



AUDITOR GENERAL

William O. Monroe, CPA



FLORIDA COMMUNITY COLLEGE SYSTEM STUDENT FEES AND FINES OPERATIONAL AUDIT

*For the Period January 1, 2001, Through December 31, 2001,
and Selected Transactions Through March 31, 2002*

SUMMARY

Our audit disclosed that, generally, student tuition and matriculation fees were assessed and collected in accordance with applicable laws, administrative rules, and other guidelines. However, our audit of certain other student fees and fines disclosed some deficiencies.

Matriculation and Tuition Fees Collected for Safety and Security Purposes

Finding No. 1: Records for three colleges did not demonstrate that the respective boards of trustees had designated that the additional portions of the matriculation and tuition fees collected pursuant to Section 240.35(10), Florida Statutes, were for safety and security purposes. Additionally, three other colleges did not have written safety plans which demonstrated that the expenditure of resources for safety and security purposes did not supplant general operating funds.

Activity and Service Fees

Finding No. 2: Some goods and services purchased with student activity and service fees collected pursuant to Section 240.35(10), Florida Statutes, although benefiting the student body in general, appeared to supplant regular operating costs, i.e., the usual cost of doing business.

Finding No. 3: Three colleges had unexpended balances of activity and service fees at June 30, 2001, which exceeded 50 percent of the amount collected during the 2000-2001 fiscal year. If student activity and service fee resources are not spent in a timely manner, those students who paid such fees may not benefit from activities financed with these fees.

Financial Aid Fees

Finding No. 4: At June 30, 2001, one college's financial aid fee balance exceeded the 40 percent threshold set by Section 240.35(11), Florida Statutes.

User Fees and Fines - Laboratory Fees

Finding No. 5: Twenty colleges did not have a written methodology in place for determining which courses should assess a laboratory fee and the amount of the fee. In the absence of such a methodology, a determination could not always be made that the fee assessed did not exceed the unusual costs of the services provided. The varying practices among the State's community colleges resulted in different laboratory fee assessments for the same courses. Similar findings were noted for user fees other than laboratory fees.

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Other User Fees and Fines

Finding No. 6: *We noted instances in which a user fee was charged to students on a per contact or credit hour basis instead of a user basis. It is not apparent how a fee assessed on a per hour basis could equate to the cost of the service provided.*

Finding No. 7: *Five colleges provided no evidence that their boards of trustees had approved certain user fees and fines. In the absence of board approval, a college has no authority to assess the user fee or fine.*

Finding No. 8: *Fines are not established to recover costs; rather, fines are assessed as penalties to deter certain behaviors. Different colleges assessed fines in varying amounts for the same offense. Language in Section 240.35(15), Florida Statutes, should be revised to delete the requirement that fines not exceed the cost of services and to address fines as assessments to deter certain behaviors.*

Technology Fees

Finding No. 9: *Colleges which assessed a separate technology fee did not always adopt technology improvement plans that addressed uses of technology fees or maintain separate accountability of the amounts expended. Consequently, in these instances, the Colleges could not readily demonstrate that the resources collected were used for the purposes intended.*

INTRODUCTION

Section 240.35, Florida Statutes, authorizes each community college board of trustees to establish fees for costs of instruction, financial aid purposes, student activities and services, capital improvements, and technology enhancements. In addition, Section 240.35(15), Florida Statutes, authorizes community college boards of trustees to establish fee schedules for specific user fees and fines. Such user fees and fines shall not exceed the cost of the services

provided and shall only be charged to persons receiving the service. Community colleges are not authorized to charge any fee that is not specifically authorized by Statute.

The colleges are under the general direction and control of the Florida Department of Education, Division of Community Colleges, and are governed by law and State Board of Education rules. Each college is governed and operated by a district board of trustees.

SCOPE, OBJECTIVES, AND METHODOLOGY

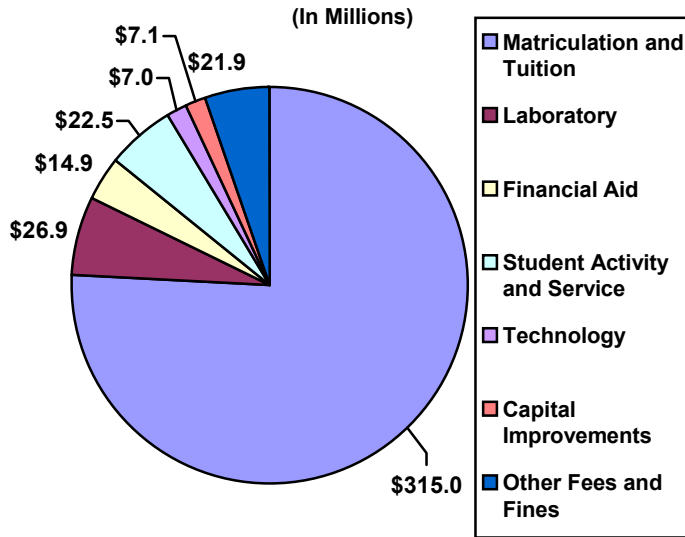
The objectives of this operational audit were to obtain an understanding and make overall judgments as to whether management controls regarding the assessment, collection, and expenditure of certain student fees and fines at Florida's public community colleges promoted and encouraged compliance with applicable laws, administrative rules, and other guidelines during the period January 1, 2001, through December 31, 2001, and selected transactions through March 31, 2002. Fees for capital improvements were not within the scope of this audit, but are addressed in our operational audits of the colleges.

We conducted this audit in accordance with applicable standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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FINDINGS AND RECOMMENDATIONS

Student fees and fines collected by Florida's community colleges totaled approximately \$415 million during the fiscal year ended June 30, 2001, as shown in the following graphic:



A summary, by college, of the student fees and fines collected is presented as Exhibit 1.

Finding No. 1: Matriculation and Tuition Fees Collected for Safety and Security Purposes

Section 240.35(7), Florida Statutes, provides that each community college board of trustees may establish matriculation and tuition fees, which may vary no more than 10 percent below, and 15 percent above, the fee schedule adopted by the State Board of Community Colleges. Any amount from 10 to 15 percent above the fee schedule is to be used only to support safety and security purposes. In order to assess an additional amount for safety and security purposes, a college board of trustees must provide written justification to the State Board of Community Colleges based on criteria approved by the local board of trustees including, but not limited to, criteria such as local crime data and information, and strategies for the implementation of local safety plans.

Safety and security is a fundamental service that should be provided by every college. Records of colleges which collect additional resources for safety and security purposes should document that the additional funds were used to supplement safety and security purposes. That is, expenditures were in addition to the amounts that would have been expended in the absence of the additional resources.

During the fiscal year ended June 30, 2001, nine colleges assessed matriculation and tuition fees in sufficient amounts (i.e., 10 percent to 15 percent above the fee schedule) to generate resources that were to be specifically designated for safety and security purposes. For three of these colleges (**Central Florida, Miami-Dade, and Valencia**), the respective boards of trustees did not designate that the additional portions of the matriculation and tuition fees collected, totaling \$127,000, \$1,500,000, and \$520,000, respectively, were to be used for safety and security purposes beyond the amounts normally expended for such purposes.

Additionally, three other colleges (**Florida Keys, Hillsborough, and St. Petersburg**) did not have written safety plans specifying the proposed uses of the resources collected for safety and security purposes. In the absence of a safety and security plan which includes a budget of estimated safety and security revenues and proposed expenditures, the colleges could not demonstrate that the expenditure of these resources did not supplant general operating funds usually expended for safety and security purposes.

Recommendation

We recommend that colleges which assess matriculation and tuition fees in sufficient amounts to include the collection of resources for safety and security purposes designate the resources for such purposes. Such colleges should also have written safety and security plans which include budgets for estimated safety and security revenues and

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expenditures. Colleges must demonstrate that these resources supplemented, not supplanted, safety and security expenditures.

Finding No. 2: Activity and Service Fee Expenditures

Activity and service fees collected by Florida's community colleges totaled approximately \$22.5 million during the fiscal year ended June 30, 2001, and approximately \$16.9 million during the period July 1, 2001, through December 31, 2001.

Our audit disclosed that some goods and services purchased with student activity and service fees, although benefiting the student body in general, appeared to supplant regular operating costs, i.e., the usual cost of doing business. Section 240.35(10), Florida Statutes, authorizes each community college's board of trustees to establish a separate activity and service fee not to exceed 10 percent of the matriculation fee. It also states that the fees shall be expended to benefit the student body in general for purposes including, but not limited to, student publications and student organizations. State Board of Education Rule 6A-14.058, Florida Administrative Code, states that athletics are authorized student activities.

During our review of student activity and service fee expenditures, we noted a wide variation in the uses of such fees among colleges. For example, during the fiscal year ended June 30, 2001, records for four colleges indicated that 100 percent of the activity and service fees were expended on student-related activities and clubs. Other colleges reported that as little as 21 percent of such fees were expended on student-related activities and clubs, and as much as 79 percent on administrative services for students.

For analysis purposes, we classified expenditures related to students' participation in activities, clubs, organizations, and college-sponsored events as student activities and clubs expenditures. We classified salaries and benefits paid to college

employees, employee travel expenses, and office expenses as administrative services expenditures for students. A summary of expenditures funded by student activity and service fees for all community colleges is included in the following table:

| College Activity | Amount | Percent |
|---------------------------------------|---------------|---------|
| Student Activities Administration | \$ 4,979,344 | 21 |
| Athletics Administration | 1,809,559 | 8 |
| Student Services Administration | 6,149,315 | 26 |
| Total Student Administrative Services | 12,938,218 | 55 |
| Student Activities and Clubs | 7,781,607 | 33 |
| Intercollegiate Athletic Teams | 2,906,646 | 12 |
| Total | \$ 23,626,471 | 100 |

Included in administrative services classifications were salary and benefits for positions such as financial aid counselors and directors of athletics. Also included were specific administrative services and other expenditures of student activity and service fee resources that did not appear appropriate. Some examples are shown in the following table:

| College | Description | Amount |
|-------------|---|-----------|
| Brevard | Textbooks for Athletes | \$ 36,980 |
| Edison | Furniture & Equipment for Registrar and Student Development | 7,588 |
| Miami-Dade | Consultant Fees for Web Enhancement | 550,000 |
| | Optical Imaging System for Student Records Management | 315,905 |
| | Consultant Fees for Accounting and Information System | 105,630 |
| Tallahassee | Salaries for Public Safety Officers Assigned to the Campus Police | 97,000 |

Although student administrative services functions of all community college departments benefit the student body in general, these expenditures are expected in the normal operation of the College. It is not clear whether the Statute intended this fee to be used to supplant such expenditures.

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Recommendation

We recommend that the Division of Community Colleges seek Legislative clarification as to the uses of student activity and service fee resources.

Finding No. 3: Activity and Service Fee Balances

Our review disclosed that three colleges had unexpended balances of activity and service fees at June 30, 2001, which exceeded 50 percent of the amount collected during the 2000-2001 fiscal year. The details are shown in the following table:

| College | Balance 7-01-00 | Collected | Expended | Balance 6-30-01 |
|----------------|--------------------|------------|------------|--------------------|
| Edison | \$ 429,693 | \$ 626,287 | \$ 581,149 | \$ 474,831 |
| Hillsborough | 444,816 | 1,376,940 | 969,149 | 852,607 |
| Pasco-Hernando | 126,255 | 336,426 | 276,538 | 186,143 |

There is no statutory limitation placed on the amount of fees collected in a fiscal year that may be carried forward to the following fiscal year. Although colleges may be accumulating funds for a major purchase in a future year, if student activity and service fee resources are not spent in the year collected, those students who paid such fees may not benefit from activities financed with these fees. When a college has accumulated a large unexpended balance, amounts assessed the following year should be adjusted to be consistent with anticipated needs. However, for each of these colleges, the amounts assessed per credit hour increased the following fiscal year because the base matriculation and tuition fees increased.

Recommendation

We recommend that the colleges monitor the assessment and collection of activity and service fees to maintain a reasonable correlation between collection and anticipated need.

