

Western Nevada College  
Business Office

Program Review  
August 2003 to December 2010

**I. Title of Program and Dates of Review**

Western Nevada College Business Office, August 2003 through December 2010

**II. Program Description**

The mission of the Business Office is to enhance institutional effectiveness by maintaining accurate financial records and providing financial data to both internal and external sources in a timely manner. The Business Office assists other college departments to effectively utilize resources dedicated to the operation of the college. The Business Office is committed to providing financial integrity and accountability to all stakeholders reliant on fiscal data relating to Western Nevada College.

**Objective 1:**

Follow generally accepted accounting principles, state and federal accounting standards and policies set by the NSHE System Administration and NSHE Board of Regents. Government Accounting Standards Board (GASB) standards will be adhered to in the posting and reporting of all financial transactions.

**Objective 2:**

Prepare quarterly and annual financial statements reflecting the operation of the institution for external auditors and for consolidation into NSHE annual financial reporting statements in accordance with GASB principles and within mandated timelines. Prepare other financial reports as required by WNC Administration, other college departments, NSHE Board of Regents, System Office, Federal, State and Local Grant providers, State Executive and Legislative requestors and other interested parties.

**Objective 3:**

Post, track and complete all college financial transactions including purchasing, travel administration, accounts receivable and payable, banking relationships and bank reconciliation, purchase card administration, grant fiscal administration, cash management including petty cash reconciliation, reviews and audits.

**Objective 4:**

Accept payments from students, staff and third parties paying in behalf of students, and apply the payments to the appropriate revenue accounts. Maintain capabilities to accept payments in person, via telephone, U.S. Mail, and the internet. Distribute appropriate fees and other charges to the correct accounts including student fees, indirect grant charges and other surcharges that may be approved in a timely manner and inform impacted college departments when such distributions have been completed.

The Business Office supports the mission of Western Nevada College with efficient and effective administration, financial expertise and support services. The mission and objectives were developed by the Business Office staff and are based on actual tasks currently being performed.

The program review team reviewed the mission and goals for completeness and made corrections and modifications when warranted.

III. **Relationship of program to other programs at Western Nevada College and within the Nevada System of Higher Education.** Describe how this program is related to other programs offered by WNC and NSHE.

The Business Office provides fiscal services to all college departments. Services provided include, but are not limited to; cash handling including providing change and making bank deposits, purchasing, travel administration, reviewing and paying invoices, grant fiscal administration, financial aid support and reporting financial results. Reports are provided to NSHE System Administration, outside auditors, grant providers, state government and other interested parties.

The Business Office works in close conjunction with Student Services, primarily Admissions and Records and Financial Aid. Primary student interaction is accepting payments for student tuition and fees and responding to student inquiries on their accounts. The key goal is to provide seamless service to students as they move through applying for admission, completing financial aid requests, registering, computing tuition and fees, accepting payment through a variety of mediums and crediting student accounts with payments from the financial aid providers, scholarships and third parties. The Business Office also works closely with Financial Aid to identify students that have special requirements for financial assistance due to delays in financial aid or other hardships and special programs including tuition deferment programs are offered to insure students have every opportunity to attend classes at the beginning of the academic term.

Another key area where the Business Office interacts with other programs and departments at Western Nevada College is in Grant Administration. Office staff provide assistance to grant applicants in completing grant forms and calculating grant budgets. Forms are provided to complete and track grant budgets, calculations are done for indirect grant administrative costs, billing done for grant draws and assistance provided in providing final reporting during grant closeouts.

For the 15 months there has been close collaboration with Student Services, NSHE Computing Services staff and other NSHE institutions in the implementation of a new student admissions and records automated system. The current system, known as the Student Information System (SIS), will be replaced with a new state of the art Enterprise Resource System provided by People-Soft/Oracle called iNtegrate/MyWNC. This system will replace an aging system that is nearly impossible to support with a system that will make it much easier for students to interact with the college in all phases of admissions from the initial application to financial aid, registering for classes and payment of tuition and fees. Significant coordination has been required during the implementation phase which will continue through early 2011 at which time the system will "go live" for the fall 2011 academic term.

