CASTLETON UNIVERSITY
COMMUNITY COLLEGE OF VERMONT
NORTHERN VERMONT UNIVERSITY
VERMONT TECHNICAL COLLEGE

VERMONT
— STATE COLLEGES SYSTEM —

OFFICE OF THE CHANCELLOR
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P (802) 224-3000

MEMORANDUM

TO: <u>VSCS Audit Committee</u>
Sue Zeller, Chair
David Silverman, Vice-Chair
David Durfee
Mary Moran
Shawn Tester

FROM: Sharron R. Scott, Chief Financial and Operating Officer

DATE: May 5, 2022

SUBJECT: Audit Committee Meeting scheduled for May 9, 2022

The Audit Committee of the VSC Board of Trustees will meet between 2:00 and 3:30 p.m. on Monday, May 9, 2022. This meeting will be held via zoom.

In addition to review and approval of the minutes of the meeting of February 7, 2022, there are three primary topics on the agenda.

1. **Kieth Goldie** and **Chris Evans** of O'Connor and Drew, P.C. will join the committee to provide an update on **FY2022 Single and Financial Audit planning** activities. O'Connor and Drew's agenda for this section of the meeting is available in this packet as **ITEM 2**.

2. **Mary Wheeler** from the National Association of College and University Business Officers (NACUBO) will present her findings regarding the FY2022 Internal Audit of the Chart of accounts. A copy of Mary's findings, recommendations, and management's responses can be found in your packet as **ITEM 3**.

3. **Kellie Campbell**, Chief Information Officer, and **Tony Hashem**, Director of Information Security, will provide the committee with an update regarding the Vermont State College's approaches to Cyber Security.

Should you have any questions regarding these materials, or any other matter, please contact me at Sharron.Scott@vsc.edu or 802.224.3022.

CC: VSCS Board of Trustees
Council of Presidents
Business Affairs Council

VERMONT
— STATE COLLEGES SYSTEM —

Vermont State Colleges Board of Trustees
Audit & Risk Management Committee Meeting
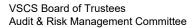
May 9, 2022
2:00 p.m. – 3:30 p.m. via Zoom

AGENDA

1. Call to Order

2. Review and Approval of minutes of the February 7, 2022 Meeting of the Audit Committee

3. Update on FY2022 Single and Financial Audit Planning with O'Connor & Drew

4. Review and Approval of FY2022 Internal Audit Results – Chart of Accounts

5. Cyber Security Update

6. Other Business

7. Public Comment

8. Adjourn

Materials

ITEM 1:   Minutes of the February 7, 2022 Audit and Risk Management Committee Meeting

ITEM 2:   O'Connor & Drew Audit Planning Agenda

ITEM 3:   FY2022 Internal Audit: Chart of Accounts use and Compliance

ITEM 1:   February 7, 2022 Minutes

Minutes of the VSC Board of Trustees Audit & Risk Management Committee meeting held Monday, February 7, 2022 at 1:00 p.m. via ZOOM - UNAPPROVED

Note: These are unapproved minutes, subject to amendment and/or approval at the subsequent meeting.

The Vermont State Colleges Board of Trustees Audit & Risk Management Committee met on February 7, 2022, via Zoom

Committee members present: Sue Zeller (Chair), David Silverman (Vice Chair), Dylan Giambatista, Mary Moran, Shawn Tester

Other Trustees Present:	Lynn Dickinson,
Presidents:	Joyce Judy, John Mills, Tom Mauhs-Pugh, Pat Moulton
Chancellor's Office Staff:	Donny Bazluke, Network/Security Analyst
	Kellie Campbell, Chief Information Officer
	Wilson Garland, Director of Transformation Projects
	Jen Porrier, Administrative Director
	Sharron Scott, Chief Financial/Operating Officer
	Toby Stewart, System Controller
	Patty Turley, General Counsel
	Meg Walz, Program Manager, Library Coordinator
	Sophie Zdatny, Chancellor
From the Colleges:	Nolan Atkins, Provost, Northern Vermont University
	Roy Brock, Dean of Administration, Northern Vermont University
	Sarah Chambers, Coordinator of Instructional Technology, Castleton University
	Laura Jakubowski, Chief Budget & Finance Officer, Castleton University
	Andy Pallito, Dean of Administration, Community College of Vermont
	David Rubin, Dean of Administration, Vermont Technical College
	Dannielle Spring, Chief Budget & Finance Officer, Northern Vermont University
From the Public:	Chris Evans, Audit Senior, O'Connor & Drew
	Kieth Goldie, Audit Partner, O'Connor & Drew

Chair Zeller called the meeting to order at 1:00 p.m.

1. Approval of the Minutes of the October 18, 2021 Meeting of the Audit Committee

Trustee Tester moved and Trustee Moran seconded the motion to approve the October 18, 2021 meeting minutes. The motion was approved unanimously.

2. Review and Approval of FY2021 *Uniform Guidance Single Audit*
   a. Presentation of Uniform Guidance Single Audit with O'Connor & Drew
   b. Resolution Approving Uniform Guidance Single Audit

Chair Zeller introduced Kieth Goldie and Chris Evans from O'Connor & Drew, the external auditors for the VSCS. Mr. Goldie presented the FY2021 *Uniform Guidance Single Audit* which can be found here on pages 10-36.

Trustee Tester moved and Trustee Moran seconded the motion to recommend to the Board the approval of Resolution 2022-001 Acceptance of the FY2021 Uniform Guidance Single Audit Report. The motion was approved unanimously.

3. Progress Update on *FY 2021 Internal Audit of Payroll & Benefits*

System Controller Toby Stewart provided a progress update on the compliance activities related to last year's internal audit on Payroll and Benefits. The scope for the FY21 internal audit was the new payroll and benefit system UKG. FY20 was this system's first full year of implementation. This audit was conducted by BerryDunn, an audit and consulting firm headquartered in Portland, ME. Mr. Stewart then detailed the recommendations made by BerryDunn. The updates and recommendations can be viewed in detail here on pages 40-51.

4. Review and Approval of *FY2022 Internal Audit Plan – Chart of Accounts*

Chief Financial and Operating Officer Sharron Scott presented the FY2022 Internal Audit Plan which will focus on Chart of Accounts Use and Compliance. The details of this plan can be found here on pages 52-59. Note on page 57 that the Design Matrix title will be changed from Payroll and Benefits to Chart of Accounts.

Trustee Giambatista moved and Trustee Silverman seconded the motion to approve the FY2022 Internal Audit Plan-Chart of Accounts. The motion was approved unanimously.
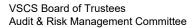
5. Other Business

There was no other business.

