

Office of Administration and Finance

1150 Carroll Street, Suite 200
Brooklyn, New York 11225
T: 718-270-6994

September 26, 2016

The Honorable Thomas P. DiNapoli
Comptroller of the State of New York
Office of the State Comptroller
110 State Street
Albany, New York 12236

RECEIVED
EXECUTIVE CORRESPONDENCE

OCT 06 2016

OFFICE OF THE STATE COMPTROLLER
THOMAS P. DINAPOLI
COMPTROLLER

Dear Comptroller DiNapoli:

In accordance with New York State Executive Law Section 170, the City University of New York hereby submits on behalf of Medgar Evers College its 90-day report on the implementation of the corrective action recommendations made in Comptroller's audit report 2015-S-92. Medgar Evers College has taken the auditor's recommendations quite seriously and is committed to the enforcement of each recommendation in its daily operations.

Recommendation 1: Fully comply with prescribed procedures for opening new bank accounts and the monitoring of existing accounts. Develop and implement additional policies and procedures to administer bank accounts, as warranted.

Medgar Evers College operates in full compliance to CUNY's Cash Management and Banking policy that governs the opening and closing of new bank accounts. As stated in the initial report, the College acknowledges the Comptroller's audit findings and has taken the following steps to correct the deficiencies cited.

1. The College has appointed one key staff to maintain an active record of the opening and/or closing of bank accounts. The staff member currently works directly with the CUNY Cash Management Office to ensure that the CUNY Comptroller receives the required notification form prior to the opening and/or closing of all bank accounts.
2. The College has consolidated all banking files to one central location. This provides the proper security, housing, and monitoring of all banking-related documentations.
3. The College has established its Accounting Policies and Procedural Manual that serves as an employee's reference guide to the execution all cash management and banking related functions.
4. The College has initiated a process to develop a web-based version of each manual to promote transparencies and efficiencies within each of its accounting and cash management functions.

5. All staff are mandated to attend bank training, as it becomes available, to become proficient on industry best practices. Additionally, all staff are cross-trained in each of their respective areas of expertise to ensure continuity in each operation.
6. The College is conducting periodic audits of all banking and cash management services to uncover discrepancies and ensure compliance.

The College would like to highlight the actions taken to improve the overall banking services before the Comptroller's audit:

- The College conducted an independent investigation among neighborhood banking establishments; such as, JP Morgan Chase, Citi Commercial and Carver Federal Savings Bank. The statements received from each bank confirmed the number of accounts the College has on record. To safeguard against the unauthorized opening of new accounts, the College will conduct an annual survey among the various branches to ensure all accounts are officially authorized and documented.

Recommendation 2: Strengthen the control environment to assure that funds are appropriately disbursed from bank accounts by:

- **Reinforcing with staff the importance of adhering to New York State, City and CUNY requirements; and**
- **Training Finance and Administration employee on the appropriate policies and procedures related to bank accounts and banking operations.**

Prior to the Comptroller's audit, the College had already conducted a thorough review of its internal control practices. The results of such review concur with those of the Comptroller's findings. The following corrective measures were enforced to secure a controlled environment:

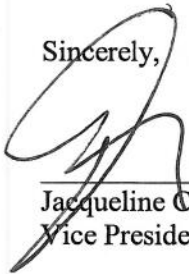
1. The College facilitated various meetings, workshops and trainings among key staff to enhance their knowledge base on State, City and CUNY requirements. This includes a thorough review of the *CUNY Fiscal Accountability Handbook for the Control and Accountability of Student Activity Fees* for the Student Faculty Association team as well as a detailed overview on the CUNY and College Procurement guidelines governing the acquisition of goods/services for the College community and the related entities. Also, the College has developed its internal Accounting Policies and Procedural manual to be used in conjunction with the CUNY Cash Management and Banking Policy manual.
2. The College in compliance to State and CUNY guidelines governing the provision of goods and/or services, has directed that, college-wide, all commodity acquisitions be managed by the Purchasing Office. This includes all Tax and Non-Tax Levy transactions.
3. To eliminate the risk of accounting errors associated with the commingling of funds in a common holding account, the College closed its Gifts and Grants account and transferred its funds to the member 501(c) (3) corporation accounts. In addition, the College established individual bank accounts for all related entities.
4. The College has redirected the oversight of the Child Care payroll to the Controller's Office. This action allows for the enforcement of the proper reporting of employees' time and better internal controls. The College has enforced two-signature approvals of time sheets prior to the issuance of all payrolls.

5. The College has instated daily and monthly bank reconciliations to ensure accurate recording and accounting of cash transactions. The reconciliation function was transferred from the Bursar's Office to the Controller's Office to address separation of duties and accountability among the staff.
6. The Finance staff were issued a copy of the Accounting Policies and Procedural Manual to streamline operational practices. Also, monthly meetings are conducted to ensure that policies are being followed as well as to keep the staff abreast of new accounting standards.
7. Staff are empowered to attend external training and conferences that enhance their professional development and performance.
8. The College will drive collaboration among sister campuses to achieve best practices.
9. The College is in the process of hiring of a new Controller. Also, the College is documenting its daily accounting desk procedures to use as a reference guide for all new employees.

In conclusion, the College is committed to the aforementioned declarations. This includes but is not limited to the proper monitoring of its processes to enforce the adherence to the State, City and CUNY policies and procedures.

Once again, I wish to extend my thanks to the auditors for their professionalism, courtesy and recommendations. If you should need additional information, please do not hesitate to contact me.

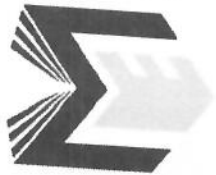
Sincerely,



Jacqueline Clark
Vice President of Administration & Finance

cc: Chancellor James B. Milliken, The City University of New York
President Dr. Rudolph F. Crew, Medgar Evers College
Hon. Andrew M. Cuomo, New York State Governor
Hon. John J. Flanagan, Temporary President and Majority Leader of the Senate
Hon. Hugh T. Farley, Vice President Pro Tempore, Senate
Hon. Andrea Stewart-Cousins, Minority Leader, NYS Senate
Hon. Carl E. Heastie, Speaker, NYS Assembly
Hon. Joseph D. Morelie Majority Leader, NYS Assembly
Hon. Brian M. Kolb, Minority Leader, NYS Assembly
Hon. Catharine M. Young, Chair, NYS Senate Finance Committee
Hon. Liz Krueger, Ranking Minority Member, NYS Senate Finance Committee
Hon. Robert Oaks, Ranking Minority Member, NYS Assembly Ways and Means Committee
Hon. Herman D. Farrell Jr., Chair, NYS Assembly Ways and Means Committee
Ms. Carmen Maldonado, Audit Director, Office of the State Comptroller





MEDGAR EVERS
COLLEGE

The City University of New York
1650 Bedford Ave, Brooklyn, NY 11225

NEW YORK
NY 112
23 SEP 15
7181



U.S. POSTAGE >> PITNEY BOWES



ZIP 11225 \$ 000.46⁵
02 1W
0001385862 SEP 28 2016

The Honorable Thomas P. Di Napoli
NYS Comptroller
New York City Office
59 Maiden Lane
New York, NY 10038

10038-464431