**IV. Review Process. Explain the review process including membership of the review body.**

The review group will consist of:

- Chet Burton, Controller and Fiscal Director
- Coral Lopez, Assistant Controller
- Richard Kloes, Accounting Professor
- Donna Ashby, Accountant Technician
- Richard Williams, Senior Accountant, Truckee Meadows Community College

The adequacy of resources will be reviewed in accordance with the instructions from the Strategic Review committee, i.e. personnel, operating funds and facilities utilized by the Business Office. Evidence of effectiveness will be reviewed by examining each objective from the program objectives listed in item number II above. The requirement to have a Business Office will be examined in the context of mandates from the NSHE System Office and Board of Regents concerning processing financial transactions and generally accepted accounting standards, as well as considering what the customers of the office expect and require.

**V. Findings**

**A. Adequacy of Resources**

- i. Personnel including information regarding the number of positions for all professional and classified personnel working within the department.**

List of personnel on June 30, 2003 and July 31, 2010:

June 30, 2003

<u>Name</u>	<u>Position</u>
Paul Richey	Controller
Jan Hill	Accountant Technician II
Donna Ashby	Accountant Technician I
Peggy Stutsman	Program Officer I
Donna Redfern	Purchasing Technician I
K. Kiesow	Accounting Assistant I
T. Lynch	Accounting Assistant III (.5 FTE)

July 31, 2010

<u>Name</u>	<u>Position</u>
Chester Burton (.5 FTE)	Controller
Coral Lopez	Assistant Controller
Charisma A. Sotomayor	Accountant
Donna Ashby	Accountant Technician I
Peggy Stutsman	Program Officer I
Gail Montes	Accounting Assistant II
Donna Pigman	Accounting Assistant II

Turn-over of positions in the Business Office has been historically very low and the experience level of the employees quite high. In the past two years, only one employee voluntarily left employment with the college. In 2008, the Accountant Technician II, who also acted as the Office Manager, retired. That position was held vacant until mid-2010. The Controller retired in June 2009, and the Controller Position was refilled in August 2009. A Senior Accountant was hired in March 2010 and in July 2010 a complete reorganization occurred between both the Business Office and Budget Offices. The Controller assumed the duties of the Budget Officer and the Senior Accountant was temporarily promoted to Assistant Controller. A new Accountant was hired and an Accounting Assistant II who had been assigned a .2 FTE to the Business Office was reassigned full time. The net result of the reorganization was a total of 6.5 FTE assigned to the Business Office, exactly the same headcount as in 2003.

In the previous program review, one serious shortfall was identified, the assignment of only one Professional level employee to the Business Office - the Controller. While the employees in the office had significant experience there was no succession planning or an adequate backup should the controller be out for an extended period of time. This shortfall has been addressed by having existing positions converted to Professional level positions. In addition to the .5 FTE Controller position, there is a Professional with a CPA certification serving as Assistant Controller, and another Professional with a Master of Accounting degree has been hired to fill a newly created Accountant position. These moves have increased the breadth of experience in the Business Office considerably and allows for both succession planning and a backup of all key positions in the office.

The staffing of the WNC Business Office has been compared to the staff at both Great Basin College in Elko, NV and Truckee Meadows Community College in Reno, NV. Based on the comparison it is concluded that the numbers and grade level of staff assigned to the Business Office is adequate when the differences in size between the institutions is factored into the equation. When compared to 2003, the number of students served by WNC has nearly doubled, while the staffing of the Business Office has remained constant. This increase in workload has been handled by changes in work practices and

improved training, which has allowed the same number of staff to handle the significantly increased student throughput and workload experienced by the office.

- ii. **The degrees and qualifications of the professional and classified personnel working within the department or service area including an overview of the duties and activities for all personnel within the department of service area.**

- a. **Professional**

Chet Burton – Controller, Business Office

Bachelor of Arts, Marketing

MBA with Honors from the Darden Graduate Business School, University of Virginia  
Served as Controller and Director of Finance with a S&P 500 Corporation, which was twice named as one of Business Week’s top “50 Fastest Growing” corporations in the S&P 500. 20-year career in the United States Navy as a Supply Officer serving a variety of financial and procurement related positions.