Finding No. 4: Financial Aid Fee Balances

Section 240.35(11), Florida Statutes, provides that each community college is authorized to establish a

separate fee for financial aid purposes. All funds collected under this program are to be disbursed to students as quickly as possible. An amount not greater than 40 percent of the fees collected in a fiscal year may be carried forward to the following fiscal year. Our review of balances carried forward at June 30, 2001, disclosed one college had a financial aid fee balance that exceeded the 40 percent threshold as shown in the following table:

| College | Collected | Balance 6-30-01 | Percent of Amount Collected |
|--------------|------------|--------------------|-----------------------------------|
| Hillsborough | \$ 779,520 | \$ 337,136 | 43.3% |

Recommendation

We recommend that the college more closely monitor its balance of financial aid fees and adjust the fee assessment as necessary to ensure that the balance does not exceed the maximum allowable threshold.

Finding No. 5: Laboratory and Other User Fees - Methodology

Section 240.35(15), Florida Statutes, authorizes each board of trustees to establish fee schedules for the following user fees and fines: laboratory fees; parking fees and fines; library fees and fines; fees and fines relating to facilities and equipment use or damage; access or identification card fees; duplicating, photocopying, binding, or microfilming fees; standardized testing fees; diploma replacement fees; transcript fees; application fees; graduation fees; and late fees related to registration and payment. Such user fees and fines shall not exceed the cost of the services provided and shall only be charged to persons receiving the service. State Board of Education Rule 6A-14.054(11), Florida Administrative Code, provides that each board of trustees may establish fees in addition to tuition fees for courses and other instructional and non-instructional services that incur *unusual* costs.

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Laboratory fees collected by Florida’s community colleges totaled approximately \$26.9 million during the fiscal year ended June 30, 2001, and approximately \$18.5 million during the period July 1, 2001, through December 31, 2001.

We reviewed procedures at each college to determine if the college had a written methodology in place for determining which courses should assess a laboratory fee and the amount of the fee. The results of our tests disclosed that 20 colleges did not have a written methodology. We also tested courses for which laboratory and other user fees were assessed to determine if the colleges had documented that amounts assessed did not exceed the unusual costs of services provided. In many instances, documentation was inadequate to make such a determination. The results of our tests are shown in the following table:

| College | Formal Written Methodology for Determining Laboratory Fees | Number of Test Items | Inadequately Documented Costs |
|----------------------------|--|----------------------|-------------------------------|
| Brevard | No | (1) | (1) |
| Broward | Yes | 30 | 0 |
| Central Florida | No | 34 | 10 |
| Chipola Jr. | No | 30 | 23 |
| Daytona Beach | No | 30 | 30 |
| Edison | Yes | 30 | 0 |
| Florida Keys | Yes | 12 | 3 |
| Florida CC at Jacksonville | No | 30 | 27 |
| Gulf Coast | No | 30 | 30 |
| Hillsborough | No | 30 | 30 |
| Indian River | No | (1) | (1) |
| Lake City | Yes | 30 | 0 |
| Lake-Sumter | No | 30 | 29 |
| Manatee | Yes | 30 | 9 |
| Miami-Dade | Yes | 30 | 27 |
| North Florida | No | 30 | 0 |
| Okaloosa-Walton | Yes | 30 | 0 |
| Palm Beach | No | (1) | (1) |
| Pasco-Hernando | No | 30 | 18 |
| Pensacola | No | 15 | 0 |
| Polk | No | 30 | 30 |
| St. Johns River | No | 30 | 30 |
| St. Petersburg | Yes | 30 | 2 |
| Santa Fe | No | 33 | 25 |
| Seminole | No | 30 | 30 |
| South Florida | No | 25 | 20 |
| Tallahassee | No | 30 | 1 |
| Valencia | No | 30 | 30 |

Note: (1) Due to the lack of procedures documenting unusual costs, testing to determine if the fee assessed did not exceed the cost of services provided for individual courses was limited.

Examples of various circumstances in which laboratory fees were assessed and the college could not demonstrate that the fees assessed did not exceed the unusual costs of the services provided follow:

- ◆ One college assessed a \$5 laboratory fee for numerous courses (e.g., reading, algebra, and principles of accounting) that did not have a required laboratory. While the college maintains the fee is charged to cover costs of services that are provided to students in all courses, such costs may be considered usual operating costs and more appropriately paid from general operating funds.
- ◆ One college assessed all laboratory courses a \$2 per credit hour laboratory fee. Documentation was not provided to demonstrate how these fees were determined.
- ◆ Generally, colleges determined laboratory fees using estimated unusual costs for the course for which the fees were to be assessed. One college developed the laboratory fees based on estimated unusual costs of all courses taught within a given academic division of the college even though all courses within an academic division would not have the same unusual costs.
- ◆ In many instances, laboratory fees were adopted at the time the courses were developed several years ago, and unusual costs associated with these classes had not been evaluated since. For example, documentation provided by one college disclosed that 25 of the 30 courses tested were most recently evaluated during the period from 1984 to 1995. At another college, the laboratory fee for a basic food preparations course had not been evaluated in 13 years. In the absence of a more current evaluation of the unusual costs associated with courses, colleges can not be assured that the fees assessed do not

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exceed the unusual costs of the services provided.

- ◆ One college included the cost per class, not the cost per student, for certain unusual items to justify part of the students' laboratory fees for two courses.
- ◆ At one college, laboratory fees were approved by the Vice-President for Business Affairs, but were not presented to the college's board of trustees.

The varying practices among the State's community colleges resulted in different laboratory fee assessments for the same courses, in many instances. For example, one college assessed students a laboratory fee of \$695 for a software technical support course while another college assessed students \$100 for this course.

Many colleges provided documentation for laboratory fees consisting of a list of items, with or without instructors' estimated costs, which the laboratory fees were intended to recover. However, many of these items did not appear to be unusual, but rather appeared to represent the routine costs of providing instruction, e.g., handouts to students, use of audio-visual equipment and the costs of replacement light bulbs, excess faculty cost, and training of instructors.

Our review of user fees other than laboratory fees disclosed that there were inconsistencies in amounts assessed for the same service. Some examples of varying amounts of fees assessed for the same service are shown in the following table:

| User Fee Type | From | To |
|---------------------------|------|-------|
| Access/ID Card | \$ 0 | \$ 15 |
| Application - Resident | 0 | 30 |
| Application - Nonresident | 0 | 80 |
| Graduation | 0 | 40 |
| Registration (per Term) | 0 | 5 |
| Parking Decal | 3 | 20 |
| Transcript | 0 | 10 |

In the absence of a methodology, a determination could not always be made that the fees assessed did not exceed the costs of services provided.

Recommendation

We recommend that the colleges, in consultation with the Division of Community Colleges, develop a methodology to determine what constitutes unusual costs relating to a course and the amount of laboratory fees to assess to recover these costs. Such a methodology should include, at a minimum:

- ◆ Definitions of which costs are considered unusual.
- ◆ What documentation is required to support the anticipated unusual costs and expected number of students.
- ◆ The period of time used in making the determination.
- ◆ The grouping of courses to be included in making the determination.
- ◆ The review processes to ensure that only appropriate costs are included in the fee calculations.
- ◆ The manner and frequency of presentation of the proposed fees for approval by the board of trustees.
- ◆ The frequency that such fees should be reevaluated.

Finding No. 6: Other User Fees - Assessment

We noted instances in which a user fee was assessed to students on a per contact or credit hour basis instead of a user basis. Two colleges (**Lake-Sumter** and **Seminole**) assessed all students a parking fee, ranging in amounts from five cents per contact hour to one dollar per credit hour. Since all students do not use the parking facilities, the colleges may be assessing a user fee to persons not receiving the service. Additionally, it is not apparent how a fee

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assessed on a per hour basis could equate to the cost of the service provided.

Recommendation

We recommend that these colleges, in consultation with the Division of Community Colleges, develop a methodology to ensure that user fees are based on the unusual costs of services provided.

Finding No. 7: Other User Fees and Fines - Approval

Section 240.35(15), Florida Statutes, provides that each board of trustees is authorized to establish fee schedules for user fees and fines, including parking fines, library fines, and fines relating to facilities and equipment damage, and late fees related to registration and payment.

Five colleges, as shown in the following table, provided no evidence that their boards of trustees had approved the following user fees and fines:

| College | Fee or Fine | Amount |
|-----------------|----------------------|------------|
| Daytona Beach | Lost/Damaged Library | \$5 - \$10 |
| | Book Processing | |
| Edison | Loan Processing | \$15 |
| | Lost Calculator | \$100 |
| | Lost Book | \$32 |
| Manatee | Duplicate Diploma | \$15 |
| Okaloosa-Walton | ID Card Replacement | \$10 |
| Santa Fe | ID Card Replacement | \$5 |

In the absence of board approval, a college has no authority to assess the user fee or fine.

Recommendation

We recommend that these colleges review procedures to ensure all user fees and fines are presented to their boards of trustees for approval as required by law.

Finding No. 8: Fines

Section 240.35(15), Florida Statutes, states that user fees and fines shall not exceed the cost of the services provided, and shall only be charged to persons

receiving the service. Fines are not established to recover costs; rather, fines are assessed as penalties to deter certain behaviors. Additionally, because fines can not usually be tied to costs, the determination of the amounts of fines may sometimes be arbitrary. Consequently, different colleges assessed fines in varying amounts for the same offense. For example, not all colleges charged a fee for late registration; where a fee was assessed, amounts ranged from \$15 to \$50. Similarly, fines for parking violations of the same infraction ranged from \$10 to \$100.

Recommendation

Since fines are charged as penalties and not as cost of services, we recommend that the Division of Community Colleges seek Legislative action to remove the requirement that fines do not exceed the cost of services. The authority for colleges to assess fines to deter certain behaviors should be addressed separately from fees assessed to recover unusual costs.

Finding No. 9: Technology Fees

Technology fees collected by Florida’s community colleges totaled approximately \$7 million during the fiscal year ended June 30, 2001, and approximately \$4 million during the period July 1, 2001, through December 31, 2001. Section 240.35(16), Florida Statutes, authorizes each community college district board of trustees to establish a separate fee for technology to be expended according to the college’s technology improvement plans (Plans).

During the fiscal year ended June 30, 2001, 15 colleges assessed a technology fee separate from matriculation and tuition fees, as shown in the following table:

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Colleges Assessing a Separate Technology Fee

| | |
|----------------------------|----------------|
| Brevard | Lake City |
| Chipola Jr. | Miami-Dade |
| Daytona Beach | North Florida |
| Edison | Pasco-Hernando |
| Florida CC at Jacksonville | St. Petersburg |
| Florida Keys | Seminole |
| Gulf Coast | Valencia |
| Indian River | |

Our review of compliance with Section 240.35(16), Florida Statutes, for those colleges which assessed a separate technology fee, disclosed the following:

- ◆ The Plan for one college (**Florida Keys**) was approved during the 1998-99 fiscal year and had not been updated as of our inquiry in March 2002. Since objectives, requirements, and technologies change over time, the absence of a current Plan could hinder the effective accomplishment of the college's mission and goals.
- ◆ One college (**Gulf Coast**) represented its Computer Services Departmental Planning Document as its Plan. However, a \$126,012 installment payment for computer equipment paid with technology fee resources was not included in this document.
- ◆ The Plans for two colleges (**Brevard** and **Seminole**) did not include dollar amounts or a budget of how the resources collected would be spent.

- ◆ One college (**North Florida**) did not maintain separate accountability for all technology fees collected and expended. Consequently, this college was unable to readily document that the resources collected were used in accordance with the college's Plans.

Recommendation

We recommend that colleges assessing a separate technology fee maintain accountability of amounts collected and expended in accordance with the Plans. The Plans should be updated periodically and include budgets of how resources collected will be used.

AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

William O. Monroe

William O. Monroe, CPA
Auditor General

RESPONSES

The colleges and the Division of Community Colleges generally concurred with our audit findings. Response letters from each college and the Division can be viewed in their entirety on the Auditor General's Web site.

