

Sevier Valley Center Audit



Office of the Internal Auditor

Audit Report 2016-06

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EXECUTIVE SUMMARY

The Sevier Valley Center (SVC) is an educational and multi-purpose facility owned by Snow College, located on the Richfield, Utah campus. The SVC is governed by an executive board comprised of members from Snow College, Sevier County, Richfield City and the Sevier School District.

This audit was conducted due to elevated risks in cash handling, enterprise funds, reporting and event management. Internal Audit learned of some of these risks through reports of possible abuse of purchasing cards, and staff personal use of the facility without billing or payment. This audit was also done to fulfill Utah State Board of Regents policy requirements that an internal audit of the SVC be conducted once every three years.

Significant internal control deficiencies and weaknesses led to misappropriation at the SVC. The SVC Director used SVC funds and resources to fund his baseball team. He also frequently entertained persons by taking them out for meals, and though he identified these persons as “clients” there was no real business purpose or agenda. The SVC was not compliant with Snow College policies and procedures and State statute. In addition, there were significant control deficiencies and mismanagement of the SVC that allowed for potential misappropriation or loss of funds and property but because of the lack of procedures it is difficult to quantify losses if any.

The following tables summarize the audit findings. Detailed explanation of each finding can be found in the “Findings” section of this report:

Misappropriation of Snow College Funds and Resources	
1	Sponsor donations were not accounted for and in some cases were diverted for personal use
2	Snow College purchasing cards were used to purchase baseball uniforms for the SVC Director’s baseball team
3	The SVC Director used the facility and did not pay rent on multiple occasions

Significant control deficiencies / Mismanagement of the SVC	
1	Lack of review and oversight on high cost and increased liability contracts with outside performers
2	Failure to use approved contracts for SVC partnership and public usage of the SVC
3	Missing tickets and/or funds for tickets sold through sponsoring vendors
4	Excessive and inappropriate spending using the Snow College purchasing cards for meal purchases and other unapproved purchases
5	Lack of policies and procedures governing the use of the SVC
6	Lack of transparency and inadequate reporting to the SVC Board
7	Inadequate separation of duties and controls in cash handling
8	Inaccurate billing and missing revenues from sponsor donations
9	Use of unapproved vendors

Internal Audit recommends that the SVC Board do a review and update of the joint-use agreement, and that they fulfill their role as defined in the agreement. Part of the review should include determining the number of representatives from Snow College giving them a majority vote on the Board.

Snow College Administration should do a review and update policies and procedures around purchasing card use, meals, cash handling, contract approvers, and personal use of facilities and equipment.

The SVC Director should be transparent with the SVC Board and report accurate and timely information so the Board can make informed decisions. Also the SVC Director should implement controls based on SVC Board and Snow College direction and policies.

See Findings and Recommendations Sections for more detailed information on findings and recommendations.

INTRODUCTION

Background

The Sevier Valley Center (SVC) is an educational and multi-purpose facility located on the Snow College Campus in Richfield, Utah. Funding for the construction of the SVC was provided through a bond election held by the Sevier School District, state legislature appropriations, private donations and a federal government loan. On July 1, 1999, Snow College, Sevier County and the Sevier School District entered into a joint-use agreement which delineated governance, roles and responsibilities for the operation and management of the SVC. Since the original agreement, Richfield City became a partner on September 17, 2003, and the Sevier School District's interest was purchased by Snow College through a State appropriation in 2014.

The main purpose of the SVC is to be used as an education and community Facility for the benefit of the College and the community at large. The joint use agreement states: "The mission of the College and the District is public, higher and applied technology education which shall remain paramount".

Donations and financial support made by local citizens, businesses and organizations of the communities were provided with the expectation that the local community and organizations outside of education would have access to the SVC, based on availability, for events, meeting and programs which are consistent with the policies and by-laws established by the Executive Board of the SVC.