6. Public Comment

There was no public comment.

7. Adjourn

Chair Zeller adjourned the meeting at 1:36 p.m.

ITEM 2:   O'Connor & Drew Agenda

Memorandum

To: Vermont State Colleges – Audit Committee

From: O'Connor and Drew, P.C.

Date: May 9, 2022

Re: Fiscal Year 6-30-22 Audit Planning Discussion

Agenda:

- **Introductions**
  - Audit Partner - Kieth Goldie, CPA, MBA
  - Audit Supervisor - Chris Evans, CPA

- **Discuss prior year audit results - 6/30/21**
  - Prior Year Audit Approach
    - Completed 100% of the audit remotely.
    - Increased communication
    - Specific timetables and deadlines
  - Prior Year Audit Issues
    - Going Concern Assessment
    - Turnovers in key management positions
    - COVID-19 and the Higher Education Industry Struggles
    - Accounting and Financial Reporting for COVID Relief Funds and Higher Education Emergency Relief Funds.

- **Current Year Audit Approach - 6/30/22**
  - Audit Approach
    - Improvements in audit process, what has worked in past, what can be improved upon. Results of OCD working remotely in prior year.
    - Hybrid Approach - complete the work remotely but set up meetings on-site with management for discussions and review of work completed.
    - Continued Audit Risks
    - Going Concern Assessment - Forecasts and Financial Outlooks through 1 year after financial statements are issues (*Estimated* 10/15/23).

- Turnovers in key management positions or significant restructuring changes.
- Significant changes in accounting processes or procedures.
- Accounting and Financial Reporting for COVID Relief Funds and Higher Education Emergency Relief Funds.

   o New Audit Risks

- Implementation of New Accounting Standard - *GASB 87 Leases*
    - Implementation Plan and Timeline
    - Comparative vs Single Year Financial Statement Presentation.
- Significant accounting transactions from July 1, 2021 - Present or any anticipated transactions before year end that could materially affect the financial statements.
- Changes in Compliance Requirements

   o Determining Programs to audit for federal audit (known as the Single Audit).

- Student Financial Aid (SFA) - Not Audited in FY21 (Not deemed a major program).
- COVID-19 Higher Education Emergency Relief Fund (HEERF) - Audited in FY21 as a Major Program. - No findings.

- **New GASB Pronouncements**
    - GASB 87 - *Leases (6/30/22)*
    - GASB 89 - *Accounting for Interest for interest incurred before the end of a Construction period (6/30/22)*
    - GASB 93 - *LIBOR Removal (6/30/22)*
    - GASB 96 - *Subscription Based information technology arrangements (6/30/23) - Leases for Intangibles*

- **Timeline for audit planning and audit field work, including Single Audit of Federal Grants.**

- **Other matters.**

Dates for audit planning, field work, and review of financial statements:

Audit Planning:

- For all Colleges (In-Office)
    - Week of May 23rd (Monday - Friday) - would focus on Financial Statement Audit Planning (including assessment of internal controls)
    - Week of July 11th (Monday - Friday) - would focus on the Single Audit.
    - Set up a meeting with management towards end of July or early august to meet and discuss planning results and audit plan for fieldwork.

Audit Field Work:

- Chancellor's Office for all Colleges (Fieldwork)
  - Monday August 15th – Friday August 26th (2 Weeks)
- Review of Financial Statements, Footnotes and MD&A.
  - Monday September 5th - Friday September 9th

Will have to schedule specific times with personnel at each of the colleges (i.e., VP of Finance, Comptroller, Financial Aid Directors, etc.) during these weeks for questions and discussions.

PLEASE NOTE, WE ARE FLEXIBLE IN OUR PLANNING DATES AND CAN MAKE CHANGES TO DATES AS NECESSARY BASED ON YOUR STAFF SCHEDULING NEEDS.

ITEM 3:

INTERNAL AUDIT
Chart of Accounts Use and Compliance

Vermont State Colleges
Internal Audit Report
Chart of Accounts Use and Compliance
March – April 2022
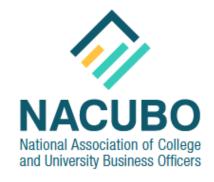
Prepared by: Mary S. Wheeler, NACUBO Consultant

Draft: May 5, 2022

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INTRODUCTION

The Vermont State College (VSC) system is comprised of four institutions of higher education, Vermont Technical College (VTC), Northern Vermont University (NVU), Castleton University (CU), and the Community College of Vermont (CCV), as well as the Office of the Chancellor (OC). Currently, each of the institutions operates as a single business unit in that most administrative functions exist at each location with the exception of the following functions:

- Accounts Payable
- General Accounting
- Grants Compliance
- Benefits Administration
- Payroll Administration

On July 1, 2023 Castleton University, Northern Vermont University, and Vermont Technical College will merge to form Vermont State University.   The merger presents an opportunity to review the VSC Chart of Accounts, conduct an internal audit of the VSC's use of its current chart, which has been in place since 2002, and allow the system to set itself up for consistency, streamlined financial reporting, and improved compliance.

The VSC's use of its shared Chart of Accounts has diverged across the system since its inception twenty years ago.   Key contributing factors to divergence include inconsistencies in allocation methodologies, misunderstandings in how and why transactions are coded a certain way, and changes in the best practices in financial accounting since its implementation in the early 2000s.

The internal audit addressed two main areas of potential inconsistency and divergence: employee incurred actions (or inactions) and preventative control flaws. Additionally, the audit identified key detective controls that are currently in place or should be in place to correct issues after the fact.

Key internal controls for correct coding of expenses include:

- Clear definitions for each transaction code segment and the codes within each segment
- System-wide guidance for assigning Program codes for similar programs
- Budgeting and monitoring expenses by Fund, Program and Object of expense
- Guidelines for common types of expenses and allowable Fund and Program codes
- Periodic analytic reviews of expenses by quarter or term to identify anomalies
- Fiscal officer approval of purchase orders and check requests, including verification of the transaction codes.
- A second sign-off for journal entries that move expenses from one Entity / Activity / Program / Object / Location combination to another combination.

OBJECTIVES

The overall objectives of an internal audit are to determine whether the Vermont State Colleges System:

- Managed and used resources in an efficient, effective, and economical manner.
- Administered funds in compliance with applicable laws, regulations, policies and procedures.
- Implemented internal controls to prevent or detect material errors and irregularities.

The specific objective in this audit is to:

Internal Audit Report – Chart of Accounts Use and Compliance

- Assist management with the assessment of the adequacy of the existing Chart of Accounts and the Vermont State Colleges System's compliance with the NACUBO expense definitions in the Financial Accounting and Reporting Manual (FARM). Due to the size of this internal audit, the review was limited to expenses.