To promote accountability in government and improvement in government operations, the Auditor General makes operational audits of selected programs, activities, and functions of community colleges. This operational audit was made in accordance with applicable *Government Auditing Standards* issued by the Comptroller General of the United States. This audit was conducted by Janet F. Roberts, CPA, and supervised by Philip B. Ciano, CPA. Please address inquiries regarding this report to Jim Raulerson, CPA, Audit Manager, via e-mail at jimraulerson@aud.state.fl.us or by telephone at (850) 487-4468.

This report, as well as other audit reports prepared by the Auditor General, can be obtained on our Web site (<http://www.state.fl.us/audgen>); by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

EXHIBIT 1
FLORIDA COMMUNITY COLLEGE SYSTEM
STUDENT FEES AND FINES COLLECTED (Unaudited)
For the Fiscal Year Ended June 30, 2001

| College | Matriculation and Tuition (CCPF) (1) | Laboratory | Financial Aid | Student Activity and Service | Technology | Capital Improvements | Other Fees and Fines (2) | Total |
|---------------------------|--------------------------------------|----------------------|----------------------|------------------------------|---------------------|----------------------|--------------------------|-----------------------|
| Brevard | \$ 10,918,015 | \$ 339,454 | \$ 409,826 | \$ 670,352 | \$ 408,046 | \$ 247,326 | \$ 975,846 | \$ 13,968,865 |
| Broward | 28,106,126 | 2,675,844 | 1,336,174 | 1,943,884 | - | 652,632 | 2,614,776 | 37,329,436 |
| Central Florida | 6,246,332 | 415,553 | 370,297 | 432,120 | - | 122,733 | 331,323 | 7,918,358 |
| Chipola Jr. | 1,813,255 | 177,915 | 110,045 | 85,463 | 57,454 | 46,099 | 96,614 | 2,386,845 |
| Daytona Beach | 10,400,989 | 587,283 | 527,322 | 785,552 | 386,407 | 242,699 | 593,761 | 13,524,013 |
| Edison | 7,330,821 | 468,736 | 342,982 | 626,287 | 303,504 | 168,615 | 456,274 | 9,697,219 |
| Florida CC Jacksonville | 20,717,541 | 295,447 | 961,252 | 1,443,508 | 736,432 | 499,955 | 81,717 | 24,735,852 |
| Florida Keys | 1,212,431 | 355,246 | 91,996 | 106,934 | 44,237 | 40,089 | 1,262,626 | 3,113,559 |
| Gulf Coast | 5,038,355 | 119,988 | 318,446 | 382,044 | 181,593 | 119,495 | 115,280 | 6,275,201 |
| Hillsborough | 17,037,959 | 745,601 | 754,226 | 1,318,911 | 12,436 (3) | 390,082 | 858,796 | 21,118,011 |
| Indian River | 8,653,480 | 984,888 | 318,407 | 608,510 | 312,664 | 181,084 | 234,942 | 11,293,975 |
| Lake City | 2,252,060 | 225,872 | 93,051 | 65,515 | 71,255 | 56,638 | 362,063 | 3,126,454 |
| Lake-Sumter | 2,077,020 | 98,103 | 141,186 | 191,283 | - | 48,035 | 167,930 | 2,723,557 |
| Manatee | 7,849,530 | 380,368 | 302,246 | 582,477 | - | 168,926 | 1,212,639 | 10,496,186 |
| Miami-Dade | 58,374,305 | 6,739,006 | 2,451,002 | 3,982,919 | 2,170,906 | 1,258,057 | 3,748,080 | 78,724,275 |
| North Florida | 1,072,091 | 76,305 | 49,331 | 47,732 | 33,561 | 31,849 | 36,456 | 1,347,325 |
| Okaloosa-Walton | 5,050,199 | 314,850 | 261,298 | - | - | - | 122,867 | 5,749,214 |
| Palm Beach | 17,072,135 | 1,719,857 | 827,496 | 1,175,502 | - | 376,214 | 747,597 | 21,918,801 |
| Pasco-Hernando | 4,073,584 | 306,811 | 300,864 | 336,419 | 160,316 | 115,313 | 155,463 | 5,448,770 |
| Pensacola Jr. | 9,090,974 | 670,090 | 450,418 | 688,445 | (84) (3) | 207,726 | 1,015,744 | 12,123,313 |
| Polk | 5,266,263 | 383,676 | 303,133 | 420,069 | 3,072 (3) | 105,916 | 673,815 | 7,155,944 |
| St. Johns River | 2,716,010 | 114,479 | 191,945 | 264,420 | 4,975 (3) | 69,426 | 75,955 | 3,437,210 |
| St. Petersburg | 19,689,502 | 3,061,908 | 911,274 | 1,426,096 | 745,414 | 444,303 | 1,541,684 | 27,820,181 |
| Santa Fe | 14,422,634 | 1,331,838 | 746,888 | 1,181,118 | 4,053 (3) | 340,225 | 674,778 | 18,701,534 |
| Seminole | 8,755,842 | 872,684 | 432,496 | 704,079 | 325,835 | 224,418 | 2,247,826 | 13,563,180 |
| South Florida | 1,911,034 | 254,656 | 147,410 | 108,787 | 238 (3) | 59,577 | 248,954 | 2,730,656 |
| Tallahassee | 11,797,314 | 535,980 | 523,162 | 842,357 | (989) (3) | 269,838 | 492,086 | 14,459,748 |
| Valencia | 26,111,106 | 2,677,935 | 1,271,206 | 2,115,610 | 1,080,567 | 600,315 | 831,977 | 34,688,716 |
| Total All Colleges | \$ 315,056,907 | \$ 26,930,373 | \$ 14,945,379 | \$ 22,536,393 | \$ 7,041,892 | \$ 7,087,585 | \$ 21,977,869 | \$ 415,576,398 |

Source: Colleges' Schedule of Revenue, Expenditures, and Fund Balance by General Ledger Code (Annual Financial Report - Schedule 1).

Notes: (1) Includes amounts collected for Safety and Security purposes.

(2) Includes parking fees and fines, library fees and fines, access or identification fees, standardized testing fees, transcript fees, application fees, graduation fees, late registration fees, etc.

(3) Collections of amounts assessed in prior years.

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FLORIDA COMMUNITY COLLEGE SYSTEM

PUTTING MINDS TO WORK

J. David Armstrong, Jr.
Interim Chancellor
Ph: (850) 488-1721
SUNCOM: 278-1721
Fax: (850) 488-9763

July 8, 2002

Mr. William O. Monroe
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

I am enclosing the Division of Community College's response to comments directed toward the Division in your audit of the *Florida Community College System Student Fees and Fines For the Period January 1, 2001, Through December 31, 2001, and Selected Transactions Through March 31, 2002.*

I appreciate the thoroughness of the audit and the constructive nature of the comments. We will work collectively with the colleges and will meet with legislative staff to clarify policy issues and take appropriate action to foster change. Working together, we can make improvements in the operations of Florida's community colleges.

Sincerely,



J. David Armstrong, Jr.
Interim Chancellor

JDA/gyl

Enclosure

c: Mr. Edward L. Cisek
Mr. Gary Yancey
Mr. Syd McKenzie
Ms. Carolyn A. McGriff
Mr. Jim Raulerson
Ms. Melinda Miguel

**FLORIDA BOARD OF
EDUCATION**

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SECRETARY,
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COMMISSIONER OF
EDUCATION
Charlie Crist

Finding No. 2: Activity and Service Fee Expenditures

Comment – We recommend that the Division of Community Colleges seek Legislative clarification as to the uses of student activity and service fee resources.

Response – The Division will seek Legislative clarification as to the uses of student activity and service fee resources.

Finding No. 5: Laboratory and Other User Fees – Methodology

Comment – We recommend that the colleges, in consultation with the Division of Community Colleges, develop a methodology to determine what constitutes unusual costs relating to a course and the amount of laboratory fees to assess to recover these costs.

Response – The Division will coordinate with the Council of Business Affairs the development of a methodology to determine what constitutes unusual costs relating to a course and the amount of laboratory fees to assess to recover such costs.

Finding No. 6: Other User Fees - Assessment

Comment – We recommend that these colleges, in consultation with the Division of Community Colleges, develop a methodology to ensure that user fees are based on the unusual costs of services provided.

Response – The Division will coordinate with the Council of Business Affairs the development of a methodology to ensure that user fees are based on the unusual costs of services provided.

Finding No. 8: Fines

Comment – We recommend that the Division of Community Colleges seek Legislative action to remove the requirement that fines do not exceed the cost of services. The authority for colleges to assess fines to deter certain behaviors should be addressed separately from fees assessed to recover unusual costs.

Response – The Division will seek Legislative action to remove the requirement that fines not exceed the cost of services. We will also seek to separate the authority for colleges to assess fines to deter certain behaviors from fees assessed to recover unusual costs.

District Administration

1519 Clearlake Road
Cocoa, Florida 32922
321/632-1111
Fax: 321/633-4565

Cocoa Campus

1519 Clearlake Road
Cocoa, Florida 32922
321/632-1111
Fax: 321/633-4565

Melbourne Campus

3865 N. Wickham Road
Melbourne, Florida 32935
321/632-1111
Fax: 321/634-3721

Palm Bay Campus

250 Community College Pkwy.
Palm Bay, Florida 32909
321/632-1111
Fax: 321/634-3729

Titusville Campus

1311 North U.S. 1
Titusville, Florida 32796
321/632-1111
Fax: 321/634-3723

Spaceport Center

Mail Stop BCC-A
Kennedy Space Center
Florida 32899
321/449-5060
Fax: 321/449-5062

Patrick Center

1020 Central Avenue, G-2
Patrick Air Force Base
Florida 32925
321/632-1111
Fax: 321/634-3706



July 15, 2002

Mr. William O. Monroe
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison St.
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

Please accept this letter as Brevard Community College's response to the preliminary and tentative audit findings and recommendations of the Student Fees and Fines audit for the period January 1, 2001, through December 31, 2001 and selected transactions through March 31, 2002.

Finding No. 2: Student Activity and Service Fees

Brevard Community College will work with the other colleges and the Florida Community College System staff to seek legal clarification on the use of Student Activity and Service fees.

Finding No.5: Laboratory and Other User Fees - Methodology

Brevard Community College will be pleased to work with the other community colleges and the Florida Community College System staff to discuss common methodologies for laboratory fees. These discussions will be helpful to each college as procedures are developed and adopted at the local level.

Finding No. 9: Technology Fees

Brevard Community College recently updated its Technology Plan to include more specific information on projects supported by the Technology Fee. The college views the budget for technology as a separate document from the Technology Plan, and therefore, we do not include budget figures in the plan. The college will create a document that specifically links the Technology Fee budget to the Technology Plan.

Please do not hesitate to contact me if we can provide further information.

Sincerely,

Thomas E. Gamble
District President

TEG/tgm

cc: Mr. Al Little
Mr. Mark Cherry



Central Florida Community College
Office of the President

June 20, 2002

William O. Monroe
Auditor General, State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

Enclosed are the College's responses to the preliminary and tentative findings and recommendations which may be included in a report to be prepared on your audit of the:

Florida Community College System
Student Fees and Fines
For the Period January 1, 2001, Through December 31, 2001,
And Selected Transactions Through March 31, 2002.

The response of the College is limited to those findings where Central Florida Community College was named and includes corrective actions.

Thank you for the opportunity to respond to the concerns raised in the audit. If there are questions about the responses or if you need additional information, please contact Dr. Charles Hayes, Vice President for Administration and Finance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles R. Dassance".

Charles R. Dassance
President

Enclosure

cc: Board Members
Dr. Charles P. Hayes
Ed Cisek, Division of Community Colleges

CENTRAL FLORIDA COMMUNITY COLLEGE
Response to Audit Findings
Florida Community College System
Student Fees and Fines

Finding No. 1: Matriculation and Tuition Fees Collected for Safety and Security Purposes

The College was included in a comment that the District Board of Trustees did not designate that the additional portions of the matriculation and tuition fees collected were to be used for safety and security purposes.

First, for several years, the Administration has informed the Trustees about the safety and security items that were included in the proposed budget. The briefing is done at both the preliminary information session held for the Board and during the presentation of the proposed budget. The information includes a description of activities or improvements that will be done in the area of safety and security for the next year. We believe the report given to the Trustees and their approval of the annual budget constitutes designation of the funds for the purpose collected.