Facility

The SVC services and facility space includes the following:

- 800+ seat theater for assemblies, plays, concerts, etc
- 4800 Seat Arena for larger events such as concerts, sporting events and conventions
- 1 – 4 room option atrium for business meetings, weddings and conferences
- Classrooms for Snow College courses (currently occupied by Richfield High School which should be vacant by the end of December 2016.)
- Batting Cage "The Kage" for team and individual batting practices
- Concession stands, primarily used for serving concessions during arena events
- VIP lounge for sponsors and other invited guests
- Box Office for in-person ticket sales
- Office space for SVC Director, managers and faculty

SVC GOVERNANCE AND MANAGEMENT

Joint Use Agreement

On September 17, 2001, a Joint Use Agreement (Agreement) was signed which delineated the SVC governance, management, mission and roles and responsibilities. Snow College was designated as the owner of the SVC, with Sevier County and Sevier School District participating in the use of the facility. The term of the agreement was for 50 years, after which Snow College would remain the owner of the SVC. Addendums to the agreement included:

- Richfield City was added as a participant September 2003.
- Sevier School District's interest was purchased by Snow College through a State appropriation in July 2014.

Governance

The parties agreed that the SVC would be governed by an Executive Board (Board). The Board is comprised of seven people with the role of advising and assisting by "governing the use and operation of and coordinating access to the Facility by the parties and public". Some of the key roles of the Board, as defined in the joint-use agreement are as follows:

1. Direct and assist the SVC Manager (SVC Director) and staff in the management and operation of the SVC.
2. Coordinate the use of and access to the SVC among the parties, the community and outside entities.
3. Set, establish and document written policies and guidelines to govern the use of the SVC.
4. Delineate requirements for use by the community and establish priorities for use of the SVC.
5. Make all major decisions regarding the use and operation of the SVC.
6. Appoint, supervise and direct an SVC Director
7. Enforce proper use of the facility and not allow any use unsuitable to the SVC or inconsistent with the education mission of the parties.
8. Make decisions on appeals that are aggrieved by a decision of the SVC Director.

The SVC Board is currently comprised of seven members which are designated as "partners":

- Snow College – President or designee, Vice President of Finance and Administrative Services and designee
- Sevier County – Chairman of the County Commission and designee
- Richfield City – Mayor or designee
- Sevier School District – Superintendent

Management

The SVC Manager (SVC Director) is appointed by the SVC Board and is an at-will employee of Snow College. The SVC Director “serves at the pleasure of the Board subject to Snow College personnel policies governing at-will employees”. An SVC Director was hired and given the title of “Executive Director” (SVC Director). Responsibilities of the SVC Director, as defined in the joint-use agreement, include:

1. Manage day to day operations of the SVC
2. Keep the parties and Board fully informed
3. Make recommendations to the Board and parties of the use and operations of the SVC
4. Carry out the formal directives agreed upon by the parties

Basic budget and financial support for the operation, maintenance and support staff of the SVC are provided through State-supported operation and maintenance through Snow College’s general operating budget (general fund) and revenue generated through the use of the Facility by outside entities (enterprise fund).

The SVC is a non-profit entity and all charges relating to the use of the facility should fairly reflect and relate to a reasonable cost for use of the Facility. All proceeds received shall be used to pay for the ongoing costs associated with the maintenance, operation and other uses of the SVC as determined by the Board.

AUDIT OVERVIEW

Audit Purpose

This audit was conducted due to elevated risks in cash handling, enterprise funds, reporting and event management. Internal Audit learned of some of these risks through reports of possible abuse of purchasing cards and staff personal use of the facility without billing or payment. In addition, Utah State Board of Regents policy requires an internal audit of the SVC be completed once every three years.

