

LARAMIE COUNTY COMMUNITY COLLEGE

AGREED-UPON PROCEDURES REPORT

NOVEMBER 3, 2010



McGee, Hearne & Paiz, LLP

Certified Public Accountants and Consultants

314 West 18th Street, Cheyenne, Wyoming 82001-4404

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Trustees
Laramie County Community College
Cheyenne, Wyoming

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees (the "Board") and management of Laramie County Community College (the "College"), solely to assist you by providing the Board and management with information related to credit card use at the College. The College is responsible for the use of its credit cards and the internal controls associated with them. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board and management of the College. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the associated findings are as follows:

1. Obtain a copy of the College's procedures related to credit card use, controls and payment processing.
2. After reading these procedures, identify suggestions for improvement to include in the final report.

Findings:

Regarding the Credit Card Use/Procedures form signed by employees (see Attachment B), we have the following suggestions:

- Section 2.B. 1) - addresses College President and Board travel, but not meals. We noted meals purchased in town by the President with several of these meals including trustees. The President's contract indicates the he has a public relations allowance for college-related public relations which would seem to include in-town meals as part of this responsibility.
- Section 2.B. 7) - indicates that credit cards are not to be used for federally funded programs. Although we did not see any evidence that credit cards were used for federally funded programs, some purchases or travel incurred as part of a federally funded program may require credit card use.
- Section 3. - indicates that credit card use is not intended to be a means of procurement or purchasing. However, with changes in the manner in which some goods such as software, mail order items, etc. are acquired in the current environment, this may not be feasible any more.

We recommend the Board and management consider these items and update the procedures as deemed appropriate. We have included the general College expense guideline document used by the accounting department as a guideline (see Attachment B).

Regarding the procedures for processing credit card receipts, we have the following observations:

- The procedures should also reflect that a check mark is made by each item listed on the print out of charges by the accounting person once that charge is matched to appropriate supporting documentation.
- These procedures do not include any steps related to approval of appropriateness of expenditures by the accounting person performing this process. In most cases, the accounting personnel will not know if a charge is for an appropriate item for that department, campus group or individual, which is why approval from a department head or officer is needed. However, there are certain charges the College determines are never appropriate such as purchases of alcohol, personal phone calls, entertainment, etc. The credit card use/procedures should include a listing of these items and the processing procedures should include a step for the accounting person to check for non-compliance with the credit card use/procedures and identify who the accounting person should communicate regarding any questionable charges.

3. Obtain monthly credit card statements for credit card activity occurring during the year ended June 30, 2010 for the following individuals:

- Wayne Miller
- Ken Bunya
- Karen Lange
- Darrel Hammon
- Lynn Stalnaker
- Harold Andrews
- Jason Ficca
- Lanae Koons
- Sarah Hannes

4. From these monthly credit card statements, arbitrarily select 25% of the transactions (approximately 210 out of 840 transactions). We selected 192 out of 705 transactions.

5. For each transaction, compare information on the credit card statement (amount and vendor) with supporting documentation (credit card receipt, invoice or printout). See attached exceptions in Attachment A.

6. Using the supporting documentation, compare documented purpose of the expenditure to the general ledger account used for the expenditure. Observations are included in Attachment A.

7. If the purpose is not clear from the documentation, contact the purchaser, obtain a verbal explanation of the purpose and include in the written report. Observations are included in Attachment A.

8. Quantify the dollar amount of late charges and over limit fees on all 20 credit cards for the credit card activity during the year ended June 30, 2010.

We accumulated the finance charges from the monthly statements which totaled \$1,088.69. We accumulated the late fees which totaled \$565.00. We accumulated the overdraft fees which totaled \$230.00. We discussed the procedure for accounting for these fees with accounting department personnel who indicated that these fees are charged to expense accounts related to the credit card charges that caused the associated fees to be assessed.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the credit card information. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Trustees and management of Laramie County Community College and is not intended to be and should not be used by anyone other than this specified party.

McGee, Hearn & Paiz, LLP

Cheyenne, Wyoming
November 3, 2010

ATTACHMENT A

CREDIT CARD CHARGES SUPPORT

Exceptions are as follows:

Ken Bunya

- For the purchase of a DC-1100 (12V) Vibrator Kit made in January, the support included a packing list indicating the item but not the price. Invoice was provided by the seller listing the item and price in October 2010.
- The actual charge for the January 27, 2010 charge for Payflow Pro was for \$59.95, but the general ledger charge was for \$70.24 which included \$10.29 for credit card finance fees.
- The invoice for a January 29, 2010 charge for a door handle on a College vehicle indicated that the amount should be reduced for \$2.12 of sales tax that the College should not pay but the charge including the sales tax was charged to the credit card.