Audit procedures were designed to answer the following questions:

1. Does the VSC Chart of Accounts effectively meet the expense classifications as outlined by NACUBO for public institutions?
2. Are the VSC members deploying the Chart of Accounts in a way that adheres to both the spirit and the letter of the FARM?
3. Is each institution deploying the Chart of Accounts in the same way, allowing for consistent financial reporting across all entities and funds?
4. Is the VSC using a consistent methodology for allocating shared expenses such as administration, operations, management, and information technology that readily supports financial and compliance reporting and is consistent with FARM standards?

In addition to the internal audit report, a separate report has been prepared. That report identifies issues with the current chart and recommends modifications and best practices for multi-institution, multi-campus systems to improve VSC financial and compliance reporting.

REGULATORY ENVIRONMENT

Public institutions of higher education must follow the reporting requirements promulgated by the Government Accounting Standards Board (GASB). Requirements include reporting expenses by the functional classification, either on the Statement of Activities or in the notes to the financial statements. Functional classifications are defined by the National Association of College and University Business Officers (NACUBO) in the Financial Accounting and Reporting Manual (FARM) and also used in reporting for the Institutional Post-secondary Educational Data Survey (IPEDS) and in the calculation of the facilities and administrative (F&A) cost rate for assessing indirect costs to external grants.

Definitions of the functional categories are in Appendix A.

CHART OF ACCOUNTS STRUCTURE

The transaction code or "accounting string" is comprised of five segments representing different concepts for each segment, as follows:

Entity/GASB	Activity	Program	Object	Location
AAB	XCCCC	DEEEE	FGGGG	HHH

The functional expense category is embedded in the first digit of the Program code, as noted here.
D (1st digit =)

1	Instruction
2	Research
3	Public service
4	Academic support
5	Student services

<u>D (1st digit =)</u>

6	Administration (Institutional support)
7	Facilities
8	Student financial aid
9	Depreciation
10	Interest expense

Appendix B contains a more detailed description of the transaction codes.

Two controls over accurate financial reporting are supported by the structure and setup of the chart of accounts.

The first control relies on the embedded functional category in the Program segment codes. When the Program code is set up and assigned correctly to financial transactions, expense reporting by functional categories will be correct.   In the recommendations noted below, the first recommendation addresses strengthening this key control and the second adds a mitigating control – to regularly monitor expenses by functional category.

The second control relies on the requirement that a unique combination of segment codes (aka "transaction string") must be set up prior to assigning the entire combination to a transaction.   For example, Object 53570 *Maintenance agreement*, can only be used if it has previously been included in a transaction string with the Entity, Activity, Program and Location codes associated with the transaction.   This control is a double-edged sword – beneficially it prevents incorrect combinations from being used.   However, detrimentally it can result in transaction coding errors when the correct combination is not set up.   The sixth recommendation addresses this issue.

METHODOLOGY

The audit included the following activities:
- interview with Renee Hunt and Toby Stewart
- interviews with the Controllers and/or Deans of Administration at each College/University
- interviews with the Chancellor's office accounting and accounts payable staff
- demonstration of the ImageNow payment request process
- discussion of new payment request process using Jadu forms
- review of Community College of Vermont job aid
- random sample testing of payment vouchers for correct transaction codes and approvals
- random sample testing of P-Card charges for correct transaction codes and approvals
- analysis of expenses by transaction source
- analysis of fiscal year 2020 and 2021 expenses by function code
- discussion with Renee Hunt and Toby Stewart on the allocation of shared expenses
- verification of the 2021 allocation of shared expenses

Interviewees and discussion questions are listed in Appendix C.

The sample testing of payment vouchers focused on the following transaction attributes:
1. Was the transaction coded to the correct Program (function) code?
2. Was the transaction coded to the correct Object (natural expense) code?
3. Were the correct GL account codes entered in the request form?

4. Were the GL account codes changed when entered to the general ledger of payment?
5. Was the payment approved at the highest level required?

Because recording P-Card charges is a different process, the tested attributes for the P-Card transactions were:
1. Was the charge coded to the correct Program (function) code?
2. Was the charge coded to the correct Object (natural expense) code?
3. Were the correct transaction codes entered before the charge was posted to the GL?

Test results are summarized in Appendix D

SUMMARY OF FINDINGS

1. Does the VSC Chart of Accounts effectively meet the expense classifications as outlined by NACUBO for public institutions?
   Yes, the chart of accounts is structured to record expenses as outlined by NACUBO for public institutions.   Refer to the explanation in the section titled "Chart of Accounts Structure".

2. Are the VSC members deploying the Chart of Accounts in a way that adheres to both the spirit and the letter of the FARM?
   Somewhat, although there are inaccuracies in expense reporting by function, overstating administration (institutional support) and understating academic support (OC); overstating student services and understating auxiliary enterprises (NVU and CU); and overstating academic support and understating instruction (CCV).   See observations 1, 2 and 3.

3. Is each institution deploying the Chart of Accounts in the same way, allowing for consistent financial reporting across all entities and funds?
   No. The lack of training, definitions, operating policies, and other guidance creates inconsistencies in the use of Program and Object codes.   See observations 4, 5 and 7.

4. Is the VSC using a consistent methodology for allocating shared expenses such as administration, operations, management, and information technology that readily supports financial and compliance reporting and is consistent with FARM standards?
   Yes, the shared expenses are allocated consistently across the institutions, but do not affect how the expenses are reported by function because the allocations are recorded using non-expense "transfer" codes.   Therefore, the expenses are reported based on the functional classification within the OC, rather than the allocation to the different institutions. The amount allocated is the budgeted amount for each shared service, distributed to each institution based on the proportion of state appropriations for each institution.
      Within the OC, better coding of expenses by functional category would more accurately reflect the distribution of resources to deliver the institutional mission.   For example, centralized information technology expenses to support library systems should be classified as academic support, rather than administration (institutional support).   See observation 2.

OBSERVATIONS AND RECOMMENDATIONS

1. *Map the Program codes for residential and dining services to the auxiliary enterprise function*

VSC provides residential and dining services to its students, activities generally reported in the functional category of *auxiliary enterprises*, in which the revenues and expenses are specifically identified for these services.   VSC reports the expenses in the functional category of *student services* which overstates that category. Residential and dining services expenses for fiscal years 2021 and 2020 that were reported as student services were approximately $6,932,000 and $8,362,000, respectively.

Recommendation #1

- Add a Program code category for *auxiliary enterprises* and create codes for residential and dining services within that category.