Scope and Objectives

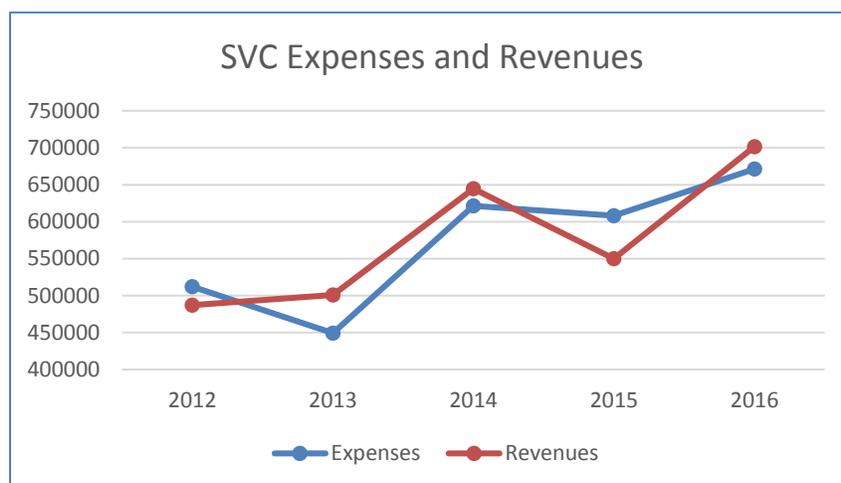
The overall objective for this audit was to determine if the SVC was operating in compliance with the policies and procedures as established by the SVC Board and Snow College.

We reviewed revenues and expenses in the SVC Enterprise Fund, relating to events held in the SVC, between 2012 and 2016. SVC General Fund revenues and expenses (O&M funds) are provided through a state appropriation and were excluded from the scope of this audit. The main focus of this audit was to review the Enterprise Fund and how those funds were received and used.

Risk Assessment

A risk assessment was conducted as part of this audit, to determine the areas of risk of non-compliance and to identify potential control weaknesses. The risk assessment was used to identify control areas that posed the greatest threats to the overall mission and goals of Snow College. The risk assessment revealed areas of high risk in the operations and governance of the Sevier Valley Center.

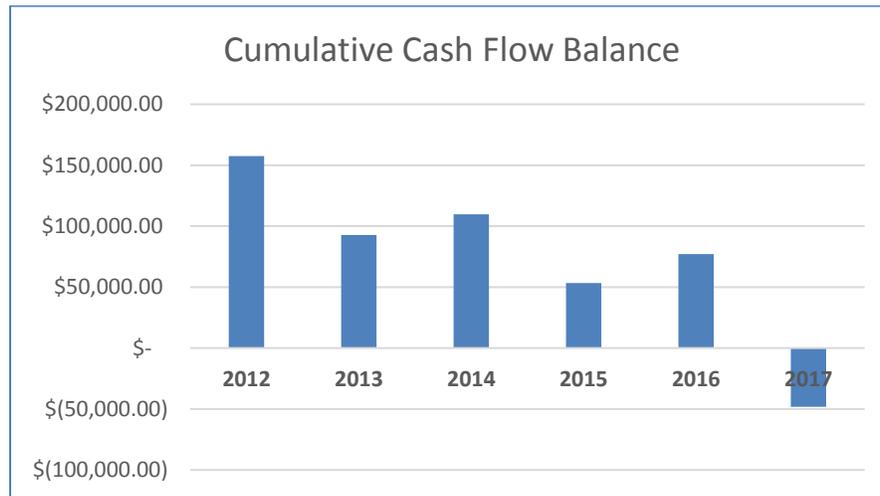
A five-year trend analysis of expenses and revenues was performed which revealed in 2015 there was an unexpected decline of \$94,351 in revenues when compared with expenses.



Revenues decreased by \$94,351 in 2015 while expenses only dropped by \$13,324.

In 2015 revenues decreased in ticket sales daily deposits, rent for public use and sponsor donations. Expenses that increased at the highest rate were for meals, advertising, travel and contracted performers.

The following chart illustrates the cumulative cash flow balance at the end of each fiscal year. The cash flow balance for 2017 was the balance as of November 2, 2016.



The cash balance of the SVC enterprise fund has decreased each year

In July 2015 (FY 2016), the SVC Board met and discussed some of the concerns regarding the financial stability of the SVC. The Board agreed upon a pricing structure to be used and the VP of Finance and Administrative Services informed the Board that the billing and accounting responsibilities would be moved from the SVC to the Director of Finance in the Snow College Controllers office. Since taking over the billing and accounting, the Director of Finance has implemented some additional controls to help track the expenses, by event, held in the SVC. These controls have created more transparency and better reporting of financial status of the SVC and the events that are held in the center.