Jason Ficca

- Two of the charges we looked at had credit card late charges of \$7.15 and \$4.40 added to the amount charged against the athletic budget.
- A charge to a restaurant in Indianapolis on April 2, 2010, for travel related to recruiting, NABC and a convention showed an amount of \$47.72 on the receipts with no tip indicated. The charge came through for \$55.00, a difference of 15.25%.

Darrel Hammon

- We could not locate an invoice to the Egg and I for \$40.04 on June 6, 2010. The executive secretary provided an email indicating that this was for lunch with Erin Kroskob (Wyoming Tribune-Eagle), Brenda Lyttle, and Lisa Murphy.
- We could not locate an invoice for \$24.89 from Citrus Thai in Seattle on April 16, 2010. The travel request form and other receipts from this time period indicate that this was during a trip to Seattle for MS ACC and other meetings.

Harold Andrews

- We could not find invoices but do have the approved travel request for two charges related to airfare to Chicago for \$338.33 each. The trip was for the Midwest Orchestra/band trip and was charged to an agency fund (Fund 60) for instrumental music.

Karen Lange

- We could not locate an invoice for an on-line subscription to The Chronicle charged on November 13, 2009 for \$260.00.

Wayne Miller

- We could not find invoices for a charge on November 13, 2009 for \$55.35 to the Four Roses Distillery or a charge on November 20, 2009 for \$24.00 to the Kentucky Gentlemen Cigar Company. Both charges were from the Block and Bridle Club account in agency funds (Fund 60).

Observations:

We noted several charges through our work for athletic recruiting, athletic team travel, Spirit Squad camp and athletic supplies which are charged to 9000 account series (expenses) for account 10-410-580102-9xxx (athletics), 10-410-580106-9xxx(women's soccer), and 10-410-580103-9xxx (basketball).

We noted many of the charges are for campus organizations that maintain funds with the College but such funds are not part of the College's operating budget. The Student Government can also allocate its budgeted funds from student fees for specific student-related programs. Our selections included Phi Theta Kappa, Across All Lines, Instrumental Music, Music Association, Forensics Team, Surgery Tech, Skills USA (VICA), Roteract, SADA Dental Hygiene, H.E.A.R.T. Club, Ranch Horse Show Team, Block and Bridle, ACC Student Services, and Across Culture. In our discussions with College personnel, we were informed that funds in these accounts come from an allocation of student fees, fundraising activities, collections from members of clubs, and sponsorships but no taxpayer funds. Each organization or program is accounted for separately in terms of its receipts or allocation of student fees and its expenditures. The revenues and expenditures of these entities are not considered as operations of the College, are not included in the College's revenues and expenses under generally accepted accounting principles, or under budgetary control of the College. The College acts as an agent in holding and disbursing funds for these groups while requiring compliance with College expense guidelines.

The purchase order for the Rockies tickets clearly indicates that these tickets were purchased by the Across Cultures Club and the Student Government and charged to their respective agency accounts.

For some of the charges, we could not readily determine the purpose so we inquired of College personnel. Their descriptions are in parenthesis. These items included:

- 13 - 4x6 magnets (Locker name tags) \$41.20.
- Sony 6pk Min (video tapes for taping basketball games) \$25.43.
- 43 of an item from Office Depot (43 copies of a scouting report) \$35.76.
- Kentucky Gentlemen Cigar Company (personal purchase mistakenly made with LCCC credit card. Will pay College back) \$24.00.
- Four Roses Distillery (purchases at gift shop at conclusion of Churchill Downs/Four Roses Distillery Tour that was part of national Block and Bridle convention) \$55.35.
- One of the charges we observed was for gas in Utah. It is identified on the travel request form that the trip would be made from Utah. The purpose of the trip was for a WCC meeting in Rock Springs.

We did not see any evidence of approval for the President's expenses. We were informed that the Vice President of Administration and Finance was given permission beginning June 2010 to approve the President's leave and travel requests.

Many of the credit card receipts provided by vendors, restaurants, and gas stations are printed on thermal paper which deteriorates and can become illegible. These receipts should be photocopied to preserve the information.