Management Response

- We agree with this recommendation and will implement a new program code dedicated to *auxiliary enterprises*.

2. *Correct the functional coding of shared expenses within the OC to follow the NACUBO definitions.*

Most of the expenses incurred in the OC are recorded using Program codes that are classified as administration (*institutional support*).   However, some expenses are more correctly reported as *academic support*, including activities for course development, grant and contract administration, and the libraries. Student recruiting expenses should be reported as *student services*, and employee benefits should be reported in the functions in which the employee salaries are charged.   As shown in the following table, the incorrect classifications inflate the amount that VSC spends on administration when compared with its peers.

Fiscal year 2021 financial statement expenses by function

	Vermont State Colleges		University System of New Hampshire		Connecticut State University System	
	$1,000's	Percent	$1,000's	Percent	$1,000's	Percent
Instruction	$ 52,604	27.9%	$ 229,417	25.6%	$ 382,957	37.2%
Research	17	0.0%	120,353	13.4%	7,629	0.7%
Public service	10,145	5.4%	17,502	2.0%	9,031	0.9%
Academic support	20,402	10.8%	86,284	9.6%	71,755	6.9%
Student services	33,286	17.6%	110,513	12.3%	109,082	10.5%
Administration	42,872	22.7%	77,862	8.7%	118,847	11.5%
Facilities	8,237	4.4%	42,212	4.7%	128,540	12.4%
Auxiliary enterprises	-	0.0%	134,382	15.0%	54,227	5.2%
Affiliated entities and other	-	0.0%	9,317	1.0%	-	0.0%
Financial aid	11,081	5.9%	-	0.0%	86,262	8.3%
Depreciation	9,974	5.3%	68,953	7.7%	65,667	6.4%
Total	$ 188,618	100.0%	$ 896,795	100.0%	$ 1,033,997	100.0%

Recommendation #2

- Examine the expenses incurred in the OC and correct the functional classifications as needed.

Management Response
- We agree with this recommendation and have begun the process of analyzing the Chancellor's Office budget to better allocate costs, which will include expense functionalization.

3. *Correct the Program code used to record expenses associated with instruction spaces*

Three of 52 purchase journal expense transactions tested were facilities-related expenses for CCV recorded to a Program within the *academic support* function.

CCV records all facility-related expenses (other than leases for space) for twelve academic centers using program 46502, *special academic programs*, which rolls up to the functional expense category code of *academic support.* Academic coordinators (advisors), other center staff, learning centers, computer labs, and classrooms are located in the academic centers. Most of these expenses should be recorded in the functional category of *instruction*, instead of *academic support.* This has understated instruction expenses and overstated academic support expenses as shown in the following compilation of expenses from fiscal year 2021 and fiscal year 2020, when compared with the other VSC institutions.

Expenses (excluding financial aid) for the fiscal year ended 2021, in 1'000's

	Institution						Total
Function	**CCV**	**CU**	**NVU**	**VTC**	**OC**	**WFD**	**FY 2021**
Instruction	$ 8,032	$ 12,212	$ 12,877	$ 14,380	$ 804	$ 1,722	$ 50,027
Research	-	4	-	13	-	-	17
Public service	1,468	1,063	1,664	248	-	3,310	7,753
Academic support	8,242	2,728	3,367	3,174	1,142	-	18,653
Student sevcies	1,460	9,430	6,865	2,048	5	-	19,808
Administration	6,367	7,430	9,453	5,497	21,958	266	50,971
Facilities	2,842	3,214	4,300	3,898	5,969	-	20,223
Depreciation	824	3,083	3,233	2,262	531	40	9,973
Grand Total	$ 29,235	$ 39,164	$ 41,759	$ 31,520	$ 30,409	$ 5,338	$ 177,425

Expenses (excluding financial aid) for the fiscal year ended 2020, in 1'000's

	Institution						Total
Function	**CCV**	**CU**	**NVU**	**VTC**	**OC**	**WFD**	**FY 2020**
Instruction	$ 9,265	$ 12,497	$ 14,557	$ 15,360	$ -	$ 1,543	$ 53,222
Research	-	4	-	14	-	-	18
Public service	1,338	1,107	2,095	244	-	2,756	7,540
Academic support	10,078	3,072	3,719	3,189	279	31	20,368
Student sevcies	1,480	10,769	7,945	3,040	-	-	23,234
Administration	5,974	8,401	10,574	5,851	11,913	301	43,014
Facilities	125	3,605	4,561	4,071	5,662	-	18,024
Depreciation	855	3,059	3,199	2,261	586	40	10,000
Grand Total	$ 29,115	$ 42,514	$ 46,650	$ 34,030	$ 18,440	$ 4,671	$ 175,420

As noted above, expenses reported in the Finance section of the IPEDS are based on functional expense categories.   As illustrated in the following table, the mis-statement makes it appear that CCV spends more on academic support when compared with its peers.

Fiscal year 2020 expenses by functional category[1] for CCV and two community colleges in the northeast

	CCV	Mohawk Valley Community College Utica NY	Nashua Community College Nashua NH
Instruction	28.3%	30.5%	32.5%
Research	0.0%	0.0%	0.4%
Public service	5.1%	1.1%	0.1%
Academic support	36.0%	6.8%	9.0%
Student services	6.9%	7.0%	5.7%
Administration (institutional support)	17.4%	13.8%	26.7%
Facilities	0.0%	9.5%	9.2%
Financial aid	6.3%	11.5%	15.2%
Other core expenses	0.0%	19.8%	1.2%
Grand Total	100.0%	100.0%	100.0%
Expenses in $1,000's	$ 32,131	$ 71,402	$ 17,038

Recommendation #3:
- Record CCV facility-related expenses to the correct functional category based on the use of the facility.
- Correct the functional expense classifications for fiscal year 2022.

Management Response
- CCV has conservatively tracked facility-related expenses in program 46502 because identifying the functional breakdown of each space (such as instruction, public service, etc.) is not exact.
- CCV will review its facility-related costs to determine if there is a reasonable allocation method to divide expense transactions by functional code.

4. Provide training in functional categories for all roles responsible for financial reporting

Very little training has been provided to employees related to functional expense categories, including the people responsible for setting up new codes in the Program chart segment.   Without training, there is an overreliance on assigning codes that are similar to existing programs, without knowing whether the existing code is associated with the correct functional category.

Recommendation 4:
- Provide training in functional expense categories for all people responsible for financial reporting and chart of accounts maintenance.

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[1] Source: Integrated Post-Secondary Data Survey (IPEDS) Reported data

Management Response
- We agree with the recommendation and will utilize the Financial Accounting and Reporting Manual as a training tool for all responsible for financial reporting and chart of accounts maintenance.