Second, the College has collected this fee for a number of years. Activities initiated when this fee was first implemented continue to provide a level of service above that which would otherwise be expended for safety and security at the College. We are concerned that the interpretation of "purposes beyond the amounts normally expended for such purposes" might be expanded in such a way as to eliminate support of on-going services established during the early years the fee was collected and which would be eliminated without the additional revenue.

Finding No. 5: Laboratory and Other User Fees Methodology

The College was included in this finding for two reasons.

First, the College did not have a formal written methodology for determining laboratory fees. For several years, laboratory fees have been reviewed annually by each department and adjusted to meet changing requirements. That practice is documented by the annual adoption of a laboratory fee schedule. However, no written procedure described the annual review. The College is developing a formal procedure to describe the way in which laboratory fees are reviewed and adopted.

Second, the College was shown to have inadequate documentation for laboratory fees in some of the test items reviewed by the auditor. The above-referenced procedure will include a section defining required documentation for the assessment of fees.

CHIPOLA JUNIOR COLLEGE
"A Comprehensive Community College"

Office of the President
3094 Indian Circle
Marianna, Florida 32446-2053

Phone: (850) 718-2201 or 2299
Fax: (850) 718-2388
E-Mail: odaniel@chipola.cc.fl.us

June 19, 2002

Honorable William O. Monroe
Auditor General
Office of the Auditor General
G74 Claude pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

In accordance with Section 11.45(4)(d), Florida Statutes, I acknowledge receipt of the preliminary and tentative audit findings and recommendations as they relate to the Florida Community College System in which Chipola Junior College was included.

We have reviewed the Finding No. 5: Laboratory and Other User Fees-Methodology and shall endeavor to work in consultation with the Division of Community Colleges to develop a methodology to determine what constitutes unusual costs relating to a course and the amount of laboratory fees to assess to recover these cost.

We appreciate the professional manner in which your staff conducted the audit. As always, the advice and suggestions of your audit staff are appreciated.

Sincerely,



H. Dale O'Daniel, President
Chipola Junior College

Daytona Beach COMMUNITY COLLEGE

Daytona Beach Campus

July 8, 2002

William O. Monroe, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

Following is Daytona Beach Community College's responses to the preliminary and tentative audit findings and recommendations resulting from the Student Fees and Fines Audit for the period January 1, 2001 through December 31, 2001 and selected transactions through March 31, 2002. We have reviewed the findings and our response to each recommendation is as follows:

Laboratory and Other User Fees – Methodology (Finding No. 5)

The College concurs with the Auditor General's recommendation. The College has reviewed all laboratory and other user fees charged by the college. We will continue to formally monitor their appropriateness on a periodic basis and will document each of these fees through an appropriate formula. All these fees were presented to the Board of Trustees and approved at the June 2002 board meeting.

Other User Fees and Fines Approval (Finding No. 7)

The College concurs with the Auditor General's recommendation. The Board of Trustees approved these fees and fines many years ago, but no record of the approved amounts could be located. These fees will be reviewed and recommended to the Board of Trustees for approval.

We appreciate you and your staff for calling these areas of concern to our attention. We feel we have made great strides to correct the areas of concern and will continue to avoid situations that could result in any future audit criticism.

Sincerely,



D. Kent Sharples
President

cc: Board of Trustees
Rand S. Spiwak
Peter X. McCarthy
Laura F. Phillips

1200 W. International Speedway Blvd.
P.O. Box 2811
Daytona Beach, Florida 32120-2811
(386) 255-8131

An Equal Access/Equal Opportunity Institution



EDISON COMMUNITY COLLEGE

President

June 18, 2002

William O. Monroe, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

Following are the specific Edison Community College responses to the preliminary and tentative findings and recommendations pertaining to the audit of the Florida Community Colleges System, Student Fees and Fines for the period January 1, 2001 through March 31, 2002.

Finding No. 3: Activity and Service Fee Balances.

The College concurs with the Auditor General's recommendation. The College has been monitoring the balance and has identified long-range plans for expending these funds.

Finding No. 7: Other User Fees and Fines-Approval.

The College concurs with the Auditor General's recommendation. The College no longer charges a fine for lost calculators. The Board of Trustees approved the Loan Processing and Lost Book fees many years ago but no record of the approved amounts could be located. These fees will be recommended to the Board of Trustees.

If the College can be of further assistance in this matter, please do not hesitate to contact me or the chief financial officer, Mr. Robert R. Jones.

Sincerely,

Dr. Kenneth P. Walker
President

cc: Reginald C. McNeill

A STUDENT-CENTERED LEARNING COLLEGE

Post Office Box 60210 • Fort Myers, Florida 33906-6210
941/489-9211 • Fax 941/489-9341 • e-mail kwalker@edison.edu

AN EQUAL ACCESS, EQUAL OPPORTUNITY INSTITUTION



Dr. Steven R. Wallace
College President

June 26, 2002

Mr. William O. Monroe, CPA
Auditor General
G-74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

Our response to your recent Student Fees and Fines Audit follows:

Finding No. 5: Twenty colleges did not have a written methodology in place for determining which courses should assess a laboratory fee and the amount of the fee. In the absence of such a methodology, a determination could not always be made that the fee assessed did not exceed the unusual costs of the services provided. The varying practices among the State's community colleges resulted in different laboratory fee assessments for the same courses. Similar findings were noted for user fees other than laboratory fees.

Response: Florida Community College at Jacksonville has generally documented the cost basis for fees assessed to students and ensured these fees do not exceed their cost basis nor are assessed to students who do not benefit from the cost. However, the College agrees with the audit finding that there has not been a published internal procedure for calculating laboratory fees nor has the College maintained a documentation file of detailed cost justification calculations. The College has started maintaining a file for audit purposes of all fee changes since March, 2002 and will have a written procedure in place by the end of September, 2002.

William O. Monroe, CPA
Auditor General
June 26, 2002
Page 2

As a result of the audit and a comparison of Florida Community College at Jacksonville laboratory fees to those of other Florida community colleges, the College believes it is not assessing sufficient fees to recover the "unusual or high costs of instruction" for certain courses as defined in the State Community College Accounting Manual. Many of the Florida Community College at Jacksonville laboratory fees have not been updated in many years, nor has the College fully assessed the cost of software and other special materials. The College will commence a general review and update of all special and laboratory fees for all courses and will bring to the District Board of Trustees recommendations to amend fees as appropriate over the next twelve months.

If you have any questions or concerns, please contact Patricia Parker at Suncom 864-3250.

Sincerely,



Dr. Steven R. Wallace
College President

cc: Mr. David Armstrong, Chancellor
Division of Community Colleges

Mr. Steven Bowers, Vice President
of Administrative Services

Ms. Patricia Parker, Controller
Administrative Services



June 27, 2002

William O. Monroe, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Subject: Preliminary Audit Findings

Dear Mr. Monroe:

In response to your request, and pursuant to the provisions of Section 11.45(4)(d), Florida Statutes, the enclosed response to your tentative and preliminary audit findings and recommendations is being forwarded.

We appreciate your comments and recommendations. Should you require any additional information, please let us know.

Sincerely,

A handwritten signature in black ink, appearing to read 'WAS' followed by a stylized flourish.

William A. Seeker

WAS/ea

cc: District Board of Trustees

Enclosure

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KEY WEST

WILLIAM A. SEEKER CAMPUS
5901 COLLEGE ROAD - KEY WEST, FL 33040
305-296-9081

MIDDLE KEYS CENTER

P.O. Box 501178 - 900 SOMBRERO BEACH ROAD
MARATHON, FL 33050
305-743-2133

UPPER KEYS CENTER

P.O. DRAWER 600 - 89951 U.S. HIGHWAY 1
TAVERNIER, FL 33070
305-852-8007

*******PRELIMINARY AND TENTATIVE AUDIT FINDINGS*******
Student Fees and Fines – January 1, 2001 to March 31, 2002
Florida Keys Community College Response

Finding No. 1: Matriculation and Tuition Fees Collected for Safety and Security Purposes

We executed a safety and security fee plan, which was approved by the District Board of Trustees on June 25, 2002 and lists the projects for which fees collected are being spent. The college will continue to do this on an annual basis as recommended.

Finding No. 2: Activity and Service Fee Expenditures

We defer to the Division of Community Colleges.

Finding No. 3: Activity and Service Fee Balances

Not applicable to Florida Keys Community College.

Finding No. 4: Financial Aid Fee Balances

Not applicable to Florida Keys Community College.

Finding No. 5: Laboratory and Other User Fees - Methodology

Florida Keys Community College currently has a methodology in place to calculate and establish all laboratory and other user fees. All new fees and requests for fee changes are presented to the District Board of Trustees on a monthly basis. Of the twelve items tested in the audit, three classes did not show the proper documentation that we now require for all of our classes. These three classes, Ceramics I & II, and Sculpture have been in existence for a number of years, but the lab fee documentation has not been updated recently. A review of the fees has been conducted and the documentation has been verified.

Finding No. 6: Other User Fees - Assessment

Not applicable to Florida Keys Community College

Finding No. 7: Other User Fees and Fines - Approval

Not applicable to Florida Keys Community College

Finding No. 8: Fines

We defer to the Division of Community Colleges.

Finding No. 9: Technology Fees

The Technology Plan referred to in the audit was formulated by our Technology Advisory Committee chaired by a faculty member and representative of the college faculty and staff. Subsequent to the last campus-wide review of technology needs by our Technology Advisory Committee, the committee's activities were temporarily suspended due to the heavy workload of ongoing technology projects, including a major software implementation with our SCT Banner Consortium. During the entire period for which the advisory committee work was suspended, the Director of Technology Support has tracked the needs identified by the committee to insure that everything that could be done to meet those needs was done.

Throughout the course of the Banner implementation, technology planning and needs were being addressed through consortium activities. In addition, the Director of Technology Support has maintained a high awareness of the evolving technology needs at the college and has reviewed technology expenditures in accordance with the committee's Purchasing Guidelines. We have maintained accountability for the amounts collected for the technology fee and the related expenditures, and all of our expenditures were approved by the District Board of Trustees.

Now that we have successfully completed the major projects that caused the temporary suspension of the committee work, we have initiated a Technology Planning Committee to continue to address future needs of the college. We have revised and updated our procedure for the review of technology needs and acquisition of equipment to meet the recommendations of the audit.



Gulf Coast Community College

July 3, 2002

Mr. William O. Monroe, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

In response to your letter of June 10, 2002, and in accordance with the provisions of Section 11.45(4)(d), Florida Statutes, I submit the enclosed written statement of explanation concerning your list of preliminary and tentative audit findings and recommendations, including therein actual or proposed corrective action, which may be included in a report to be prepared on your audit of Gulf Coast Community College for the period January 1, 2001, through December 31, 2001, and selected transactions through March 31, 2002. Should you have any questions regarding this response or need additional information, please contact me.

Sincerely,

John R. Holdnak
Vice President of Administrative Services

bb
Enclosure

RESPONSE TO PRELIMINARY AND TENTATIVE FINDINGS
DISTRICT BOARD OF TRUSTEES
GULF COAST COMMUNITY COLLEGE
STUDENT FEES AND FINES AUDIT

For the period January 1, 2001, Through December 31, 2001,
And Selected Transactions Through March 31, 2002

Finding No. 5: Twenty colleges did not have a written methodology in place for determining which courses should assess a laboratory fee and the amount of the fee. In the absence of such a methodology, a determination could not always be made that the fee assessed did not exceed the unusual costs of the services provided. The varying practices among the State's community colleges resulted in different laboratory fee assessments for the same courses. Similar findings were noted for user fees other than laboratory fees.

Response: Gulf Coast Community College concurs with the finding of the Auditor General. In the absence of a more current evaluation of the unusual costs associated with courses, colleges cannot be assured that the fees assessed do not exceed, or cover, the unusual costs of the services provided. College staff will, in consultation with the Division of Community Colleges, develop a methodology to determine what constitutes unusual costs relating to a course and the amount of laboratory fees to assess to recover these costs. Adopted methodology will include, at a minimum, those items listed in the Auditor General's recommendations.

