



The Peninsula's Community College

Thomas Nelson Community College Local Board  
Budget and Finance Committee (Zoom Meeting)  
October 19, 2020

Member(s) Present: Mary Bunting

College Staff Present: Steven Carpenter, Vice President for Finance and Administration; Tim Crittenden, Business Office Manager; and Geraldine Mathey, Administrative Assistant

Mr. Carpenter opened the meeting at 5 p.m.

1. August 13, 2020, Minutes. Ms. Bunting will recommend the Local Board approve the minutes from the August 13th meeting.
2. Resolution: Accept Transfer of Peninsula Workforce Development Center from the City of Hampton to the State Board for Community Colleges. Mr. Carpenter stated that the Peninsula Workforce Development Center (PWDC) is currently owned by the City of Hampton's Economic Development Authority (EDA). The building will be turned over to the Commonwealth in June 2021. This Resolution is requesting the State Board to accept the building from Hampton's EDA. Ms. Bunting confirmed that the Local College Board will be recommending the State Board accept the building; Mr. Carpenter said that was correct. He also stated that the VCCS Facilities Office and attorneys, at the VCCS and Hampton, would be involved in the actual transfer. Ms. Bunting will recommend the Local Board to accept the Resolution and submit the request to the State Board accepting the transfer of the PWDC.
3. Local Funds Report:
  - a. Mr. Carpenter reported that an review had been requested by the College in November 2019; this report is the audit team's final report. He said the audit team had identified five distinct areas of concerns and three ancillary items, and asked Mr. Crittenden to go over the report. Mr. Carpenter also noted the Business Office has had a complete turnover this past year and he commended Mr. Crittenden for the outstanding job he has done in such a short time.
  - b. Mr. Crittenden confirmed that a review had been requested from the VCCS because of the disclosure of the loan between local and state funds. He also noted that a review is more narrow in scope than an audit, but that it still provides valuable information about the system of internal control. This report focused on several specific items.
    - 1) Document All Loans Between Local and State Funds. Mr. Crittenden reported that the review showed Thomas Nelson has adequate controls over local funds but also recommended that those controls be strengthened. He said a policy has been implemented and approved by the Local Board regarding loans between local and state funds.

2) Report Accurate Financial Information to the College's Local Board.

Mr. Crittenden reported this recommendation has been implemented. He reported there had been immaterial mathematical errors in transferring data to the spreadsheet; those have been identified and corrected. He also reported the College had not been balancing to the General Ledger Trial Balance, which resulted in an under-reporting of assets in the amount of \$89,000. He pointed out that the review did not find any fault with the College's financial information but rather with the compilation and presentation of that data.

3) Close the Petty Cash Account and Correctly Report on the General Ledger. Mr. Crittenden said this recommendation would be completed in two parts. He stated the Business Office is doing monthly cash reconciliations on all cash accounts and all such reconciliations are being reviewed by him, and signed off by him and Mr. Carpenter beginning with the September financials; this will be completed by the end of October. The second part involves finding the best process to capture and replenish the account currently being used to cover students' NSF checks. He said his office is currently investigating the best fund to cover those returned checks and then close the petty cash account. He expects to have these tasks completed by December 31st, as well as documenting the improvement in controls.

4) Ensure Expenditures Have Supporting Documentation and Approvals Before Payment. Mr. Crittenden said there were a couple of phases involved in this recommendation. He said he is in the process of reviewing internal processes to ensure that any voucher to be paid using local funds is properly reviewed and approved. He reviews all vouchers before they are posted to ensure they are entered in the correct General Ledger accounts, the correct vendor is identified, and the dollar amount is correct; he also does the same with journal entries that posted to both local and state funds. After the voucher is keyed into the system he does another review to ensure accuracy. He noted that a new process will be initiated for the College's intramural programs, which currently receive advances for such things as travel expenses and meals. He will draft a policy that will require a final accounting of the advances and that any unused funds are properly returned; he also plans to do a review of the prior three years of these funds but noted this review will not be an audit.

5) Develop Controls Over Bank Reconciliations. Mr. Crittenden said these controls are already in place and steps are in place to ensure the balance sheet accounts are accurate.

6) Additional Recommendations:

a) Create and Update Policies and Procedures for Local Funds.

Mr. Crittenden stated these policies and procedures are being reviewed and updated on a continual basis or new ones drafted as required.

b) Reviewing User Access to Multi-User Systems. Mr. Crittenden reported user access in Cardinal is being reviewed; he will complete this by October 22nd.

c) Revoking and Modifying User Access. Mr. Crittenden said review of access to the SunTrust accounts has been completed.

Mr. Crittenden said he would like to continue assessing Business Office procedures and processes but he is comfortable with where they are right now. Ms. Bunting agreed that the College has taken the necessary steps as recommended by the review report. Mr. Carpenter said the report would be shared at the Local Board meeting for informational purposes.

Mr. Crittenden said he would be available to answer any questions the Board may have. Ms. Bunting will recommend the Local Board to accept the VCCS Review Report for file purposes

4. Open Discussion.

a. Mr. Carpenter reported the Local Funds' third quarter statement is not being presented at this meeting but will be shared during the December meeting. He stated that because the third quarter just ended, the Business Office needs time to compile the financial data. He did note that the commissions and expenses would be lower than anticipated because the College is basically closed. He said Student Activities has been hosting online events for students. He said it may be necessary for this committee to recommend using some funds from the fund balance to cover any shortfalls but that he anticipates the College being able to recover those shortfalls in the future. He is confident the College is in good standing for 2022.

b. Mr. Carpenter asked if this committee should consider a different day or time for meetings. He said today's meeting had been rescheduled to allow Mitchel Schwartz an opportunity to participate as he had indicated he could not attend any meetings before 5 p.m. Ms. Bunting said she could not participate on Wednesdays as that day is reserved for city meetings. Mr. Carpenter suggesting keeping the meetings to the Thursday prior to the Local Board meeting but moving the time from 3 p.m. to 5 p.m.; Ms. Bunting agreed.

There being no further business, the meeting adjourned at 5:22 p.m.