5. *Monitor expenses by both natural and functional classifications*

Quarterly budget to actual reports are shared with the Finance Committee of the governing board. However, the expenses are presented only by the natural classification and not by the functional category.   While natural classification is easier to understand and more useful for identifying actionable adjustments, comparing budget to actual by the functional classification is important for identifying where expenses may be recorded to incorrect Programs (and functions).

Recommendation 5:
- Include a report of expenses by functional category in the annual budget approval process
- At periodic intervals during the year, provide a report to the governing board comparing budget to actual expenses by functional category, to identify inaccuracies in functional classification.

Management Response
- We see the value in internally reviewing functional expense totals on a regular basis, perhaps biannually following the end of each semester. We will work to develop tools and analyses to compare functional expense percentages and to other peer institutions.

6. *Review segment code combinations to ensure all expense Object codes are available by Entity, Activity, Program and Location*

In one of 52 Purchase Journal expense transactions tested, the incorrect Object code was selected because the correct Object code was not associated with the correct segment codes for Entity, Activity, Program, and Location.

Recommendation 6:
- Review the current list of code combinations, create new combinations that are likely to be used, and deactivate those that are no longer needed.
- In conjunction with the merger and chart of accounts refresh, consider implementing a new series of expense Object codes for non-compensation expenses and create new valid code combinations based on budgets and business practices.

Management Response
- With the formation of Vermont State University, the System will be doing a comprehensive review of the chart of accounts and have engaged the National Association of College and University Business Officers (NACUBO) to make recommendations on revisions. We will be analyzing the recommendations for a new chart of accounts to create new combinations and aim to streamline reporting and summarizing.
- We have engaged with Ferrilli Higher Education Technology Consultants to discuss options for transitioning to a new chart of account systematically within our Enterprise Resource Planning system, Colleague, and the appropriate timeline to do so.

7. *Develop definitions and instructional materials to aid in transaction coding*

Of the 52 purchase journal expense transactions tested, incorrect Object codes were entered for four transactions, and incorrect Program codes were entered for two other transactions, resulting in an error rate of 11.5 percent (6/52).

Resources available for coding transactions to the correct Activity, Program, and Object (expense category) consist of an unsearchable list of segment codes and names. (A page of the 59-page list is pictured in Appendix E.).   Explanations and definitions to aid in selecting the correct codes have not been developed.   CCV provides a one-page job aid of the most commonly used codes (also pictured in Appendix E).

The lack of definitions and explanations causes people to rely on the labels to select the correct codes, leading to inconsistencies in reporting.   Examples include:
- Object 54100 *mileage reimbursement* for vehicle fuel and tire service, rather than more accurate *vehicle-maintenance* or *travel* codes.
- Object 53110 *office supplies* used for nearly all supplies, when there is also 53120 *educational supplies* and 53150 *general supplies.*   No printed guidance exists to help employees choose the correct codes.
- Program code 53550 *physical plant administration* used when 55201 *Residence hall* is the correct Program code.

Recommendation #7
- Develop definitions and guidance for the segment codes.
- Prioritize those that are used by the most employees, such as programs and non-compensation expenses.
- Add expense codes that are missing and would be useful to have.

Management Response
- We agree with the recommendation and will utilize the Financial Accounting and Reporting Manual, the revised chart of accounts (once determined) and internally developed tools (such as CCV's job aid) to define and document how the segments of the general ledger account code are used. We will make this available to all responsible for chart of account maintenance, transaction processing & posting, analysis, and reporting on financial transactions.

8. *Strengthen controls over P-Card and petty cash disbursements, to require explanations of the business purpose of the expense.*

P-Card programs and petty cash funds are useful for streamlining the purchase of low-cost items or reimbursing individuals for out-of-pocket business expenses.   However, the requirements to document the business purpose for the expense is the same as it is for invoices paid by VSC's Accounts Payable area.

One of the selected purchase journal expense transactions was a reimbursement of petty cash, for which there were three expense transactions.   Two of the three expenses were missing any description of the business purpose for the expense, which prevented an evaluation of the accuracy of the Program or Object codes.

Of the 48 P-Card transactions selected for testing, 29 of the transactions were missing any description of the business purpose for the expense in the P-Card reports that had been submitted for approval. The VSC Controller had to fill in the blanks from his institutional knowledge or by following up with the P-Card holders.

Based on the test sample, documentation of the P-Card expenses is inadequate, and could result in overspending or fraudulent purchases.

Recommendation #8
- Ensure that all P-Card purchases and petty cash reimbursements are supported by documentation that clearly states the business purpose for the expense.
- Remind P-Card approvers that proper documentation includes an explanation of the business purpose.
- Reinforce that approval should be withheld until documentation and an explanation of the business purpose is provided.

Management Response
- We agree with the recommendation and will explore options with our PCard provider, Bank of America, on how to best utilize their reporting system to require appropriate documentation before approval can occur.

9. Evaluate the use of the P-Card Program to assess whether the cost/benefit goals of the Program have been met.

Very high-dollar routine transactions, such as heating oil ($406,000), waste services ($186,000) and advertising ($403,000) were paid using the P-Card. Generally, these types of expenses are procured using a requisition/purchase order process that documents product or service specifications, establishes payment terms, and tracks encumbrances. Procurement via P-Card may bypass all of these safeguards.

Additionally, some monthly P-Card reports exceed 100 pages, making it difficult to track invoices by vendor or retrieve supporting documentation for expenses.

The widespread use of the P-Card for high-dollar, routine expenses has shifted vendor payments from a central Accounts Payable function to P-Card holders in the colleges for which procuring, tracking and documenting expenses is not their primary responsibility.

Recommendation #9
- Revisit the motivation for encouraging P-Card use for high-dollar, routine transactions and evaluate whether the expected benefits have been achieved.
- Consider implementing a structured requisition/procurement process to enhance controls over vendor selection and pricing, product and service specifications, payments terms and open encumbrances.

Management Response
- We have engaged with Ferrilli Higher Education Technology Consultants to discuss our current use of the budgetary and purchasing modules within our Enterprise Resource Planning system, Colleague. Ferrilli is analyzing how we utilize the system currently and will work with us to develop business processes and applications to achieve efficiencies and necessary controls.

ACKNOWLEDGEMENTS

NACUBO appreciates the opportunity to conduct this internal audit for the Vermont State College Office of the Chancellor and appreciate all of the assistance provided by Renee Hunt, Toby Stewart, and the other members of the VSC and CCV teams. We hope that the recommendations provide direction and ideas for moving forward, and welcome the opportunity to discuss them in more detail.