Other areas of risk include:

- Cash handling in the ticket office and for sponsor donations and event billing
- Contracts with outside performers and sponsors
- Governance and oversight of the SVC
- Compliance with Snow College policies
- Compliance with vendor and sponsor agreements
- Transparency in reporting of expenses and revenues
- Wrongdoing and waste in spending

Audit Program Test Objectives

An audit program was developed with the following test objectives:

- 1) Perform a financial trend analysis for the fiscal years 2012 – 2016. Determine if the SVC met the objectives to “break even”.
- 2) Determine if billing amounts for events agreed with the scheduled amounts as per the Boards approved schedule. Determine if the SVC held or offered events for reduced amounts or no-charge.
- 3) Determine if there were adequate internal controls for cash handling for event ticket sales and sponsor donations.
- 4) Determine if the Sevier Valley Center and TicketSage were in compliance with contractual agreement for ticket sales software and services.
- 5) Determine if Snow College and the Concessions vendor (Big Daddy’s) were in compliance with contractual agreements.
- 6) Determine if meals purchased for sponsors, performers, and staff were done in compliance with Snow College policies and procedures. Determine if gift cards provided by sponsors were used to purchase meals and if meals were double-reimbursed.
- 7) Determine if tickets issued to grocery store chains were signed and tracked. Also review contracts with grocery store chains and determine if the SVC and grocery store chains were in compliance with contractual requirements.
- 8) Determine if tickets sold through grocery store chains were properly accounted for in the financial system and recorded in Ticketsage. Determine if unsold tickets were properly placed back in inventory to avoid unnecessary ticket surcharges.
- 9) Determine if the Kage was cost-effective and is meeting the objectives of the Board by providing added revenue to the SVC and providing an additional benefit to the community.
- 10) Determine if revenues generated through sponsorships were properly accounted for, including in-kind donations. Also determine if agreements were properly reviewed and signed.

Audit Methodology and Procedures

ACL is a data analytics software tool that was used for several of the audit tests. Information for this audit was imported and organized using ACL and then exported to Excel spreadsheets for further analysis. Data used for this audit is as follows:

- Financial System (Banner) revenue and expense transactions from accounts in the SVC enterprise fund.
- Ticket sales transaction detail from the ticketing system (TicketSage)
- Purchasing card statements and monthly transaction reports
- Sponsor agreements
- Event contracts and settlement reports

The audit process included the following procedures:

- Risk assessment to identify highest risk areas to be audited
- Review of expenses and revenues recorded in Banner
- Review of purchasing card expenses
- Analysis of sponsor agreements, billings and payments
- Review reporting and use of funds received through sponsors
- Analysis of ticket sales at third party locations
- Review of event revenues and expenses
- Interviews of Snow employees that work in and with the SVC
- Interviews of event and SVC sponsors

Sufficient and appropriate audit procedures have been conducted and evidence gathered to support the accuracy of the conclusions reached and contained in this report. The conclusions were based on a thorough review of controls at the SVC. The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. The evidence gathered meets professional audit standards and is sufficient to provide senior management with the proof of the conclusions derived from the internal auditor.

FINDINGS

Internal control deficiencies and weaknesses led to instances of misappropriation at the SVC. The SVC Director used SVC funds and resources to fund his baseball team. He also frequently entertained clients and potential clients by taking them out for meals, with no real business purpose or agenda. There was inadequate reporting and a lack of Board oversight of the SVC. The SVC was not in compliance with Snow College policies and procedures and State statute.

Misappropriation

There were cases of misappropriation that occurred by the SVC Director. Misappropriation occurred through sponsor in-kind donations, purchasing card, and rent-free use of the facility.

Sponsor In-kind Donations

In-kind donations were not recorded or tracked and in some cases were used for personal use. Sponsor donations were made in the form of cash, check and in-kind. Cash donations were recorded in the financial system, but in-kind donations were given directly to the SVC Director and were used at his discretion. These in-kind donations were not recorded in the financial system and reported as gifts or donations to the Advancement Office.

