for tuition and fees for the same period. Executive Program officials turned over only $6,618 of the $12,409 they collected to the Bursar, so SIMS shows these students owe $11,336 in past due tuition. Executive Program officials allowed these three students, who had all signed contracts to pay their tuition and fees, to defer paying their debts. These students also owed another $34,225 in program fees, according to Executive Program records. It is essential that the College establish adequate control over its accounting for student tuition and fee revenues, both to ensure the accuracy of student payment records and to minimize the write-off of College accounts receivable. To do this, the College should: ensure the Bursar collects all tuition revenue due; collect tuition and fees paid to the Executive Program; adjust student records on SIMS to determine what is still outstanding; and pursue efforts to collect overdue debts from students.

Honors and College Now Programs

The College has an Honors Program where students are recruited directly from high school and given full-tuition scholarships, as well as other benefits. According to the Manual, Honors Program students are exempt from paying tuition and fees, with these costs funded through eligible TAP awards and other scholarships or through CUNY– funded waivers. Officials at CUNY Central Administration informed us that CUNY would pay the tuition and fee costs of Honors Program students, as stated in the Manual.

The College also participates in College Now, a program sponsored jointly by CUNY and the New York City Department of Education, which allows qualified high school students to take courses for college credit. The Manual states that College Now costs (fees and tuition) are waived for qualified students. However, while some CUNY institutions are reimbursed for these waivers by State and City funds, such waivers are unfunded for senior colleges. CUNY officials confirmed that waivers for College Now tuition and fees would not be reimbursed.

The College Bursar told us that he has written off amounts due for students in both the Honors and College Now programs because he believed CUNY would not pay for any of these costs. The Bursar told us most of the $166,915 he wrote off (but did not yet refer for collection) during our audit period related to the Honors and College Now programs, and that another $453,918 was due from Honors Program students for semesters in our audit period, but was not yet written off. The Bursar should apply to CUNY for reimbursement of Honors Program tuition costs, but write off, and pursue collection of, the costs associated with College Now students.

F. Accounts Receivable Write-off and Referral to Collection Agents

CUNY policy is to write off accounts receivable balances that are over one year old, and to simultaneously refer these accounts to a collection agency. However, we found the College does not always comply with this policy. According to information on the CUNY Financial Accounting System, the College wrote off $408,065 in 2001 and $414,638 in 2002. However, when we examined these write-offs, we determined that $42,782 of the amount written off in 2001 related to semesters prior to summer 1999, and should have been written off earlier; further, $7,250 of the amount written off in 2002 pertained to semesters prior to 2000, and should have been written off in a prior year. From SIMS data provided by the Bursar's Office, we also identified another $287,442 in accounts receivable from semesters prior to summer 2000 (some dating back to 1988) that had not been written off as of January 31, 2003. If old receivables are not written off timely, there is a significant risk the College's accounts receivable will be overstated. College officials told us their noncompliance with the above CUNY policy is caused by certain problems they experienced with SIMS.

In October and November 2001, the College referred for collection $283,307 due for semesters from as early as fall 1993 through summer 2000. Another $350,033 due for the 2000-01 school year was referred for collection in October 2002, with the result that some collections were not initiated until balances were almost two years old. The Bursar explained that these old accounts were not sent for collection earlier because SIMS did not show that the accounts had a balance due. This was caused by a problem with SIMS that has since been corrected. The Bursar said these accounts will be referred for collection this year if the outstanding balance is correct.

The College writes off and refers all the previous fiscal year's receivables at one time. For example, open receivables from summer 2000, fall 2000 and spring 2001 would be written off and referred for collection after the end of the spring 2002 semester. Thus, some of these receivables are almost two years old when they are sent for collection. College officials said they prefer to do referrals once a year because this is in compliance with CUNY policy and the referral process is time-consuming. They stated that identifying what accounts should be referred for collection requies a manual review of all potential accounts. This review takes significant staff resources that is best performed only once each year. However, we believe that the College should pursue SIMS system modifications or other means of making more regular referrals feasible. In our opinion, the sooner collection efforts are initiated, the more successful they are likely to be.

The College must also establish written procedures that identify who should authorize write-offs and which accounts should be written off, but not referred for collection. Executive Program officials told us they pursue collection of outstanding accounts receivables from their students, and

do not turn over any past due accounts to College collection agents. Because Executive Program officials have indicated they will pursue collection themselves, the College Bursar does not refer these past due accounts for agency collection. To ensure past due accounts are properly referred for agency collection when they are a year or more overdue, the College should authorize the Bursar to refer all past due College accounts for agency collection.