Responsible for overall smooth operation of the Business Office, staffing, financial reporting to NSHE, State and Federal agencies. Oversees the preparation of all required monthly, quarterly and annual financial reporting. Monitors and controls all financial transactions and is the point of contact for any finance or accounting related inquiries from outside auditors and State/System/Federal agencies.

Coral Lopez—Assistant Controller, Business Office

Bachelor of Science, Accounting, California State University, Long Beach

CPA Certification, certified in both California and Nevada. Over 8 years of public accounting experience.

Responsible for the day-to-day operation of the Business Office including the direct supervision of one professional and 4 classified employees. Completes monthly bank reconciliations and does research and input for required monthly, quarterly and annual financial reporting. Does budgeting and tracking and conducts periodic draws for Grant accounts and federal financial aid.

Charisma A. Sotomayor—Accountant, Business Office

Bachelor of Science, Engineering, University of Michigan

Master of Accounting, Oakland University, Michigan

Responsible for daily cash reconciliation, distribution of student fees, wire and ACH transactions, check cancellation and processing NSF checks. Compiles annual sensitive item and fixed asset inventories and maintains accountable inventory records, provides backup to other key office functions such as daily check release and remote check deposit.

b. **Classified**

Peggy Stutsman—Program Officer I  
AA General Studies, WNC  
Student Financials/myWNC implementation

Donna Ashby-Accountant Technician I  
AA with an emphasis in Accounting, WNC  
Accounts Payable  
ProCard Administrator

Donna Pigman—Accounting Assistant II  
BS Accounting, Grand Canyon University  
AA General Studies, WNC  
AAS Business – Applied Accounting Emphasis  
AAS Business – Accounting Emphasis  
AAS Electronic Technology, WNC  
Purchasing and Travel Administration

Gail Montes – Accounting Assistant II  
AA Accounting, WNC  
AA Applied Accounting, WNC  
Head Cashier

**B. Any additional personnel or costs associated with personnel needed to support the department or service area?**

During the fall and spring registration periods a temporary employee is brought in to assist with customer service. A student worker funded from institution work study funding also assists the Head Cashier at the payment window and with general filing and clerical work. Other departments within WNC that assist the Business Office include computing services, facilities and Human Resources. Resources outside of WNC that provide assistance include Business Center North, NSHE System Administration and NSHE SCS Computing Services.

**Operating Funds** : This includes equipment, maintenance of equipment, regular operating costs, personnel costs and fringe and other budgetary needs of the department or service. Data on annual expenditures should indicate the cost of operating the department or service.

**Costs of Department – Past 5 Years:**

	June 30 2010	June 30 2009	June 30 2008	June 30 2007	June 30 2006
Letters of Appointment	34,194.02	-	-	-	-
Professional Salaries	114,474.50	105,073.92	100,023.00	96,189.36	125,692.68
Classified Salaries	169,730.06	193,276.60	211,211.26	206,469.33	199,939.12
Wages	-	-	-	-	1,464.01
Fringe Benefits	96,879.78	97,218.79	115,728.39	105,952.29	100,091.05
Out of State Travel	-	-	1,765.32	-	-
In State Travel	485.40	948.06	1,036.39	1,664.68	2,294.55
General Operations	20,945.60	14,325.15	11,258.55	10,710.32	12,207.42
Sensitive Equipment	2,211.00	1,737.76	-	-	2,488.00
Postage Expense	-	-	9,778.41	12,308.03	12,342.42
Equipment	-	-	-	4,562.31	-
	<b>438,920.36</b>	<b>412,580.28</b>	<b>450,801.32</b>	<b>437,856.32</b>	<b>456,519.25</b>

**Facilities Information:** This is about the nature and extent of facilities required for the department or service.

Facilities include a workspace with 4 enclosed offices, a storage area, common area with desks for 4 employees, conference area and two customer service windows. Normal office equipment includes a copier, fax and scanning machines, Laptop and Desktop PC's, monitors and printers.