Finding No. 8: Fines are not established to recover costs; rather, fines are assessed as penalties to deter certain behaviors. Different colleges assessed fines in varying amounts for the same offense. Language in Section 240.35(15), Florida Statutes, should be revised to delete the requirement that fines not exceed the cost of services and to address fines as assessments to deter certain behaviors.

Response: Gulf Coast agrees with the recommendation to seek legislative action to remove the requirement that fines do not exceed the cost of services. The authority for colleges to assess fines to deter certain behaviors should be addressed separately from fees assessed to recover unusual costs.

Finding No. 9: Colleges which assessed a separate technology fee did not always adopt technology improvement plans that addressed uses of technology fees or maintain separate accountability of the amounts expended. Consequently, in these instances, the Colleges could not readily demonstrate that the resources collected were used for the purposes intended.

Response: Gulf Coast Community College maintains separate accountability for student technology fees and has expended those fees on technology that directly benefits its students and is consistent with its departmental and college operational plans approved by college administration and its district board of trustees. The college agrees, however, that these plans did not specify that student technology fees would be used for specific expenditures and that a separate technology plan was not prepared. The college will develop a technology improvement plan and ensure that future expenditures are made in accordance with the plan.

HILLSBOROUGH

Community College 

P.O. Box 31127 • Tampa, FL 33631
(813) 253-7050 • FAX (813) 253-7183
e-mail: Stephenson@hcc.cc.fl.us

OFFICE OF THE PRESIDENT

Gwendolyn W. Stephenson, Ph.D.

July 3, 2002

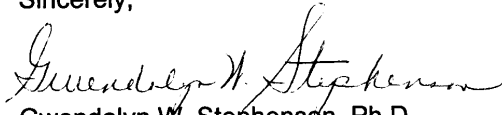
Mr. William O. Monroe, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

Enclosed are the College's responses to the preliminary and tentative audit findings and recommendations on Student Fees and Fines, for the period January 1, 2001 through December 31, 2001, and Selected Transactions through March 31, 2002.

Please contact my office if further information is needed.

Sincerely,


Gwendolyn W. Stephenson, Ph.D.
President

:nf

Enclosure

cc: Ms. Delores A. Sanford
District Board of Trustees

**PRELIMINARY & TENTATIVE AUDIT FINDINGS
STUDENT FEES AND FINES**

**For the Period January 1, 2001 through December 31, 2001,
And Selected Transactions through March 31, 2002**

FINDING #1: Records for three colleges did not demonstrate that the respective board of trustees had designated that the additional portions of the matriculation and tuition fees collected pursuant to Section 240.35(10), Florida Statutes, were for safety and security purposes. Additionally, three other colleges did not have written safety plans which demonstrated that the expenditure of resources for safety and security purposes did not supplant general operating funds.

RESPONSE #1: HCC first assessed the safety and security fee in 1998-1999. The new fee was presented to the Board of Trustees as a part of the budget process. The Board approved assessing the fee to support safety and security purposes and this fee, and all others were submitted to the Division of Community Colleges. As a separate plan was not prepared, the College will prepare one at this time and submit to the Board of Trustees and the Division of Community Colleges.

The fee was subsequently included in the tuition and matriculation fee in 1999-2000. The fee is annually included in documentation presented to the Board of Trustees for approval of the annual budget. The College will continue to present the fee and its use to the Board of Trustees for approval and will continue recording and monitoring expenditures of the Security department. This fee has provided a level of service above that which would otherwise be expended for safety and security at the College.

FINDING #3: Three colleges had unexpended balances of activity and service fees at June 30, 2001, which exceeded 50 percent of the amount collected during the 2000-2001 fiscal year. If student activity and service fee resources are not spent in a timely manner, those students who paid such fees may not benefit from activities financed within these fees.

RESPONSE #3: The audit test only included expenditures, not encumbrances. Students had planned expenditures crossing fiscal years 2000-2001 and 2001-2002, which required funds to be carried forward. Such plans, and encumbrances, support sound business decisions. The College will continue to monitor assessment, collection and expenditures of activity and service fees.

FINDING #4: At June 30, 2001, one college's financial aid fee balance exceeded the 40 percent threshold set by Section 240.35(11), Florida Statutes.

RESPONSE #4: The College had some significant changes in financial aid staffing in 2000 and 2001. The balance of financial aid fees is presently being closely monitored to ensure the balance does not exceed the 40% threshold.

FINDING #5: Twenty colleges did not have a written methodology in place for determining which courses should assess a laboratory fee and the amount of the fee. In the absence of such a methodology, a determination could not always be made that the fee assessed did not exceed the unusual costs of the services provided. The varying practices among the State's community colleges resulted in different laboratory fee assessments for the same courses. Similar findings were noted for user fees other than laboratory fees.

RESPONSE #5: HCC began planning both methodology and system modifications for assessing and tracking laboratory fees prior to July 1, 2001. These changes were put in place during fiscal year 2001-2002 and became effective with budget planning for Fiscal Year 2002-2003. Both methodology and procedures are in place and have been reviewed with the local auditor staff. The deficiency was resolved July 2002.



INDIAN RIVER COMMUNITY COLLEGE

OFFICE OF THE PRESIDENT

July 8, 2002


Mr. William O. Monroe
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399

Dear Mr. Monroe:

Enclosed are the responses to the preliminary and tentative audit findings and recommendations for the Student Fees and Fines audit for the calendar year ended December 31, 2001 and for selected transactions through March 31, 2002.

If further information or clarification is required, please contact Brandon Gilliland, Associate Dean of Finance at (561) 462-4709 or suncom 246-4709.

Sincerely,


Edwin R. Massey, Ph.D.
President

cc: Mr. Barry Keim
Mr. Brandon Gilliland

RESPONSE TO PRELIMINARY AND TENTATIVE AUDIT FINDINGS
Student Fees and Fines
Calendar year ended December 31, 2001 and
Selected Transactions through March 31, 2002

User Fees and Fines – Laboratory Fees

Reference finding: No. 5

Although the College did not have a formal written methodology for determining laboratory fees, periodic reviews were conducted on lab fee amounts to ensure appropriateness. The College is developing a formal written methodology supporting how lab fees are determined and specific review procedures that will be conducted on a periodic basis.

Contact person: Brandon Gilliland, Associate Dean of Finance

Lake Sumter

COMMUNITY COLLEGE

Office of the President • Dr. Charles R. Mojock

July 1, 2002

William O. Monroe, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

Following are the specific Lake-Sumter Community College responses to the preliminary and tentative findings and recommendations pertaining to the audit of the Florida Community Colleges System, Student Fees and Fines for the period January 1, 2001 through March 31, 2002.

Finding No. 5: Laboratory and Other User Fees Methodology

Testing disclosed that 20 colleges did not have a written methodology in place for determining which courses should assess a laboratory fee and the amount of the fee. Testing further disclosed that, in many instances, documentation was inadequate to make a determination that the amounts assessed for individual courses did not exceed the unusual costs of the service provided. The review of user fees other than laboratory fees disclosed that there were inconsistencies in amounts assessed for the same service. In the absence of a methodology, a determination could not always be made that the fees assessed did not exceed the costs of services provided. It is recommended that, in consultation with the Division of Community Colleges, colleges develop a methodology to determine what constitutes unusual costs relating to a course and the amount of laboratory fees to assess to recover these costs.

Response:

The College will work with the State Board of Education (Division of Community Colleges) and other colleges to develop a methodology for determining laboratory and other user fees. This could include a review of the statute to determine if legislative action is necessary to modify some of the language in this section.

LEESBURG CAMPUS

9501 U.S. Hwy. 441, Leesburg, FL 34788
352-787-3747 • FAX: 352-365-3501

SOUTH LAKE CAMPUS

1250 N. Hancock Rd., Clermont, FL 34711
352-243-5722 • FAX: 352-243-0117

SUMTER CAMPUS

1405 C.R. 526A, Sumterville, FL 33585
352-568-0001 • FAX: 352-568-7515

Finding No. 6: Other User Fees- Assessment

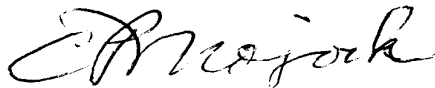
The College assessed a parking fee to students on a per contact or credit hour basis instead of a user basis. It was noted that since all students do not use the parking facilities, unless the fee is waived, the colleges may be assessing a user fee to persons not receiving the service. Additionally, it is not apparent how a fee assessed on a per hour basis could equate to the cost of the service provided. It is recommended that the College, in consultation with the Division of Community Colleges, develop a methodology to ensure that user fees are based on the unusual costs of services provided.

Response:

The College will work with the State Board of Education (Division of Community Colleges) to develop a methodology to ensure that our user fees are based on the unusual costs of services provided.

If the College can be of further assistance in this matter, please do not hesitate to contact me or the chief financial officer, Mr. Ray Kinsey.

Sincerely,



Dr. Charles R. Mojock
President



Mailing Address P.O. Box 1849, Bradenton, FL 34206 www.mcc.cc.fl.us
MCC Bradenton 5840 26th Street West, Bradenton, FL 34207 941-752-5000
MCC Venice 8000 South Tamiami Trail, Venice, FL 34293 941-408-1300

July 3, 2002

Mr. William O. Monroe, CPA
Auditor General – State of Florida
111 West Madison Street
Tallahassee, Florida 32399-9949

Dear Mr. Monroe:

Transmitted herewith are the written statements of explanation and the actual or proposed corrective actions to the Preliminary and Tentative Audit Findings and Recommendations which may be included in a report on the audit of the:

*District Board of Trustees, Manatee Community College
Florida Community College System
Student Fees and Fines
For the Period January 1, 2001, Through December 31, 2001,
And Selected Transactions Through March 31, 2002*

If my office can be of any further assistance concerning the resolution of these findings, please do not hesitate to contact my staff or me.

Sincerely,

A handwritten signature in cursive script that reads 'Alan Richardson'.

Alan Richardson
Vice President of Business and Administrative Services

AR/pj

Enclosure: as stated

RESPONSE TO PRELIMINARY AND TENTATIVE AUDIT FINDINGS

District Board of Trustees, Manatee Community College
Florida Community College System

Student Fees and Fines

For the Period January 1, 2001, Through December 31, 2001,
and Selected Transactions Through March 31, 2002

MANATEE COMMUNITY COLLEGE

5840 26th Street, West
Post Office Box 1849
Bradenton, Florida 34206

June 26, 2002

Finding No. 5: Laboratory and Other User Fees - Methodology

Section 240.35(15), Florida Statutes, authorizes each board of trustees to establish fee schedules for the following user fees and fines: laboratory fees; parking fees and fines; library fees and fines; fees and fines relating to facilities and equipment use or damage; access or identification card fees; duplicating, photocopying, binding, or microfilming fees; standardized testing fees; diploma replacement fees; transcript fees; application fees; graduation fees; and late fees related to registration and payment. Such user fees and fines shall not exceed the cost of the services provided and shall only be charged to persons receiving the service. State Board of Education Rule 6A-14.054(11), Florida Administrative Code, provides that each board of trustees may establish fees in addition to tuition fees for courses and other instructional and non-instructional services that incur *unusual* costs.

Laboratory fees collected by Florida's Community Colleges totaled approximately \$26.9 million during the fiscal year ended June 30, 2001, and approximately \$18.5 million during the period July 1, 2001, through December 31, 2001.

We reviewed procedures at each college to determine if the college had a written methodology in place for determining which courses should assess a laboratory fee and the amount of the fee. The results of our tests disclosed that 20 colleges did not have a written methodology. We also tested courses for which laboratory and other user fees were assessed to determine if the colleges had documented that amounts assessed did not exceed the unusual costs of services provided. In many instances, documentation was inadequate to make such a determination. The results of our tests are shown in the following table:

| | Formal Written Methodology for Determining Laboratory Fees | Number of Test Items | Inadequately Documented Costs |
|----------------------------------|---|-------------------------|-------------------------------------|
| <i>Manatee Community College</i> | Yes | 30 | 9 |

We recommend that the colleges, in consultation with the Division of Community Colleges, develop a methodology to determine what constitutes unusual costs relating to a course and the amount of laboratory fees to assess to recover these costs. Such a methodology should include, at a minimum:

- 1) Definitions of which costs are considered unusual.
- 2) What documentation is required to support the anticipated unusual costs and expected number of students.
- 3) The period of time used in making the determination.
- 4) The grouping of courses to be included in making the determination.
- 5) The review processes to ensure that only appropriate costs are included in the fee calculations.
- 6) The manner and frequency of presentation of the proposed fees for approval by the board of trustees.
- 7) The frequency that such fees should be reevaluated.

