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EXECUTIVE CORRESPONDENCE

MAR 11 2021

OFFICE OF THE STATE COMPTROLLER
THOMAS J. DINAPOLI
COMPTROLLER



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University

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March 1, 2021

Honorable Thomas DiNapoli
New York State Comptroller
110 State Street
Albany, New York 12207



Dear Mr. DiNapoli,

In accordance with Section 170 of the Executive Law, this is Stony Brook University's 180-day response showing actions taken to address the seven recommendations contained in the State Comptroller's Audit Report on Select Financial Management Practices at the Office of Transportation and Parking Operations (TPO) at Stony Brook (2018-S-11).

Stony Brook University thanks the State Comptroller's audit team for their time and professionalism. We have taken the following actions to address the audit recommendations.

Recommendation 1: Comply with SUNY's and Stony Brook's IFR [Income Fund Reimbursable] policies and internal procedures.

Response: Stony Brook continues to comply with SUNY and campus IFR policies and procedures and has reviewed, updated and clarified our campus IFR Policy and Procedure Manual to ensure it is consistent with our current procedures, definitions and standard accounting practices. As part of this process we have reaffirmed our use of accrual basis accounting at the master account level to assess the financial condition of IFR activities.

Recommendation 2: Eliminate [IFR Account] deficits, as required.

Response: As of December 31, 2020, all but one of the IFR accounts and sub-accounts assigned to TPO (the Administration Parking Garage sub-account) are in a positive financial condition on an accrual basis per our IFR Policy and Procedure Manual. The overall campus parking garage IFR master account, however, remains in a positive financial condition as of December 31, 2020. The de-densification of the campus required by the COVID pandemic response continues to significantly reduce the revenue stream to the Administration Parking Garage sub-account. Campus leadership is reviewing this sub-account to determine how to remedy any remaining deficit post-COVID. After working through a third-party parking and transportation study in 2020, Stony Brook is reimagining our entire parking program across all Stony Brook campuses which will further ensure our Parking IFR accounts remain positive.

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Recommendation 3: Comply with all laws, contractual agreements, and Stony Brook policies to ensure that expenditures are appropriate and properly supported, and examine the expenditures that were not properly supported.

Response: Stony Brook continues to ensure that expenditures are appropriate and properly supported in accordance with applicable policies, procedures, contracts and laws. We examined the one payment and the one journal entry questioned in the audit report and found both were appropriately charged to TPO accounts. In the case of the payment, a discrepancy in the supporting documentation should have been corrected by the buyer before the purchase order was created. Management has discussed this discrepancy with the buyers to prevent recurrence. In the case of the journal entry, the charge is supported by the accounting for project costs in accordance with Stony Brook's normal practices.

Recommendation 4: Develop control practices and procedures over Admin Garage hourly parking revenues, including:

- Enforcing the terms and conditions under the vendor's contract;
- Tracking the number of tickets pulled from both entrance lanes; and
- Identifying patrons who received free parking during special events.

Response: TPO reviewed and improved its control practices and procedures with respect to Administration Parking Garage hourly parking revenues, including reconciliation of all ticket activity, and is enforcing the terms of the contract with the garage operator. Most on-campus special events have been curtailed since the onset of the COVID-19 pandemic so garage parking for event attendees has not been an issue. In anticipation of a return to more normal operations post-COVID, campus leadership is developing a reasonable parking solution for campus events that promotes community participation while ensuring adequate control over hourly parking garage revenues.

Recommendation 5: Examine the discrepancies between the number of pulled and returned parking tickets for the Admin Garage, document the outcome of the examination, and take appropriate action for any violations.

Response: TPO has implemented improved procedures to reconcile ticket activity in the Administration Parking Garage, as well as to monitor, investigate and rectify differences between tickets dispensed and tickets returned. In addition, campus Internal Audit reviewed garage ticket discrepancies on dates identified in the audit report and confirmed that some monthly patrons are pulling a ticket to enter the garage and then using their monthly parking card to exit, resulting in unreturned tickets. Stony Brook will be enabling an automated 'anti-passback' function in the Administration Parking Garage to curtail this practice, thereby eliminating this discrepancy.

Recommendation 6: Periodically verify that parking meter rates are consistent with TPO-established rates.

Response: TPO has implemented procedures to conduct monthly verification and to document the results.

Recommendation 7: Examine why the correct meter fees were not charged to customers and credited to TPO, and ensure that the machines are programmed not to accept payments during off-hours.

Response: Stony Brook concluded that the matter of proration of the meter fees prior to 2016 is a document retention issue. We are unable to locate pre-2014 documentation showing that TPO initially instructed the vendor to prorate the hourly fees. The documentation may have been lost or discarded when the previous TPO Director left Stony Brook. TPO has since established an electronic file for communications with the vendor to ensure that such communications are retained regardless of personnel changes.

TPO directed the vendor to modify the parking meter settings to ensure that payments are not accepted during off hours and on weekends. TPO confirmed that the vendor made the requested changes.

If you have any questions or would like additional information, please contact Mr. Douglas Panico, Assistant Vice President for Audit and Advisory Services at (631) 632-1439.

Sincerely,



Maurie McInnis Ph.D.
President

NOTE: The same letter and enclosure were also sent directly to the following individuals in accordance with Section 170 of the Executive Law:

Governor Cuomo
Lieutenant Governor Hochul
Comptroller DiNapoli
Senator Stewart-Cousins
Speaker Heastie
Senator Ort
Senator O'Mara

Senator Krueger
Senator Weinstein
Assemblyman Ra
Assemblyman Barclay
Mr. Mujica, Jr.
Mr. Williams

Cc: Ms. Byington
Ms. Greiman
Dr. Flannery
Mr. Gomes
Mr. Tufts
Mr. Panico
Ms. Montalbano/System Administration

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