

BOARD OF TRUSTEES
FINANCE & CAPITAL COMMITTEE MINUTES

Meeting of June 14, 2022

Finance & Capital Committee members 2021-2022:

John Durso, Chair

Wanda Jackson

Ronald Rosenberg

George Siberón

The meeting of the Finance Section of the Finance and Capital Committee of the Board of Trustees was called to order by Trustee Siberón via Zoom meeting at 5:00p.m.

Committee members present: Ronald Rosenberg
 George Siberón
 Wanda Jackson

Committee members absent: John Durso

Other Trustees in attendance: William Stris
 Donna Tuman (ad hoc)
 Kathy Weiss
 Aniruddh Patel, Student Trustee (ad hoc)

Also in attendance: Interim President Conzatti
 Interim VP Hahn, VP Kerrigan
 General Counsel Haugen
 AVP's Cappello, Follick, Friedman, Wright
 Abel Cantillo

AGENDA ITEMS

1. **Minutes** - Minutes of the May 10, 2022 meeting were approved. Motion was made by Trustee Rosenberg and seconded by Trustee Tuman. Motion carried.
2. **Pending College Procurement Agreements** – None
3. **Fiscal 2021 Audit Presentation** – presented by Clifton Larson Allen
 - CLA has completed the audit of the College's financial statements for the year ended August 31, 2021.
 - There were two corrected misstatements:
 - Approximately a \$2.1M adjustment to reduce grant revenue and receivables relating to COVID - 19 expenditures
 - Approximately a \$1.0M adjustment to reduce accumulated depreciation due to early capitalization of a CIP project.
 - Audit Results were presented and the following four findings discussed.
 - **Finding 001 – Financial Reporting**
Financial records for the year ended August 31, 2021 were not finalized until several months after fiscal year-end. Adjusting journal entries were needed to ensure completeness and accuracy of the financial statements. Recommendation that the College maintain a general ledger that is reconciled on a regular basis to the underlying accounting records and prior year audited financials. Also strengthen controls to ensure accurate and timely posting of the financial activity so that actions can be taken in a timely manner.

Trustee Rosenberg asked who at the College is responsible to see that the trial balances are done in a timely and accurate basis. Trustee Weiss responded that we did have a change over in our VP of Finance during the period that this was taking place, and there are fewer people working in that area. Interim President Conzatti indicated that we are searching for a VP of Finance & Administration.

Trustee Siberón wants to know what we are doing to ensure accuracy. Interim VP Hahn explained that we have corrective plans for all four of the audit findings.

○ **Finding 002 – Grant Management**

The College recorded approximately \$2.1M as a receivable, and revenue in anticipation of being reimbursed for expenditures that were incurred due to COVID-19 through FEMA. Since the College was not awarded the grant as of August 31, 2021, they should not have booked the revenue and corresponding receivable. The College corrected this entry. Recommendation that the College review applicable guidance and policy/procedures in place to ensure grant related activity is properly reflected in financial statements.

Interim VP Hahn explained that the \$2.1M were all legitimate COVID-19 expenses and that's why they were recorded as a receivable in revenue. We hadn't drawn them down from HEERF because we were planning to draw them down from FEMA and that's why they were recorded. Then we subsequently learned that FEMA hadn't been approved yet so we had to reverse that. Ultimately, we will get the funds from either HEERF or FEMA.

○ **Finding 003 – HEERF Reporting**

Failure to support or file the required reports timely may result in the loss of funding. The former employee who was responsible for the submission of the quarterly reports thought it needed to be uploaded within 30 days rather than 10 days. Recommendation that the College enhances its procedures, controls, and review polices around CARES Act and the CRRSAA reporting requirement. It was pointed out that 9 out of 10 schools had this finding. This is not an uncommon finding.

○ **Finding 004 – NSLDS**

The College's processes and controls did not ensure that student status changes were properly and timely reported to NSLDS. Recommendation that the College review its reporting procedures to ensure timely reporting to NSLDS as required by regulations. This is not an uncommon finding.

● **GASB Update 2022**

Both of the following updates should have little impact on the College:

- Statement 87 – Puts operating leases on the balance sheet as an asset.
- Statement 89 – Accounting for interest cost incurred before the end of a construction period.

Trustee Weiss asked that the College's corrective plans be presented.

● **Corrective Plan for Findings:**

- 001 – The Finance department lost several key staff members, and some processes were changed due to COVID-19. Interim President Conzatti stated that she discussed this with Interim VP Hahn and that they are searching the positions of VP of Finance and Administration and Comptroller.
- 002 – The expenditures made were COVID related and therefore were recorded as revenue and expense in anticipation of receiving funds from FEMA. Going forward we will research regulations to determine the proper method of recording pending FEMA awards.

- 003 – At the start of HEERF, the reporting requirements were changing frequently, sometimes on a weekly basis. The change from 30-day to 10-day posting requirement was made at the end of the month. Current guidelines will continue to be monitored going forward.
- 004 – We contract this with a third-party clearing house and will follow up with them to ensure that future reporting is made timely and accurately.

4. Office of the Comptroller’s Report – presented by Abel Cantillo

- a. The Office of the Comptroller performed an examination of OTPS (Other than Personal Services) expenditures based on the reports generated by the Banner system for April 2022. All OTPS expenditures were subjected to selection, and 20 expenditures were selected. The expenditures were audited for appropriateness in accordance with the Code of Rules and Regulations for Community Colleges as promulgated by the State University of New York, proper departmental authorization, accurate departmental coding, evidence of receipt of goods or services and utilization of appropriate purchasing practices based on the amount of purchase and state and local requirements. The 20 expenditures ranged from approximately \$163 to \$329,341 and averaged \$44,319. The cumulative value of the 20 expenditures was \$886,373 and represented 65.08% of this month’s total OTPS expenditures which included paper and UniMarket invoices.
- b. There were eight personal service expenditures totaling \$3,494.
- c. The Accounts Receivable (A/R) Aging Report shows we are at approximately 89.7% for fiscal 2022.
- d. Nassau County Audit shows 44.90% collection ongoing for ten years.

Trustee Weiss explained that we can no longer prevent people from signing up for classes or getting information until they pay their bills.

Interim President Conzatti thanked Lisa Hahn and Abel Cantillo for their service to the institution.

5. Donation

Northwell Health Alliance, Inc. would like to donate medical equipment and supplies for NCC’s new Medical Assistant Certificate and AAS Program. The estimated value of the donation is \$60,000. Motion was made by Trustee Tuman and seconded by Trustee Stris. Motion carried.

6. Minimum Wage Increase

An increase in the hourly rate of pay for Nassau Community College student aides and Federal Work Study employees to \$14.00 effective December 31, 2020 and \$15.00 effective December 31, 2021 for on- and off-campus employment. Motion was made by Trustee Rosenberg and seconded by Trustee Stris. Motion carried.

Trustee Rosenberg asked if we are doing this retroactively, and was told yes that is correct.

7. Updates – Presented by Lisa Hahn

- a. County Audit – the County Audit is still in progress. They sent us a revised list of what we need to get to them.
- b. HEERF Funding – we have not drawn down any funds since last month.

The meeting adjourned at approximately 5:45 p.m.

Respectfully submitted,
Lisa Hahn
Interim Vice President of Finance