ATTACHMENT B

CREDIT CARD USE/PROCEDURES

LCCC EXPENSE GUIDELINES FOR LCCC FUNDS



LARAMIE COUNTY
COMMUNITY COLLEGE
Cheyenne • Laramie • Pine Bluffs
WYOMING

CREDIT CARD USE / PROCEDURES

1. INTRODUCTION

The college maintains credit cards primarily to be used for approved expenses as listed below. Credit cards may **only** be used for these purposes. It is understood that there may be circumstances that might require an exception, those exceptions **must** be agreed upon in advance with Accounting Services. **The use of these credit cards is a privilege, not a right.**

2. CREDIT CARD TYPES – PROCEDURAL USE

A. Gasoline Credit Cards

- 1) Gasoline credit cards are distributed by the secretary of Physical Plant at the time a vehicle is checked out for travel.
- 2) **Each** credit card transaction requires that a detailed receipt be obtained and submitted to the Physical Plant Administrative Assistant upon your return to campus. The individual trip ticket and all receipts must to be submitted collectively at this time.

B. Visa Credit Cards

- 1) The Visa credit cards are **limited** in use to the following:
 - Student group travel expenses (*accompanied by an advisor/coach*)
 - College recruiting trips – travel expenses
 - College President and Board of Trustees travel
 - Dean/ Division Directors expenses-interviewing applicants
- 2) Requests for changes to existing cards and/or additional cards should be made thru Accounting Services.
- 3) Lost or stolen cards **must** be reported immediately to Accounting Services.

- 4) Credit cards are secured in the Accounting Service's office safe when not checked out.
- 5) When credit cards are checked out/in the user's name and date are logged by Accounting Services personnel.
- 6) **Each** credit card transaction requires that a detailed receipt be obtained and submitted to the Accounting Services upon your return to campus. The individual Travel Expense Form and all receipts must to be submitted collectively within 48 hours upon return to campus (*exception: weekends*).
- 7) Credit cards are **not** to be used for federally funded programs.

3. **EXCEPTIONS & ABUSE**

- A. Any exceptions to the above procedures or use of credit cards must be reviewed and approved by Accounting Services.
- B. Credit card use by College employees is **not** intended to be a means of procurement or purchasing.

I hereby acknowledge receipt of this procedure.

Printed Name

Signature

Dated this _____ day of _____, 2008

LCCC Expense Guidelines for LCCC Funds

Travel:

1. All travel requires a pre-approved >Travel Request Form= available through your administrative assistant. This includes in town conferences or retreats.
2. Travel expenses are reimbursed based on actual receipts.
3. The following expenses are not allowed:
personal phone calls, alcohol, entertainment, gifts, travel expenses for spouses or other family members, or any other person not employed by the college nor traveling for the college.
4. Any one traveling who incurs non-covered expenses shall pay them when they occur or reimburse the college upon their return.

Meals in town:

1. The college does not pay for meals in town with the following exceptions: employees attending a (pre-approved) conference or convention, the president=s business lunches (with Board of Trustee members or other community leaders), employee recruitment, and entertaining out of town college guests. According to IRS rules, reimbursement of meals is compensation to the employee rather than an expense of the college unless the meal is connected to an activity that is >for the benefit of= the college or out of town travel. (Also required to be for the benefit of the college). President=s Staff reviewed this practice in 2002 and they directed us to continue holding to these standards.
2. If there is an instance which requires an exception, we do require information regarding the purpose of the lunch and the names of those in attendance; this is in accordance with standard accounting procedures. Please call us in advance to gain approval.

Bonuses & Gifts:

1. Bonuses are occasionally granted when specific criteria has been met. All bonuses must be reviewed and approved by Presidents=s Staff. Gift certificates (when given to employees) are considered a bonus and should be included on an employee=s W-2 or reported by 1099.
2. Gifts are not a budgeted expense, and under State of Wyoming statute 16-4-111 (c) are not allowed.

Flowers:

1. Flowers are sent by the college on certain occasions. These include death in the immediate family, serious illness, etc. All flower arrangements are sent by the human resources office and charged against the Board of Trustee=s budget. In the event a person would prefer not to receive flowers the funds or flowers can not be transferred to someone else.

All Purchases must follow LCCC purchasing procedures - contact the purchasing office for details.

(Some exceptions are allowed in Agency Fund. Contact the Director of Accounting Services if you have any questions)