

Audit Report: 1005589

Finding Number: 001

Finding: The University's controls over accounts receivable are not adequate reducing the likelihood of collecting all amounts that are owed.

Resolution: The University continues to aggressively follow up on any accounts that are past due. This is accomplished in a number of ways. Staff in the Student Accounts department routinely makes phone calls and sends letters to students to work with them on keeping their accounts current. These efforts are working in controlling the University's overall accounts receivable balances. During the audit period of fiscal year 2010, accounts receivable were 6.4 percent of operating revenues. During fiscal year 2011, that has dropped to 5.3 percent.

Billing statements are currently on schedule. They are run and distributed monthly either by email to currently enrolled students or mailed to those students with an outstanding balance who are not currently enrolled. The University also revised and updated the procedures for the Student Accounts department relating to accounts receivable. This document will be reviewed by the appropriate personnel to establish a final University-approved procedure. In addition to monthly monitoring, there has been a policy established that a student will have a hold placed on their account and will not be allowed to register for future classes if they have an outstanding balance of \$200 or more. The purpose is to ensure that students remain current on their accounts and for the University to maintain control over receivables.

The University is currently looking to implement a process that is available within the collections module of its current computer system. This module will identify those students who are no longer enrolled but have outstanding balances in a report available to the staff responsible for collection efforts. The University is scheduled to migrate to version 9.0 of the student system in the spring of 2012. Because of the far-reaching implications of the whole system upgrade to 9.0, no additional functionality will be brought online until the new version is implemented.

At this point, no official decision has been made on whether the University will pursue charging interest on past due accounts. Under consultation with its AAG and also under the provisions stated in WAC 82-06-010, the University is in the process of determining if charging interest should be waived under either of the following criteria:

1. In situations where the cost of charging interest is expected to exceed the amount of interest received.
2. In situations where the cost of developing systems to charge interest is expected to exceed the amount received. The word "systems" in this context refers to both computer systems and general systems of managing and processing receivables.

The University currently assesses tiered late fees on unpaid balances beginning after the fifth day of classes.

State of Washington

Status of Resolution of Audit Findings

December 2011

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Status of Resolution of Audit Findings

December 2011

Central Washington University (CWU)

Agency: 375

Audit Report: 1005589

Finding Number: 002

Finding: The University issued \$145,719 in ineligible or unallowable tuition waivers, sixty percent of which went to dependents or spouses of employees.

Resolution: The University, in consultation with its Assistant Attorney General (AAG), interpreted and applied RCW 28B.15.915 as authorizing the exercise of reasonable discretion in the granting of full or partial waivers as appropriate to the needs of the institution and individual students.

Nevertheless, the University has worked with its AAG to develop a new institutional waiver policy with procedures to ensure that waivers granted under authority of RCW 28B.15.915 are consistent with written policies and are subject to appropriate administrative review and approval. The new comprehensive policy and procedure document is currently under final review by the University's AAG.

Tighter administrative oversight has been in place during the interim, while the new policy and procedure are under development. Significant changes have been put in place to ensure compliance with all state regulations. The new policy includes a section on "Conflict of Interest Guidelines" and a waiver council has been named and charged with reviewing any discrepancy, disagreement, or questionable offer that might surface. Personal relationships must be disclosed to the waiver council for review and recommendation for approval by the Chief Financial Officer (or other disinterested cabinet level administrator). The policy includes specific eligibility criteria developed by the administrators who are responsible for issuing the waivers. The waiver council will review reports to ensure compliance with the written policy. In addition to these steps being implemented, programming has been implemented to ensure waivers are limited to the exact percentage of specific funds as stated in the authorizing RCW.

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