**C. Evidence of Effectiveness**

The review of effectiveness is based on the objectives that were identified above in the Program Description section. The effectiveness of each objective is evaluated against one or more indicators. For example, purchasing is evaluated by the number of purchasing transactions processed and maintaining accurate financial records is tracked via the results of external audits. A summary of the finding for each objective follows:

**Objective 1:**

**Maintain WNC's financial records in accordance with Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards Board (GASB) guidelines as well as other standards set by the Federal Government in relation to grants and federal financial aid and policies and procedures set by the NSHE Board of Regents.**

**Review:**

Financial statements are prepared annually by the WNC Business Office and submitted to NSHE which consolidates all of the State of Nevada University and College financial statement into a single financial report for the year. These financial reports are audited annually by Grant

Thornton, a Public Accounting firm, and the results are reported to the Board of Regents. WNC's most recent financial statements along with the Auditors opinion is attached as appendix A.

Grant Thornton also performs an annual A-133 audit related to federal grant and award spending to insure programs and reporting is in compliance with all guidelines. No findings of noncompliance have been reported.

NSHE Internal Audit also conducts periodic reviews of key operations at WNC. Due to the extensive interaction that the Business Office has with all key functions of the college, the Business Office is routinely required to respond to the audit findings despite the fact that the auditors are not exclusively focusing on the Business Office processes and procedures per se. During the review period, there have been no findings of a material deficiency on any business processes audited by the NSHE team.

NSHE requires monthly reconciliation of bank records to be completed no more than 60 days after the end of the month being reconciled. Due to personnel turnover in the Business Office, bank reconciliation was not conducted from August 2008 through October 2009, a period of approximately 14 months. This was a serious deficiency that was noted by the Board of Regents who required a plan of action to correct this deficiency. Concurrent with the hiring of a new Controller in August 2009, a consultant was brought in to assist in becoming current for all reconciliations. WNC became current in November 2009 and this was reported at the December 2009 Board of Regents meeting. Since that time, WNC has remained current on all required bank reconciliations.

**Objective 2:**

**Prepare annual financial statements for external reporting and review, reporting for WNC administration, NSHE Board of Regents, System Office, Grantors, Federal and State agencies and other reporting as required.**

The scope and breadth of reporting required of the Business Office is extensive and ongoing. Required reporting includes quarterly ALLFUND revenue and expenditure reporting to NSHE System, Millennium Scholarship reporting and reconciliation required by the State of Nevada, breakdowns of tuition and fee revenue and non-resident revenue reports, annual IPEDS reporting, required IRS reporting relating to vendors and independent contractors, reporting for grant expenditures and grant draws, financial aid reporting, other required scholarship reporting, quarterly federal stimulus fund reporting, small and disadvantaged supplier diversity reporting and numerous other reporting required on an as needed basis. During the period of review all required reports were completed on time.

**Objective 3:**

**Provide the college with business related support services in three major areas; purchasing, accounts payable and travel administration. Provide training and feedback to college users of these services and all other necessary reporting related to these functions.**

Key indicators of success are reflected in each area as noted:

**Objective 3a—Purchasing**

Number of days to complete a purchase

Finding by NSHE auditors of incorrect purchasing procedures (goal should be zero)

Percentage of purchases placed with Small/Disadvantaged businesses

**Objective 3b—Accounts Payable**

Number of days payables outstanding

All applicable discounts taken

No overdue payments

**Objective 3c—Travel**

Travel claims processed within mandated timeframes

All travel procedures followed as indicated by outside auditors

Travel advances processed within timeframes requested by travelers and in accordance with travel policy

**Objective 4:**

**Accept payments from students and properly maintain student's financial accounts. Bill and apply payments from 3<sup>rd</sup> party payees. Track payments, bill students and provide refunds in accordance with the institutions academic calendar. Provide and track deferments in accordance with WNC policy. Insure revenue is properly and timely posted to the correct college accounts.**

The Business Office works very closely with other departments at WNC to insure superior student service and advertising payment due dates, drop and refund dates and deferments where warranted. A robust web site is maintained and the majority of student payments are processed via debit or credit cards via secure internet links. A payment drop box is provided and during the two weeks of registration extended hours are maintained at the walk up windows in Carson City to process payments in person via cash, debit or credit card or check. Cashiers are also available in person or via phone to answer student inquiries related to their accounts from 8 AM to 7 PM Monday through Friday during the registration period.