APPENDIX A: Definitions of Functional Categories[2]

Instruction
Expenses for all activities that are part of an institution's instruction program. Expenses for credit and noncredit courses; academic, vocational, and technical instruction; remedial and tutorial instruction; and regular, special, and extension sessions are included.   Expenses for departmental research and public service that are not separately budgeted also are included in this classification.   This classification excludes expenses for those academic personnel whose primary activity is administration—for example, academic deans.

Research
Expenses for activities specifically organized to produce research, whether commissioned by an agency external to the institution or separately budgeted by an organizational unit within the institution. Subject to those conditions, the classification includes expenses for individual and/or project research as well as that of institutes and research centers. Expenses for departmental research that are separately budgeted are included in this classification. Departmental research that is not separately budgeted is included in the instructional category.

Public Service
Expenses for activities established primarily to provide non-instructional services for the benefit of individuals and groups that are external to the institution. These activities include community service programs (excluding instructional activities) and cooperative extension services. Included in this classification are conferences, institutes, general advisory services, reference bureaus, radio and television, consulting, and similar non-instructional services to particular sectors of the community.

Academic Support
Expenses incurred to provide support services for the institution's primary programs of instruction, research, and public service. It includes the following activities:
- Retention, preservation, and display of educational materials, such as libraries, museums, and galleries
- Provision of services that directly assist the academic functions of the institution, such as demonstration schools associated with a department, school, or college of education
- Media, such as audio-visual services, and technology, such as computing support
- Academic administration (including academic deans but not department chairpersons) and personnel providing administrative support and management direction to the three primary missions
- Separately budgeted support for course and curriculum development
- Academic support information technology (formally organized and/or separately budgeted for academic support departments) and information technology to support instruction, research and public service if not identified directly to those functions

Student Services
Expenses incurred for offices of admissions and the registrar and activities that, as their primary purpose, contribute to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program. This classification includes expenses for student activities, cultural events, student newspapers, intramural athletics, student organizations, intercollegiate athletics (if the program is not operated as an auxiliary enterprise), counseling and career guidance (excluding informal academic counseling by the faculty), student aid administration, and student health service (if not operated as an auxiliary enterprise).

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[2] NACUBO FARM Chapter 701 *Functional Expenses*

Appendix A Definitions of Functional Categories (continued)

Institutional Support
Expenses for central, executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board, planning and programming operations, and legal services; fiscal operations, including the investment office; administrative information technology (when not accounted for in other categories); space management; employee personnel and records; logistical activities that provide procurement, storerooms, printing, and transportation services to the institution; support services to faculty and staff that are not operated as auxiliary enterprises; and activities concerned with community and alumni relations, including development and fundraising.

Appropriate allocations of institutional support should be made to auxiliary enterprises, hospitals, and any other activities not directly related to the primary programs—instruction, research, and public service—or their related support classifications.

Scholarships and Fellowships
Generally, institutions report most scholarships and fellowships as tuition discounts and allowances (reductions of tuition and fees revenues). Other student awards are funded by third parties and made to students specified by those parties (that is, recipients are not determined by the institution); they are agency transactions.   However, when the applied aid exceeds charges to the student (tuition and fees, dormitory, and food service), and the excess is disbursed to the student, the excess disbursed is reported as an expense in the financial statements.

When reported as expenses, this classification includes expenses (from restricted or unrestricted funds) in the form of grants that neither require the student to perform service to the institution as consideration for the grant, nor require the student to repay the amount of the grant to the funding source.   The classification also includes trainee stipends, prizes, and awards for students enrolled in formal course work.   Trainee stipends awarded to individuals who are not enrolled in formal course work are included in instruction, research, or public service.

Auxiliary Enterprises
An auxiliary enterprise exists to furnish goods or services to students, faculty, staff, other institutional departments, or incidentally to the general public, and charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. The distinguishing characteristic of an auxiliary enterprise is that it is managed to operate as a self-supporting activity. Over time, the revenues will equal or exceed the expenses, although in any individual year there may be a deficit or a surplus.

Examples are residence halls, food services, intercollegiate athletics (if operated as essentially self-supporting), college stores, faculty clubs, parking, and faculty housing. Student health services, when operated as an auxiliary enterprise, also are included. Hospitals, although they may serve students, faculty, or staff, are classified separately because of their financial significance.

The category includes all expenses relating to the operation of auxiliary enterprises.   Because of a desire to assess whether the enterprise is self-supporting, expenses for operation and maintenance of plant, depreciation, interest, and administration may be charged directly or allocated, even though that allocation is not required of public institutions for financial statement purposes.

[Appendix continues on the next page]

Appendix A Definitions of Functional Categories (continued)

Operation and Maintenance of Plant
Expenses for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant.   These expenses include items such as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture, and equipment; care of grounds; maintenance and operation of buildings and other plant facilities; security; earthquake and disaster preparedness; safety; hazardous waste disposal; property, liability, and all other insurance relating to property; space and capital leasing; facility planning and management; and central receiving.

For public institutions, operation and maintenance of plant expenses may be reported as a separate functional classification or the expenses may be allocated to the other functional categories based on an acceptable allocation methodology (such as square footage of buildings).

Areas of Potential Inconsistency
Certain activities may vary from one institution to another. Those variances may result in inconsistencies in the reporting of expenses by function. For example, an NCAA Division I institution may classify its intercollegiate athletics programs as auxiliaries while a Division III school may classify its intercollegiate athletics as student services. When determining the appropriate functional categorization, management should look to the structure of the activities at their particular institution. If an activity is categorized in a way that may be different from the way it is classified by other institutions, management should include a disclosure in the financial statements that discusses the reasoning for such classification.

The following are known areas of inconsistency within the higher education community:
- Accreditation – Some institutions classify as Academic Support, other as Institutional Support. Since it pertains to the academic program, Academic Support is preferred.
- Campus security – Some institutions classify as Student Services, others as Operations and Maintenance of Plant.   Since the scope of responsibility has generally been expanded to safety and security of the entire campus, Operations and Maintenance of Plant seems to be a more appropriate category.
- Development and fundraising – Fund raising activities conducted by an institution's president or deans may not be segregated as fund raising expense and may instead be reported as institutional support or academic support, respectively.   If the expenses are material, some allocation to institutional support/fundraising expenses should be made.
- Intercollegiate athletics - Some institutions classify as Student Services, others as Auxiliaries. A hybrid approach may be preferred, in which expenses to recruit, coach, supply and field teams of student athletes could be classified as student services.   Expenses of maintaining stadiums, parking, food service, etc. and the ticket revenue could be considered auxiliaries.
- Intramural athletics - Some institutions classify as Instruction, others as Student Services.   If the intramural activity does not lead to academic credit, classification as Student Services is preferred.
- Research pre-award services and post-award accounting - Some institutions classify as Academic Support, others as Institutional Support, and others as Organized Research.   Since the activities are not associated with specific organized research projects (and generally cannot be "direct charged"), inclusion as Organized Research is not correct and violates OMB Uniform Guidance Cost principles.   Further, since the activity is primarily associated with the academic enterprise, classification as Academic Support is preferred.