Response to Finding No. 5:

Manatee Community College has reviewed each of its courses with an associated special laboratory course fee. For many years there were courses that had associated fees but did not have the required Justification for Special Fees form on file. A form has now been completed for those courses and are on file in the Office of the Vice President of Academic Affairs.

For any new course added to the curriculum, a Justification form accompanies the request to the Curriculum and Development Review Committee. These forms are forwarded to the Office of the Vice President of Business and Administrative Services, for board approval, upon adoption of the course.

In order to remain current and assure that the fees charged do not exceed the actual costs of the associated services, or fall short of any increases in costs, the college intends to review all academic courses with associated special fees periodically. These reviews will be conducted in the fall of each even year, commencing with Fall 2002 with anticipated final action by the District Board of Trustees in late Spring of the odd number year, Spring 2003.

The College will also work with the Division of Community Colleges and other colleges to develop a common methodology for determining laboratory and other user fees.

Finding No. 7: Other User Fees and Fines - Approval

Section 240.35(15), Florida Statutes, provides that each board of trustees is authorized to establish fee schedules for user fees and fines, including parking fines, library fines, and fines relating to facilities and equipment damage, and late fees related to registration and payment.

Five colleges, as shown in the following table, provided no evidence that their boards of trustees had approved the following user fees and fines:

| | | |
|----------------------------------|--------------------------|----------------|
| <i>Manatee Community College</i> | <i>Duplicate Diploma</i> | <i>\$15.00</i> |
|----------------------------------|--------------------------|----------------|

In absence of board approval, a college has no authority to assess the user fee or fine. We recommend that these colleges review procedures to ensure all user fees and fines are presented to their boards of trustees for approval as required by law.

Response to Finding No. 7:

The Vice President of Student Development and Enrollment Services formally requested that the Vice President of Business and Administrative Services present to the District Board of Trustees an exhibit which includes a \$15.00 (documented costs on file) User Fee for a Duplicate Diploma for Board approval at its meeting on June 27, 2002.

The College has begun presenting annually a complete list of its User Fees to the District Board of Trustees for approval. In preparation for this process, the Vice President of Academic Affairs and the Vice President of Student Development and Enrollment Services are required to review the most recent list for additions and/or deletions and submit all changes to the Vice President for Business and Administrative Services.

300 N.E. Second Avenue
Miami, Florida 33132-2297
(305) 237-3316
Fax: (305) 237-3109



Eduardo J. Padrón, Ph.D.
College President

July 12, 2002

Mr. Jim Raulerson
Office of the Inspector General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Raulerson,

Enclosed are our responses to the preliminary and tentative audit findings and recommendations that may be included in a report to be prepared on your operational audit of the Florida Community College System Student Fees and Fines for the period January 1, 2001 through December 31, 2001 and selected transactions through March 31, 2002.

Sincerely,

A handwritten signature in black ink that reads 'E. J. Padrón'.

Eduardo J. Padrón *EJP*

cc: Jeffrey D. Lukenbill
E.H. Levering
Kenneth Eastment

Finding #1 - Matriculation and Tuition Fees Collected for Safety & Security Purposes

During the fiscal year ended June 30, 2001, (the College) assessed matriculation and tuition fees in sufficient amounts (i.e. 10 percent to 15 percent above the fee schedule) to generate resources that were to be specifically designated for safety and security purposes. (The College's) respective board of trustees did not designate that the additional portions of the matriculation and tuition fees collected, totaling \$1,500,000, were to be used for safety and security purposes beyond the amounts normally expended for such purposes.

Colleges that assess matriculation and tuition fees in sufficient amounts to include the collection of resources for safety and security purposes are recommended to designate the resources for such purposes. Such colleges should also have written safety and security plans which include budgets for estimated safety and security revenues and expenditures. College's must demonstrate that these resources supplemented, not supplanted, safety and security expenditures.

Response

Based on the language contained in Section 240.35 (7), Florida Statute for the fiscal year 2000-2001, and Florida Community College System Memorandum Number 00-50 dated May 8, 2000, the College's matriculation and tuition fees established for that year by our Board of Trustees were not in excess of 10 percent above the fee schedule adopted by the State Board of Community Colleges, and thus the College was not required to take the noted actions.

The College originally implemented a parking/security fee in the 1994-1995 fiscal year, at which time a thorough presentation was made to the Board of Trustees, including written plans and budgets for security. Since the 1996-1997 fiscal year, the College has not elected to increase matriculation for security purposes and rolled that fee into the base matriculation fee under Statute enacted for the 1999-2000 fiscal year. Since the enactment of the "110% covenant" in Statute, the College has monitored this calculation closely, as noted in the calculations below for the fiscal years beginning 2000-2001:

| | <u>2000-2001</u> | <u>2001-2002</u> | <u>2002-2003</u> |
|-----------------------------------|------------------|------------------|------------------|
| MDCC Matriculation fee | \$41.25 | \$42.70 | \$44.00 |
| Fee Schedule adopted by the State | \$37.77 | \$39.09 | \$40.26 |
| MDCC % of State Fee Schedule | 109.2% | 109.2% | 109.3% |
| | | | |
| MDCC Tuition fee | \$112.50 | \$116.40 | \$119.90 |
| Fee Schedule adopted by the State | \$113.35 | \$117.32 | \$120.84 |
| MDCC % of State Fee Schedule | 99.3% | 99.2% | 99.2% |

The College recognizes that there was potential ambiguity as to the appropriate fee schedule amount adopted by the State Board of Community Colleges in both the fiscal year 2000-2001 Florida Statute and Memorandum Number 00-50, based on the inclusion of two 'fee schedule amounts', but further

notes that clarifying language was added to Statute in the 2001-2002 fiscal year that clearly denotes the applicable base rate is the “combined total the fee schedule adopted by the State Board of Community Colleges and the technology fee adopted by the Board of Trustees”. This was further supported by the publishing of only a single fee schedule amount for the fiscal years 2001-2002 and 2002-2003 in similar Memorandum provided for those years.

Should Statute be amended or language be enacted in the future in which the College’s established matriculation and tuition fees are in excess of 110% of the applicable State fee schedule, the College will then take the recommended Board of Trustee and budgetary actions.

Finding #2 - Activity and Service Fee Expenditures

During our review of student activity and service fee expenditures, we noted a wide variation in the uses of student activity and service fees among colleges. (Colleges) reported that as little as 21 percent of such fees were expended on student-related activities and clubs, and as much as 79 percent on administrative services for students. Included in administrative service classifications were salary and benefits positions such as financial aid counselors and directors for athletics. Also included were specific administrative services and other expenditures of student activity and service fee resource that did not appear appropriate.

Although student administrative services functions of all community college departments benefit the student body in general, these expenditures are expected in the normal operation of the College. It is not clear whether the Statute intended this fee to be used to supplant such expenditures. We recommend that the Division of Community Colleges seek Legislative clarification as to the uses of student activity and service fee resources.

Response

The expenditures noted for MDCC were for lawful purposes to benefit the student body in general and were in accordance with a budget prepared jointly by students and college staff and approved by the President and Board of Trustees as required by Statute. We believe the fee is being used appropriately to augment operational expenditures, and not supplant them, by providing an enhanced level of student service than otherwise could not be achieved, including among the specific expenditures noted, projects for which the College has received national acclaim.

Given the local input of our student leadership, administration and Board of Trustees into the uses of these funds, we do not believe that additional clarification as to the uses of student activity and service fee resources by the Division of Community Colleges or the State Legislature is required.

Finding #5 – Laboratory and Other User Fees – Methodology

We also tested courses for which laboratory and other user fees were assessed to determine if the colleges has documented that amounts assessed did not exceed the unusual costs of service provided. In many instances, documentation was inadequate to make such a determination. In absence of a methodology, a determination could not always be made that fees assessed did not exceed the costs of services provided. We recommend that the colleges, in consultation with the Division of Community Colleges, develop a methodology to determine what constitutes unusual costs relating to a course and the amount of laboratory fees to assess to recover these costs.

Response

While the College feels strongly that adequate documentation exists to support the basis for the fees noted in the finding, the College also recognizes the need for significant institutional control in this area and intends to work internally, as well as with the Division of Community Colleges, as may be required, to further improve documentation and analysis of these fees in the future.



NORTH FLORIDA COMMUNITY COLLEGE

1000 Turner Davis Drive
Madison, Florida 32340
Phone (850) 973-1600
Fax (850) 973-1696
SunCom 298-1600
TDD (850) 973-1611

July 8, 2002

Mr. William O. Monroe
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

This letter is in response to our receipt of the list of preliminary and tentative findings and recommendations made to the Florida Community System regarding Student Fees and Fines for the period January 1, 2001, through December 31, 2001, and selected transactions through March 31, 2002. Findings number 5 and 9 apply to North Florida Community College.

Finding No. 5

Testing disclosed that 20 colleges did not have a written methodology in place for determining which courses should be assessed a laboratory fee and the amount of the fee. Testing further disclosed that, in many instances, documentation was inadequate to make a determination that the amounts assessed for individual courses did not exceed the unusual costs of the services provided. It is recommended that, in consultation with the Division of Community Colleges, colleges develop a methodology to determine what constitutes unusual costs relating to a course and the amount of laboratory fees to assess to recover these costs.

Response

North Florida Community College has instituted a methodology for assessing and tracking laboratory fees. Itemized listings including materials to be purchased and services to be provided for each course and/or program for which a laboratory fee will be assessed for academic year 2002-03 have been approved and were included as part of the budgeting and planning process. The deficiency was resolved June 2002.

William O. Monroe
Page 2

Finding No. 9

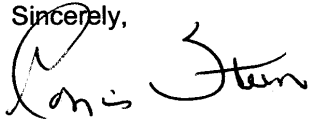
Testing disclosed that separate accountability was not maintained for all technology fees collected and expended, therefore, documentation was not readily available to show that resources collected were used in accordance with the college's technology improvement plans. It is recommended that colleges assessing a separate technology fee maintain separate accountability and documentation of revenue and expenditures.

Response

During academic year 2001-02, North Florida Community College maintained a separate fund for the collection of technology fees and expenditures of these funds. Transactions can be tracked to show compliance with the College's technology improvement plans. A separate technology fee will not be collected for academic year 2002-03.

As always, we appreciate the professional manner in which this audit was conducted. We look forward to continued growth in accountability based on the recommendations given and will continue to work to ensure compliance with all state statutes and rules.

Sincerely,

A handwritten signature in black ink, appearing to read "Morris G. Steen". The signature is written in a cursive style with a large initial "M" and "S".

Morris G. Steen, President



Okaloosa-Walton Community College

100 College Boulevard • Niceville, FL 32578-1295 • (850) 678-5111

July 16, 2002

William O. Monroe, CPA
Auditor General
7282 Plantation Road, Suite 401
Tallahassee, Florida 32514

Dear Mr. Monroe:

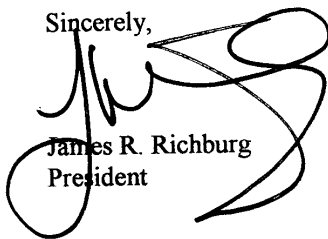
Student Fees and Fines
Preliminary and Tentative Audit Findings

Finding No. 7: Other User Fees and Fines - Approval

Five Colleges provided no evidence that their boards of trustees had approved certain user fees and fines. In the absence of board approval, a college has no authority to assess the user fee or fine. (Okaloosa-Walton ID Card Replacement \$10)

The District Board of Trustees has approved the \$10 ID Card Replacement Fee as of July 1, 2002.