The Business Office is working closely with WNC Admissions and Records and the Financial Aid Office to implement a new ERP system supported by Oracle/Peoplesoft software that will go live in the early 2011. This is a state of the art modern system that is orientated toward supporting students in an on-line environment and it has proven to be more user friendly for the students than the system it is replacing.

## **VI. Need for the Program or Service**

**A key aspect of this review is to determine if the department's mission and objectives are still required by the institution and are meeting the institution's needs. To establish if the department is still required, current Federal, State and NSHE regulations were reviewed. To determine if the Business Office is meeting the college's needs, a survey was sent out to the entire college population and the responses are summarized below.**

In establishing if the Business Office is still required, current state and Board of Regent policies and procedures were reviewed. It was determined there are three significant mandates that cannot be met by any other department at the college:

1. Maintain all required accounting records in accordance with generally accepted accounting standards and to insure funds are utilized in the manner required and there is no evidence of fraud, waste or abuse of funds.
2. Submit annual financial statements reporting on the financial health of the institution and for incorporation into the NSHE annual financial statements which are subject to outside audit in compliance with State and Regional Accreditation standards.
3. Comply with State and NSHE purchasing regulations to ensure that all purchases are made in accordance with established regulations and procedures and that purchased equipment is tracked and inventoried on an annual basis.

To determine the extent the Business Office is fulfilling needs and the expectations of the college users, a survey was sent out to the entire college population. The results of that survey are summarized below:

## Administrative Program Review Survey 2010 – Business Office

	Survey Group 1	Survey Group 2
<b>On average, I have direct contact (email, phone, in-person) with the Business Office:</b>		
More than once a week.	16%	31%
Once a week.	7%	13%
Once every couple of weeks.	9%	17%
Once a month or less.	19%	38%
I have not had direct contact with this department in the past 12 months.	50%	0%
<b><u>Strongly Agree / Agree</u></b>		
Staff members listen well.	91%	86%
Staff are professional.	92%	87%
Staff are helpful in resolving problems.	87%	82%
Staff respond to my requests in a timely manner.	85%	81%
This department supports teamwork and collaboration across the college community.	75%	72%
This department's hours of operation are adequate to meet my needs.	89%	84%
Overall, this department provides quality customer service.	86%	80%
<b><u>Very Satisfied / Satisfied</u></b>		
Accessibility.	91%	86%
Efficiency of service.	84%	80%
Accuracy of information or advice.	81%	77%
Usefulness of information or advice.	84%	79%
Responsiveness to requests and other inquiries.	88%	79%
Communication about services offered.	69%	66%

Based on the findings of the survey it appears the Business Office is viewed favorably by a majority of the stakeholders utilizing its services. When compared to the survey in conjunction with the previous review, there has been significant improvement in every area surveyed.

If there is one area that could be improved upon it appears it would be in the area of communication. In that area, the Business Office recently began posting an information item in the monthly Vice President of Finance and Administration newsletter. The monthly topic is an item of interest to the entire college community such as purchasing deadlines at year-end. In addition, the Business Office has worked very closely with Admissions and Records in relation to the rollout of MyWNC to insure students have all the relevant information they require in order to register and pay for their classes utilizing the new system.

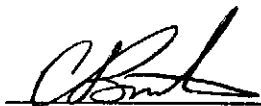
VII. Recommendations

Based on the results of the survey and review by other members of the review team, recommendations will be compiled as the final task of the review process.

Comments relating to formatting and clarity made by external reviewers were incorporated into the body of the document. No other recommendations in relation to the review were provided by any of the reviewers and they have indicated that they are in agreement with the findings of the review.

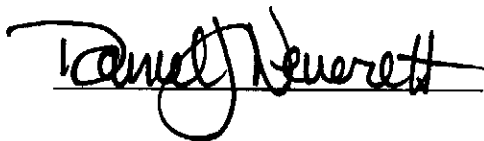
Signatures

Chester Burton, Fiscal Director/Controller



Dated: 4/29/11

Daniel Neverett, Vice President of Finance and Administrative Services



Dated: 4.29.11