Recommendations

1. *Prepare written procedures designating the appropriate College official who will approve deviations from CUNY policy and allow students with outstanding debt to register for subsequent semesters.*

2. *To ensure Bursar's stops work effectively: impose stops on the SIMS records of students with outstanding balances as soon as the liability is identified; maintain adequate documentation to justify clearing a stop; and ensure a record is kept of all stop clearances.*

3. *Formalize all tuition deferral agreements in writing.*

4. *Require all students including those in the Executive Programs to remit tuition and fees directly to the Bursar's Office.*

5. *Require Executive Program officials to remit to the College the tuition and fees they collected from Morgan Stanley (as well as Executive MBA and MSF) students. Adjust these students' records to determine what tuition is still outstanding, and collect that amount from students.*

6. *Write off accounts receivable due for students in the College Now program, but do not write off tuition receivables from students in the Honors Program. Instead, apply to CUNY Administration for funding or credit.*

7. *Establish formal written procedures for the collection and write-off of tuition and fees. Ensure all past due student accounts are referred to collection agents. When feasible, refer accounts to collection more often then once per year.*

8. *Write off past due tuition and fees in accordance with the time frames stated in CUNY's and the College's stated policy.*

We provided College and CUNY officials with a draft copy of this report for their review and comment. Their comments have been considered in the preparation of this report and are included as Appendix A. In response to our draft audit report, College officials agreed to implement our recommendations and have indicated substantial actions are already underway. College officials responded that they had formal written policies on the collection and write-offs of tuition and fees. Our audit report noted the need for written procedures to also identify who should authorize write-offs and which accounts should be written off and not referred for collections.

Within 90 days of the final release of this report, as required by Section 170 of the Executive Law, the Chancellor of the City University of New York shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where the recommendations were not implemented, the reasons therefor.

Major contributors to this report were Steve Sossei, Bill Nealon, Michael Solomon, Karen Bogucki, Keith Murphy, Joseph Giaimo, Bebe Hussain Belkin, Huanan Zhang, Nerissa Theobald and Nancy Varley.

We wish to thank the management and staff of Bernard Baruch College for the courtesies and cooperation extended to our auditors during this audit.

Very truly yours,

Steve E. Sossei, CPA
Audit Director

cc: Louis Chiacchere, CUNY
Deirdre Taylor, DOB

The City University of New York

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August 6, 2003

Mr. Steven E. Sossei
Audit Director
Office of the State Comptroller
110 State Street
Albany, NY 12236

Dear Mr. Sossei:

I write in response to your request for comments regarding the State draft audit report of tuition and fee collection practices at Baruch College (2002-S-47). The attached response was provided by the College's Vice President for Administration and Finance. The response addresses the specific audit recommendations.

The draft report noted that my Office previously conducted an audit of the College's compliance with the University's delinquent student policy relating to students with outstanding receivable balances. In selecting audits for inclusion in our annual audit plan, we use a risk-based analysis of business processes and provide audit coverage of areas of interest to University leadership. This particular audit was selected for the inherent vulnerability of the tuition revenue collection function. We work collaboratively with the colleges to address issues raised during audits and to assist the colleges in implementing recommendations for corrective action where applicable.

The colleges are cognizant of their responsibilities for determining proper actions in response to audits. The attached response reflects the College's prompt, responsive action on all findings and recommendations.

Thank you for the opportunity to response to this draft report. If you have any questions, please call me at (212) 997-5820.

Sincerely,

Louis Chiacchere

c: Chancellor Matthew Goldstein
President Edward Regan
Senior Vice Chancellor Allan Dobrin
Vice Chancellor Ernesto Malave
Vice President Robert Specter
Mary Finnen
Michael DiMarco

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Appendix A

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OFFICE OF THE VICE PRESIDENT
FOR ADMINISTRATION AND FINANCE

August 6, 2003

Mr. Steven E. Sossei, CPA
Audit Director
Office of the State Comptroller
110 State Street
Albany, New York 12236

Re: Tuition and Fee Accounts Receivables Report 2002-S-47

Dear Mr. Sossei:

On behalf of Baruch College, I am responding to the Tuition and Fee Accounts Receivables Report 2002-S-47 dated July 8, 2003. Below are our comments on the recommendations contained in the report.

1. We agree with the recommendation and plan to have procedures in writing, designating the appropriate College official(s), who will approve deviations from the CUNY policy regarding students with outstanding debt. We plan to have this implemented for the Spring 2004 semester.

2. We agree with the recommendation. We use SIMS to identify students that should have a stop placed on their records and to track the addition and removal of stops. We will insure that documentation to justify clearing a stop is kept on file. We understand that there is a problem with SIMS tracking of Bursar stops and we are working with CUNY Central to rectify this problem.

3. The College will formalize its tuition deferment policy to include the designation of a College official(s) to grant deferments. As part of this policy all tuition deferral agreements will be in writing.

4. I have formed a Task Force on Cash Management at Baruch College and I anticipate its work to conclude this autumn. The report will include a recommendation about this issue that will inform our decisions.

5. We agree with the recommendation. The College is in the process performing an in depth analysis of the program accounts. Following its completion, the Zicklin School of Business will be required to remit to the College any outstanding tuition and fees due, possibly over more than one year to mitigate the budgetary impact on the School. Baruch College and Zicklin School administrations will collaborate to determine the efficacy of recovering outstanding tuition due from the Morgan Stanley Program students.

6. We agree with the recommendation of writing off receivables for the students in the College Now program. We will not write off receivables in the Honors Program unless we learn from CUNY Central Administration that we should not expect payment. Should that occur, we would write off the receivable.

7. The University has formal written policies on the collection and write-off of tuition and fees. Baruch College will continue to comply with these procedures and when feasible we will refer accounts to collection more often then once per year.

8. See response to recommendation number seven.

If you need additional information, please feel free to contact me.

Sincerely,

Robert M. Specter
Vice President for Administration and Finance

C: President Regan
Karen Bogucki, Office of the State Comptroller
Louis Chiacchere
Mary Finnen
Michael DiMarco