Sincerely,



James R. Richburg
President



PENSACOLA JUNIOR COLLEGE

Office of the President • Pensacola Campus
850-484-1700 • Suncom: 681-1700 • Fax: 850-484-1840

July 1, 2002

William O. Monroe, CPA
Auditor General
State of Florida
G74 Clause Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

In response to your letter of June 10, 2002, containing the Preliminary and Tentative Student Fees and Fines Operation Audit Findings, I offer the following:

Finding #5 Laboratory and Other User Fees – Methodology

Pensacola Junior College is in the process of developing written methodology for determining assessment and amount of laboratory fees.

If the College can be of further assistance in this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Thomas Delaino', with a flourish at the end.

G. Thomas Delaino
Acting President

psc

cc: Gean Ann Emond



Office of the President

July 8, 2002

Mr. William O. Monroe
Auditor General
G74 Claude Pepper Bldg.
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

The following are Pasco-Hernando Community College's responses to the preliminary and tentative findings to the audit of the Florida Community College System, Student Fees and Fines for the period of January 1, 2001 through December 31, 2001 and Selected Transactions through March 31, 2002.

Finding No. 2: Activity and Service Fee Expenditures

PHCC agrees with the auditor's recommendation that the Division of Community Colleges seek legislative clarification on this issue. While PHCC is not referenced in this finding, we are very concerned about the audit conclusions that infer that colleges, "appear to supplant regular operating costs" with student activity and service fees collected by Florida's community colleges. It should be noted that the audit did not identify any colleges failing to comply with F.S. 240.35 requirements that students have a major voice in how student activity and service fees are expended. It is students, and not the College administration, that have committed funds toward expenditures the audit classifies as administrative or normal operating in nature. At PHCC, dollars allocated by students for expenditures in this category, are in fact, allocated to further *enhance* (and not *supplant*) those services already being funded within the operating budget.

The students in our community college system are very cognizant of and concerned about the impact that state budgetary reductions have had on the operating budgets of our colleges. They understand the economic realities of enhancing services in times of revenue declines. Their actions to allocate resources for these purposes demonstrates their commitment to their colleges and to current as well as future students in our system.

Finding No. 3: Activity and Service Fee Balances

As stated in the audit report, there is no statutory limitation on the amount of unexpended funds that may be carried forward to the following fiscal year. PHCC annually allocates, as part of the

East Campus
36727 Blanton Road
Dade City, FL 33523-7599
(352) 567-6701

North Campus
11415 Ponce de Leon Blvd.
Brooksville, FL 34601-8698
(352) 796-6726

West Campus/District Office
10230 Ridge Road
New Port Richey, FL 34654-5199
(727) 847-2727

Gowers Corner Center
Send Mail
c/o East Campus
(813) 996-5080

Spring Hill Center
11245 Spring Hill Drive
Spring Hill, FL 34609
(352) 688-8798

Land O' Lakes Center
P.O. Box 1969
Land O' Lakes, FL 34639
(813) 949-0660

Mr. William O. Monroe
Page 2
July 8, 2002

budget preparation process, its best estimate of the student activity and service fees that will be collected. PHCC's enrollment for 2000-2001 grew at a significantly higher percentage than predicted resulting in higher than anticipated activity and service fee collections. PHCC students are also very judicious in how they allocate and spend these dollars. These two factors contributed to the reported fund balance.

PHCC students recently allocated \$100,000 of the fund balance to initiate on-campus childcare services with first priority being given to the dependents of our students. This will reduce the fund balance by some 54 percent. PHCC will continue to monitor the assessment, collection, and expenditure of the activity and service fee.

Finding No. 5: Laboratory and Other User Fees - Methodology

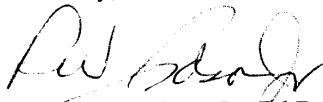
PHCC concurs with the audit recommendation that colleges and the Division of Community Colleges jointly develop a methodology for calculating laboratory and other user fees. In the interim, the College will develop its own written methodology for determining laboratory fees. This methodology will be completed and used to evaluate labs as part of the budget preparation process for FY 2003-04.

Finding No. 8 - Fines

PHCC concurs with the audit recommendation that the Division of Community Colleges seek legislative action to separate the authority to assess fines that deter certain behavior from fees assessed to recover unusual costs.

If the College can be of further assistance in this matter or if you have any questions regarding our responses, please do not hesitate to contact Mr. Ken Burdzinski, the College's Vice President of Business Services.

Sincerely,



Robert W. Judson, Jr., Ed.D.
President

July 12, 2002

Mr. William O. Monroe
Auditor General, State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

In response to the Preliminary and Tentative Audit Findings for the audit of Student Fees and Fines for the period January 1, 2001, through December 31, 2001, the following is provided for your information.

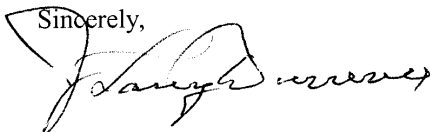
User Fees and Fines

Twenty colleges did not have a written methodology in place for determining which courses should assess a laboratory fee and the amount of the fee. In the absence of such a methodology, a determination could not always be made that the fee assessed did not exceed the unusual costs of the services provided. The varying practices among the State's community colleges resulted in different laboratory fee assessments for the same courses. Similar findings were noted for user fees other than laboratory fees.

Response: As recommended, Polk Community College is drafting a procedure to be implemented with the new academic year that details the methodology for determining user fees and fines.

If there are any questions or if additional information is necessary, please contact Teresa Vorous, Comptroller, at (863) 297-1089 or SUNCOM 580-1089.

Sincerely,



J. Larry Durrence
President

cc: Debra Gula, Vice President for Administrative & Business Services
Teresa Vorous, Comptroller

**OFFICE OF THE
PRESIDENT**

561-868-3500 tel

561-868-3504 fax



July 9, 2002

BELLE GLADE
1977 COLLEGE DRIVE
BELLE GLADE
FL 33430-3699

BOCA RATON
3000 SAINT LUCIE AVENUE
BOCA RATON
FL 33431-6490

■ **LAKE WORTH**
4200 CONGRESS AVENUE
LAKE WORTH
FL 33461-4796

PALM BEACH GARDENS
3160 PGA BOULEVARD
PALM BEACH GARDENS
FL 33410-2893

WEST PALM BEACH
COUNT AND COUNTESS DE HOERNLE
HISTORIC BUILDING
812 FERN STREET
WEST PALM BEACH
FL 33401

Mr. William O. Monroe
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

We have received the Preliminary and Tentative Audit Findings for the:

Florida Community College System
Student Fees and Fines
For the Period January 1, 2001 Through December 31, 2001,
And Selected Transactions Through March 31, 2002.

Thank you for your suggestions and recommendations to improve the College's operation. Our response to the findings is attached.

Sincerely,

A handwritten signature in black ink that reads "Dennis P. Gallon". The signature is written in a cursive, flowing style.

Dennis P. Gallon, Ph.D.
President

bjr
Enclosure
cc: District Board of Trustees
Richard A. Becker

PALM BEACH COMMUNITY COLLEGE
RESPONSE TO AUDIT FINDINGS
FLORIDA COMMUNITY COLLEGE SYSTEM
STUDENT FEES AND FINES
FOR THE PERIOD JANUARY 1, 2001 THROUGH DECEMBER 31, 2001
AND SELECTED TRANSACTIONS THROUGH MARCH 31, 2002

Finding No. 5: Laboratory and Other User Fees – Methodology

The College will work with the State Board of Education and other colleges to develop a methodology for determining laboratory and other user fees. This could include a review of the statute to determine if legislative action is necessary to modify some of the language in this section, in addition to the language on fines recommended in Finding No. 8.

JUL 16 2002



ST. JOHNS RIVER COMMUNITY COLLEGE
FLORIDA SCHOOL OF THE ARTS
CLAY, PUTNAM AND ST. JOHNS COUNTIES COOPERATING

July 15, 2002

Mr. William O. Monroe, CPA
Auditor General of the State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

DR. R.L. MCLENDON, JR.
PRESIDENT

REPLY TO:
PALATKA CAMPUS
5001 ST. JOHNS AVENUE
PALATKA, FLORIDA
32177-3897
PHONE: (386) 312-4113
SUNCOM: 890-4113
FAX: (386) 312-4229

ORANGE PARK CAMPUS
283 COLLEGE DRIVE
ORANGE PARK, FLORIDA
32065-7650
PHONE: (904) 276-6800

ST. AUGUSTINE CAMPUS
2990 COLLEGE DRIVE
ST. AUGUSTINE, FLORIDA
32095-1197
PHONE: (904) 808-7400

Dear Mr. Monroe,

The following is in response to your preliminary and tentative findings for the Florida Community College System Student Fees and Fines Operational Audit for period January 1, 2001 through December 31, 2001:

The College has reviewed your findings and developed a written methodology (finding No. 5) for determining which courses should assess a laboratory fee and the amount of the fee. This methodology will be used in determining student fees in all future academic years.

Sincerely,

Robert L. McLendon, Ph.D.
President

CC : Dr. Lott
V.P. Hanes

St. Petersburg College

Office of the President
(727) 341-3241
Fax: (727) 341-3318

July 10, 2002

Mr. William O. Monroe
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

Thanks you for your report dated June 10, 2002, providing recommendations to assure our compliance with state requirements and good internal control. Following is our response to the two items pertaining to St. Petersburg College:

Matriculation and Tuition Fees Collected for Safety and Security Purposes

Your report states in Finding No. 1: St. Petersburg did not have a written safety plan specifying the proposed use of the resources collected for safety and security purposes, and could not demonstrate that the expenditures of these resources did not supplant general operating funds usually expended for safety and security purposes.

Response: The Board of Trustees of St. Petersburg College approved the charging of a safety and security fee to students in July 1994. The approval was made based on submitted background documentation that justified the fee based on evidence of rising crime and violence, and the ever increasing costs to provide the needed security. Costs, once considered level aside from inflation, began to escalate significantly in 1989/90. When the fee request was submitted for the 1994/95 fiscal year, safety and security expenditures were anticipated to increase 361 percent over the 1989/90 expenditures. The July 1994 fee request documentation included a 3-year safety and security plan, which outlined baseline security expenditures along with planned program enhancements, on a site-by-site basis. A budget was outlined for the additional costs to be covered by the new fee.

In June 1999, the Board of Trustees approved changes to the fee implemented by Florida Statute 240.35(7). The safety and security fee was rolled into the matriculation and tuition fees and increased slightly to equal the amount from 10 to 15 percent above the fee schedule which can only be used to support safety and security.

Mailing Address:
Post Office Box 13489
St. Petersburg, FL 33733-3489

An Equal Access/Equal Opportunity institution

At that time, written justification was provided to the State Board of Community Colleges, as required, based on local and national crime data and other related circumstances. In addition, an electronic file of the College's actual safety and security data has been submitted to the U. S. Department of Education on annual basis for the last two years.

Currently, the College is in the process of updating its safety and security plan with an anticipated completion date of September 30, 2002. The updated plan will include the budget of estimated safety and security revenues and proposed expenditures for the current 2002/03 fiscal year. It is the goal of the College to accomplish an affordable combination of unrestricted funds as well as designated safety and security fee funds, while recognizing recent callbacks and reductions in the proportion of unrestricted funds to the College's total operating budget.

Laboratory and Other User Fees – Methodology

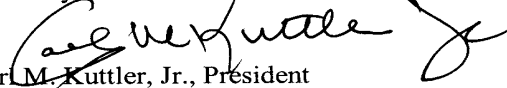
Your report states in Finding No. 5: St. Petersburg College included the cost per class, not the cost per student, for certain unusual items to justify part of the student's laboratory fees for two courses.

Response: The written methodology utilized by St. Petersburg College provides a guideline to the program directors to describe and calculate the unusual costs to be incurred in providing the lab environment. Both of the courses cited had a descriptor in the documentation that stated "per section" that would lead the reader to believe that the charge was developed by course section. In these courses, the unusual cost was associated with a computer used in 15 sections by 15 individual students, hence, the descriptor could have just as easily said "per student" and achieved the same result.

St. Petersburg College agrees with the recommendation for the colleges, in consultation with the Division of Community Colleges, to develop a methodology to determine what constitutes unusual costs relating to a course and the development of laboratory fees assessed to recover these costs.