APPENDIX B: Chart of Accounts Transaction Codes

Entity/GASB	Activity	Program	Object	Location
AAB	XCCCC	DEEEE	FGGGG	HHH

AA = Entity:

				D (1st digit =)		**F (1st digit =)**	
01	CCV	X0000	General fund	1	Instruction	1	Assets
02	CU	>= X0001	Federal grants	2	Research	2	Liabilities
03	JSC	<=X0499	Federal grants	3	Public service	3	Fund balance
04	LSC	>= X0500	State grants	4	Academic support	4	Operating revenues
05	VTC	<=X0999	State grants	5	Student services	5	Expenses
06	OC	"X" as the first digit of the		6	Administration	6	
09	WFD	Activity corresponds to the		7	Facilities	7	Non-operating
		entity in "AA". Eg. 10000 is		8	Student financial aid	8	
		general funds for CCV.		9	Depreciation	9	Transfer codes

B = GASB:

10   Interest expense

1   Unrestricted
2   Restricted-expendable
3   Restricted-nonexpendable
4   Invested in capital assets
5   Perkins revolving loan fund

APPENDIX C: Interview Groups and Questions

Preliminary questions with Renee Hunt and Toby Stewart:
1. Do the chart segment have to be set up before they can be used? Yes
2. Do the combinations of chart segment values have to be linked together before the combinations can be used? Yes
3. The tables that are in the COA document dated February 22, 2007 have headings that read "Proposed Chart of Accounts", does that mean this structure was not adopted as noted? It was adopted as described, the heading wasn't changed on the document.
4. If the function code associated with the Program was assigned correctly, and the user is selecting the correct Program code for the expense, does it follow that the expense has been assigned to the correct function code? Yes.   Not an issue that they are picking the wrong Program.
5. Who is responsible for setting up new Program codes? What training has been provided to that person/position? Director of Financial Operations
6. At what level of detail are budgets prepared and recorded in the ledger? The detailed level of expense code. Budgets are monitored at the Program level, but separate between Comp and OTPS (controllable expenses).   "Use it or lose it" budget policy on operational funds.

Interview of College Business Officers (responses are summarized in the "Results" section):

Laura Jakubowski	Chief Budget and Finance Officer, Castleton University and Acting Controller, Vermont Technical College
David Rubin	Acting Dean of Administration, Vermont Technical College
Roy Brock	Dean of Administration, Northern Vermont University
Dannielle Spring	Chief Budget and Finance Officer, Northern Vermont University
Andy Pallito	Dean of Administration, Community College of Vermont
Gisele Hodgon	Controller, Community College of Vermont
David Tabaruka	Controller, Community College of Vermont

1. Please describe the controls or processes you use to ensure expenses are recorded correctly – by Fund (Activity), Program, and type of expense.
2. How easy is it for you or your staff to determine the correct transaction codes to use?
3. How frequently are expenses recorded using the wrong transaction codes?
4. What is your process for identifying and correcting errors?
5. What, if any, "pain points" do you have with the current chart of accounts?
6. Please share any suggestions for improving the processes for accounting and reporting on expenses, tracking remaining balances, or other tools for managing your resources.
7. Any other thoughts to share?

Responses are summarized in the "Observations and Recommendations" section.

[Appendix continues on the next page]

APPENDIX C: Interview Groups and Questions (continued)

Interview with Chancellor's office staff:
Tracy Bashara
Linda Davis
Jocelyn Haley
Natalie Powell

1. How would you characterize the level of understanding of the chart of accounts segments that are used by people in the field when they prepare payment requests, journal entries or other transactions? Is there training for these positions?

2. How often do you need to correct the account numbers that are submitted on a transaction?

3. What's your high-level estimate of the number of new chart of account segment combinations that have to be set up in a week or month? What's the most common reason for setting up new combinations (new gifts, endowment or grants, new programs, new object code has to be available for many programs, other)?
   a. New combinations associated with P-Card profiles?

4. There is a significant amount of embedded meaning in the codes of each chart of accounts segment, which limits the number of codes within a range.   Have you found that you've run out of codes within a range when a new code is requested? What options are available for addressing this issue?

5. What training have you received on the chart of accounts segments, the function codes, or how the transaction codes are used in reporting?

6. What, if any, "pain points" do you have with the current chart of accounts or the AP process?
   a. Auto approvals? Yes, very frequently,

7. Please share any suggestions for improving the processes for updating the chart of accounts or for accounting and reporting on expenses.

8. Any other thoughts to share?

Responses are summarized in the "Observations and Recommendations" section.

APPENDIX D: Test Sample Selections and Results

Test of Purchase Journals (Vouchers)

Population and sample selection:

	Vouchers
Population count	12,070
Confidence rate / Risk of overreliance	90% / 10%
Tolerable deviation rate	8%
Expected deviation rate	2.00%
Sample size	48

Some vouchers were distributed to more than one accounting transaction string, resulting in a test of 52 separate expense transactions.

Testing for:
- Correct Program code
- Correct expense Object code
- Correct GL string in request form
- Change to GL string in request form
- Expense approved at highest level required

Purchase Journal (Voucher) test results:

Object code errors:		
Caused by system limitations	4	COA recommendation X
Object code not in system	3	COA recommendation Y
Code selected in error	2	Recommendation #4
Selected based on where budget is posted	1	Recommendation #4
Object not set up with other segment codes	1	Recommendation #3
sub-total object code errors	11	
CCV facilities miscoding	3	Recommendation #5
Program code error	2	Recommendation #4
Auxiliary enterprise category needed	2	Recommendation #6
Documentation missing - no explanation of expense	2	Recommendation #8
Transaction string required correction of typo	1	
No exceptions	31	
Total	52	

APPENDIX D: Test Sample Selections and Results (continued)

Test of P-Card Transactions

Population and sample selection:

	P-Cards
Population count	16,427
Confidence rate / Risk of overreliance	90% / 10%
Tolerable deviation rate	8%
Expected deviation rate	2.00%
Sample size	48

Testing for:
- Correct Program code
- Correct expense Object code
- Correct GL string entered in P-Card process