We wish to express our appreciation to your staff for the professional and helpful manner in which they conducted the audit.

Sincerely,


Carl M. Kuttler, Jr., President
St. Petersburg College

SANTA FE COMMUNITY COLLEGE

Jackson N. Sasser

President

June 9, 2002

William O. Monroe, CPA
Auditor General of the State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

In response to the preliminary and tentative audit findings and recommendations relating to Santa Fe Community College in your audit of the Florida Community College System Student Fees and Fines for the period January 1, 2001, through December 31, 2001 and selected transactions through March 31, 2002, we submit the following comments including corrective action taken or to be taken:

Finding No. 5: Laboratory and Other User Fees – Methodology

You recommend that “the colleges, in consultation with the Division of Community Colleges, develop a methodology to determine what constitutes unusual costs relating to a course and the amount of laboratory fees to assess to recover these costs.”

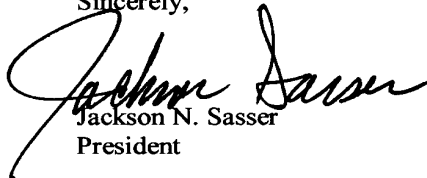
Response: Subject to the understanding that the method of course material delivery, and therefore the costs, may vary from college to college, SFCC will cooperate fully with other Florida Community Colleges and the Division business staff in developing a methodology for documenting and establishing laboratory fees. In the meantime, SFCC has undergone a comprehensive review of all laboratory fees approved by the District Board of Trustees effective fall term, 2002.

Finding No. 7: Other User Fees and Fines – Approval

You found that SFCC’s assessment of a \$5 charge for the replacement of a Student ID card requires the approval of the District Board of Trustees.

Response: The fee will be presented for the approval of the District Board of Trustees.

Sincerely,



Jackson N. Sasser
President

C: Jan Bullard, Rochelle Prince
Division of Community Colleges

July 10, 2002

Mr. William O. Monroe
Auditor General
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

Attached are the preliminary findings and tentative audit responses for the Student Fees and Fines audit of Seminole Community College for the fiscal year ending December 31, 2001 and selected transactions through March 31, 2002.

If you should require additional information, please do not hesitate to contact me or Christyne Hamilton at (407) 328-2001 for specific questions regarding the audit findings.

Sincerely,



E. Ann McGee
President

ph

cc: Jim Stultz

District Board of Trustees

Dr. Charles W. English, Chairman | Sidney Miller, Vice Chairman | Richard H. Lee | Verdell Pugh | Dede Schaffner | E. Ann McGee, President

Oviedo | Sanford/Lake Mary | Hunt Club

An Equal Access/Equal Opportunity Community College

Florida Community College System
Preliminary and Tentative Findings from the Audit of Student Fees and Fines
Prepared by: Chris Hamilton
June 21, 2002

Seminole Community College responses to the preliminary and tentative findings from the Office of the Auditor General on Student Fees and fines are as follows:

Finding # 1 – Matriculation and Tuition Fees Collected for Safety and Security Purposes

Response: SCC was not cited in this audit finding., therefore, no response is required.

Finding # 2 – Activity and Service Fees – supplanting of regular operating costs.

Response: SCC was not cited in this audit finding, therefore, no response is required.

Finding # 3 – Activity and Service – Unexpended balances

Response: SCC was not cited in this finding, therefore, no response is required.

Finding # 4 – Financial Aid Fees - Year end balance exceeding 40% of collection.

Response: SCC was not cited in this finding, therefore, no response is required.

Finding # 5 – User Fees and Fines – Laboratory Fees

Response: SCC **was cited in this audit finding** accepts the recommendation of the Office of the Auditor General to collaborate with other colleges and the Division of Community Colleges to develop a methodology for determining what constitutes unusual costs relating to a course and the amount of laboratory fees to assess for covering these costs.

Finding # 6 – Other User Fees and Fines – Charges to students based on a contact or credit hour basis
Instead of a user basis.

Response: SCC **was cited in this audit** due to the methodology used for assessing the Parking Fee on a credit hour basis. SCC accepts the Auditor General's recommendation to work collaboratively with other colleges and the Division of Community Colleges to develop methodology to ensure that user fees are based on the unusual costs of services provided.

Finding # 7 – Other User Fees and Fines - Board Approval of certain user fees.

Response: SCC was not cited in this audit finding, therefore, no response is required.

Finding # 8 – Fines - Late fees, etc are penalties to deter certain behavior. General statement by Office of Auditor General did not name colleges, however, **SCC does charge a Late Fee.**

Response: The general statement applies to SCC, along with other colleges, and thus SCC Accepts the OAG recommendation to collaborate with the Division of Community Colleges to Legislatively remove requirement that fines do not exceed cost of services.

Finding # 9 - Technology Fees – Plans did not include dollar amounts or a budget of how the resources Collected would be spent.

Response: Projected 2002-2003 Technology Fees were calculated and included in the Proposed Technology Plan and the 2002-2003 budgets. Plans and budgets were approved by the District Board of Trustees on June 18, 2002.



OFFICE OF THE PRESIDENT

June 18, 2002

Mr. William O. Monroe
Office of the Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399

Dear Mr. Monroe:

Let me express our sincere appreciation for the professional manner in which your staff conducted the audit. Following is the College's response to the preliminary and tentative audit finding to be included in the audit report covering Student Fees and Fines for the calendar year 2001 with selected transactions through March 31, 2002.

User Fees and Fines – Laboratory Fees

Recommendation: We recommend that the colleges, in consultation with the Division of Community Colleges, develop a methodology to determine what constitutes unusual costs relating to a course and the amount of laboratory fees to assess to recover these costs. The methodology should address definitions of costs, documentation, time frames for costs and re-evaluation of costs, manner of presentation of fees to the Board of Trustees, course groupings and the review processes themselves to insure that only appropriate costs are included in fees.

Response: The College has defined costs, developed and implemented a new methodology of establishing and reviewing fees to address the relevant issues raised by the audit staff. The College will cooperate with efforts made by the Community College system to standardize definitions and practices between colleges.

Sincerely,

Catherine P. Cornelius
President

CPC/lh



TALLAHASSEE
COMMUNITY
COLLEGE

444 Appleyard Drive • Tallahassee, Florida • 32304-2895

July 8, 2002

Mr. William O. Monroe, CPA
Auditor General
P.O. Box 1735
Tallahassee, FL 32302-1735

Re: Audit of Florida Community College System Student Fees and Fines

Dear Mr. Monroe:

In response to the preliminary and tentative audit findings related to the audit of the Florida Community College System Student Fees and Fines, for the period January 1, 2001 through December 31, 2001, and Selected Transactions through March 31, 2002, we submit the following statement of explanation and corrective action for the findings related to Tallahassee Community College:

Finding No. 2 Between fiscal year 1999-2000 and 2001-2002 the operating budget for the campus police department increased by more than the amount of the Activity fees that were spent on campus security. This supplement to operating funds was approved by student government, as required by State Board of Education rules.

We will continue to abide by the requirements of Statute, including any future restriction on supplantation.

Finding No. 5 Lab fees at TCC are reviewed by a small group of people who are fully aware of the cited requirement. The TCC exception rate of 3% was significantly lower than that of the colleges with a written methodology, 18%.

Fees are set for an entire year and are set in advance of the year. Estimates or projections of costs and the level of enrollment are used to determine the amount of the fee. A variance in either of those factors will affect the relationship of cost to fees. For the course in question the method used to determine the fee was documented and was logically sound. The variance occurred for the one fee cited because enrollment was slightly higher than projected. The amount of the variance was less than \$700.

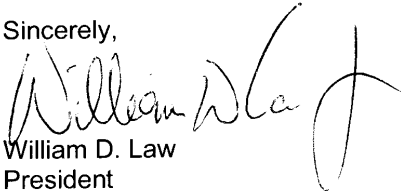
Mr. William O. Monroe, CPA
Auditor General
July 8, 2002
Page 2

The College will be pleased to work with the Division to develop a methodology to determine what constitutes unusual costs relating to a course and the amount of laboratory fees to assess to recover these costs.

We wish to express our appreciation to your staff for the professional and helpful manner in which they conducted the audit.

If I can be of further assistance, please do not hesitate to call me.

Sincerely,

A handwritten signature in cursive script, appearing to read "William D. Law". The signature is written in black ink and is positioned to the right of the typed name.

William D. Law
President

C: Board Members

SANFORD C. SHUGART, PH.D.
President



June 26, 2002

Mr. William O. Monroe
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

I am enclosing Valencia Community College's response to the preliminary and tentative audit findings on the Florida Community College System Student Fees and Fines Audit for the Period January 1, 2001, Through December 31, 2001, and Selected Transactions Through March 31, 2002.

The College wishes to express its appreciation to the representatives of the office of the Auditor General for their courtesies and assistance while conducting this audit.

Sincerely,



Sanford C. Shugart

pn
Enclosure

c: Ms. Brenda Racis
Mr. Robert S. Austin, Jr.
Mr. Steve Kaplan
Mr. Pedro Rivera
Mr. Todd Rogers

BOARD OF TRUSTEES

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VALENCIA COMMUNITY COLLEGE
Florida Community College System Student Fees and Fines Audit
January 1, 2001 through December 31, 2001
and Selected Transactions Through March 31, 2002

Preliminary and Tentative Findings

Valencia Responses

FINDING 1 - MATRICULATION AND TUITION FEES COLLECTED FOR SAFETY AND SECURITY

The College assessed matriculation and tuition fees in sufficient amounts (i.e. 10 percent to 15 percent above the fee schedule) to generate resources that were to be specifically designated for safety and security purposes, but the respective board of trustees did not designate that the additional portions of the matriculation and tuition fees collected, \$520,000 respectively, were used for safety and security purposes beyond the amounts normally expended for such purposes. Additionally, the College did not have a written safety plans specifying the proposed resources collected for safety and security purposes.

RESPONSE

As noted in Florida State Board of Community Colleges Memorandum 99-54, "local boards of trustees must approve criteria to be submitted to the State Board of Community Colleges as justification in **establishing** the safety and security fee". Valencia had already established the safety and security fee prior to this memorandum and the change to Florida Statutes. The only increases to the previously established safety and security fee since have been the percentage increases of the matriculation and tuition allowed by the appropriations acts. These increases have been approved by the District Board of Trustees annually. Funds collected were not segregated since the Statute does not establish the safety and security fee as a separate fee, but as a component of matriculation and tuition.

For the 2002/2003 fiscal year, the College will identify the safety and security fee collections. A plan will be developed and sent to the District Board of Trustees specifying the current year projected increased revenues and the utilization of those funds and additional College resources.

FINDING 5 - LABORATORY AND OTHER USER FEES - METHODOLOGY

Testing disclosed that 20 colleges did not have a written methodology in place for determining which courses should be assess a laboratory fee and the amount of the fee. Testing further disclosed that, in many instances, documentation was inadequate to make a determination that the amounts

assessed for individual courses did not exceed the unusual costs of the service provided. The review of user fees other than laboratory fees disclosed that there were inconsistencies in amounts assessed for the same service. In the absence of a methodology, a determination could not always be made that the fees assessed did not exceed the costs of services provided. It is recommended that, in consultation with the Division of Community Colleges, colleges develop a methodology to determine what constitutes unusual costs relating to a course and the amount of laboratory fees to assess to recover these costs.

RESPONSE

The College will work with the State Board of Education and other colleges to develop a methodology for determining laboratory and other user fees. This could include a review of the statute to determine if legislative action is necessary to modify some of language in this section in addition to the language on fines recommended in finding 8.

FINDING 8 – FINES

Section 240.35(15) states that user fees and fines shall not exceed the cost of services provided, and shall only be charged to persons receiving the service. Fines are not established to recover costs; rather fines are assessed as penalties to deter certain behaviors. It is recommended that the Division of Community Colleges seek Legislative action to remove the requirement that fines do not exceed the cost of services. The authority for colleges to assess fines to deter certain behaviors should be addressed separately from fees assessed to recover unusual costs.

RESPONSE

The College agrees with the recommendation to seek legislative action to separate out the authority for fines from user fees.