P-Card test results:

Note: the initial review of P-Card documentation for the sample resulted in 29 of 48 (60%) transactions for which the documentation was not sufficient to assess the accuracy of the Program and Object codes.   The VSC Controller had to supplement the information with his internal knowledge or reach out to the P-Card holders for more information.   (See Recommendation #8)

Object code error	9	Recommendation #4
Program code error	1	Recommendation #4
Information pending	3	Recommendation #5
Coding appears correct but may be duplicate payment	1	Recommendation #9
Documentation missing - no explanation of expense	8	Recommendation #8
No exceptions	26	
Total	48	

Internal Audit Summary Report – Chart of Accounts Use and Compliance
APPENDICES

APPENDIX E: Chart of Accounts Reference Documents
One page from list of Chart of Accounts segment codes

Seg	Description	C1	C2	C3	C4	C5	Level	Code	Full Code
0	Allocated Fringes	5	2	9	0	0	5	52900	52900
3	Operations	5	3	0	0	0	2	53	53000
0	Control Account	5	3	0	0	0	3	530	
0	Control Account	5	3	0	0	0	4	5300	
0	Control Account	5	3	0	0	0	5	53000	
1	Supplies	5	3	1	0	0	3	531	53100
1	Office	5	3	1	1	0	4	5311	53110
0	Office	5	3	1	1	0	5	53110	
2	Educational Supplies	5	3	1	2	0	4	5312	53120
0	Educational Supplies	5	3	1	2	0	5	53120	
3	Copying	5	3	1	3	0	4	5313	53130
0	Copying	5	3	1	3	0	5	53130	
4	Agricultural	5	3	1	4	0	4	5314	53140
1	General Ag Supplies	5	3	1	4	1	5	53141	53141
2	Vet Supplies	5	3	1	4	2	5	53142	53142
3	Purchased Feeds	5	3	1	4	3	5	53143	53143
4	Haulage	5	3	1	4	4	5	53144	53144
5	Forage Products	5	3	1	4	5	5	53145	53145
5	General Supplies	5	3	1	5	0	4	5315	53150
0	General Supplies	5	3	1	5	0	5	53150	
6	Cost of Sales	5	3	1	6	0	4	5316	53160
1	TBA - CSC/VTC	5	3	1	6	1	5	53161	53161
2	TBA - CSC/VTC	5	3	1	6	2	5	53162	53162
3	TBA - CSC/VTC	5	3	1	6	3	5	53163	53163
4	TBA - CSC/VTC	5	3	1	6	4	5	53164	53164
5	TBA - CSC/VTC	5	3	1	6	5	5	53165	53165
6	TBA - CSC/VTC	5	3	1	6	6	5	53166	53166
7	TBA - CSC/VTC	5	3	1	6	7	5	53167	53167
8	TBA - CSC/VTC	5	3	1	6	8	5	53168	53168
9	TBA - CSC/VTC	5	3	1	6	9	5	53169	53169
7	Hazmat Items	5	3	1	7	0	4	5317	
1	Hazmat Items	5	3	1	7	1	5	53171	
2	Fuels-Petroleum	5	3	1	7	2	5	53172	
2	Services	5	3	2	0	0	3	532	53200

date: 9/3/2008   vsc chart_sasi 20.XLS   page 6 of 13

APPENDIX E: Chart of Accounts Reference Documents (continued)
CCV Job Aid

ACCOUNTS PAYABLE GL # CHEAT SHEET

Academic Center Educational Expenses

EDUCATIONAL SUPPLIES	011_10000_11101_53120_XXX	Course supplies, toner used in classrooms
LEASES	011_10000_11101_53640_XXX	Rent for course section spaces
GENERAL PROFESSIONAL SERVICES	011_10000_11101_53945_XXX	Guest speakers, models, etc. (not payroll **see note below)

Academic Center Expenses

SUPPLIES	011_10000_46502_53110_XXX	Office supplies, toner, kitchen supplies, flowers
MEMBERSHIPS	011_10000_46502_53210_XXX	Local center memberships, Chamber of Commerce
SUBSCRIPTIONS	011_10000_46502_53220_XXX	Newspaper and magazine subscriptions
HOSPITALITY / MEALS	011_10000_46502_53230_XXX	Food, water cooler, catering
GENERAL ADVERTISING	011_10000_46502_53261_XXX	Faculty position ads, local sponsorship ads
GENERAL SERVICES	011_10000_46502_53292_XXX	Janitorial, lawn, plowing, parking, shredding
TELEPHONE	011_10000_46502_53310_XXX	Phone, conference calls
POSTAGE/SHIPPING	011_10000_46502_53320_XXX	Meter refills, USPS, FedEx, UPS
OIL	011_10000_46502_53410_XXX	Oil for center heat
ELECTRICITY	011_10000_46502_53420_XXX	Green Mountain Power
WATER	011_10000_46502_53430_XXX	Water utility bill
PROPANE	011_10000_46502_53450_XXX	Gas for center heat
RUBBISH	011_10000_46502_53460_XXX	Trash services
REPAIRS-BUILDING	011_10000_46502_53550_XXX	General repairs not under contract
REPAIRS-MAINT AGREEMENT	011_10000_46502_53570_XXX	Repairs under contract, preventative repairs
GENERAL PROFESSIONAL SERVICES	011_10000_46502_53945_XXX	Consultants, NSO (not payroll **see note below)
MILEAGE REIMB	011_10000_46502_54100_XXX	Employee mileage, center outreach related travel, expos
FURNISHINGS	011_10000_46502_55130_XXX	With approval by Dean/RD

Location GL Code (last 3 digits)

BENNINGTON	410
BRATTLEBORO	411
MIDDLEBURY	215
MONTPELIER	316
MORRISVILLE	317
NEWPORT	318
ONLINE	500
RUTLAND	419
SPRINGFIELD	420
ST ALBANS	221
ST JOHNSBURY	322
WHITE RIVER JUNCTION	323
WINOOSKI	212
MAIN CAMPUS	000

Common Vendor Guide:

Secure Shred, Foley, Cleaning Service	011_10000_46502_53292_xxx	
Water & Coffee	011_10000_46502_53230_xxx	
Orkin	011_10000_46502_53570_xxx	
Waste Water	011_10000_46502_53430_xxx	
Interpreter for student	011_10000_51100_53944_000	Approved by Angela Albeck & Heather Weinstein
Interpretor for instructor	011_10000_46101_53944_000	Approved by Deborah Stewart & Heather Weinstein

**If the payment is for a VSCS employee, it must be paid through Payroll.

V Business Office 2022