Advancement Office – General Guidelines and Policies states: “All gifts to Snow College and the Snow College Foundation must be first processed through the Cashier’s Office and then recorded by the Office of Advancement in the Banner database” ... “The Snow College Foundation, through the Advancement Office, has the responsibility for officially accepting and receipting all contributions offered to the College.”

155 Gift Types, Terms and Definitions 12. Conference Support Gifts states: “Generally conferences and symposia are budgeted projects which would typically have all expenses related to the event covered by the College or one of its units. The College welcomes contributions from private sources to support such events with the following stipulations: a. As with all gifts, the donor must have a charitable intent when donating to underwrite the activity. The Advancement Office must be contacted if it appears that the donor is ‘purchasing’ the services of the College or is receiving benefits not commensurate with a charitable contribution.

The estimated value of the In-kind donations from sponsors, over the past five years, was approximately \$36,150.00. In-kind donations were made in the form of store credit, gift cards, food and hotel rooms. The SVC Director received and used these in-kind donations and in all but one case did not retain receipts for the use of the in-kind donations. The amount on the receipt retained was \$5,597 for furniture for the SVC.

There were known instances where the SVC Director gave four gift cards to SVC employees. These gift cards were from Wingers and were valued at \$100 each. The gift cards were not recorded as compensation and there were no instructions given to the employees to obtain receipts or report back on how they used them. This would be a violation of *Snow College policy 13.5.12, Gifts and Awards Policy*, which states:

“Dollar Limit – The gift value cannot exceed \$50 per individual”

“Form of Gift – The gift must be tangible personal property (i.e., the gift may not be in the form of cash, check, or gift certificate that could be transferred to another individual”.

Gifts that exceed \$50 or gifts in the form of cash, check, or transferrable gift certificate are considered cash equivalents and are taxable. Taxable gifts given to the employee must be reported to the Human Resource Office by submitting a completed “Taxable Gifts and Awards Form”.

When questioned on this topic, the SVC Director specifically denied giving gift cards to employees. He also stated that he never used the gift cards for personal use. In an email, he emphasized the importance of the gift cards to the SVC business model in that they are used to offset the costs for performer meals and lodging. In addition to performer meals and lodging, he also said he used the in-kind donations to pay for meals for staff that had to work long hours and late in the night to prepare for events. He gave a specific example of where in-kind food donations were used to purchase food for staff when they had to work through the night to take down the stage following a concert and lay down the basketball floor for a basketball tournament. This explanation was misleading. The meal that was purchased for his staff was purchased from a non-sponsoring food vendor, and the SVC Director’s purchasing card was used instead of the in-kind trade.

There were occasions where a SVC purchasing card was used to purchase meals from sponsors where in-kind donation gift cards could have been used. The following table illustrates the meals and hotels that were purchased using purchasing cards in lieu of the gift cards:

Sponsor	# P-Card Transactions	Total Amount
Wingers	16	\$ 672.48
Costa Vida	10	\$ 249.78
Big Daddy’s Deli	4	\$ 886.35
Comfort Inn	2	\$ 294.16
Total	32	\$ 2,102.77

Purchasing Card

From 2013 to 2016, the SVC Director purchased hats and shirts, using his Snow College purchasing card for his youth baseball team which is not affiliated with Snow College or the SVC. There were eleven separate transactions totaling an amount of \$3,857. The vendor sent copies of the proofs for some shirts and hats. The SVC logo was printed on the sleeves of the shirts, but the shirts were not purchased for business purposes. The shirts were pre-numbered baseball shirts with the Pizza Hut logo on the front. The hats were printed with Pizza Hut Baseball logos. According to the SVC Director the SVC logo was printed on the back of the hats. A separate order was for 14 youth sized wind shirts with baseball logos embroidered on the front.

The Director's Supervisor, Snow College VP of Finance and Administrative Services, stated that he questioned a transaction for baseball caps that were purchased in June of 2016. The Director told him that the hats were for Sponsors. The statement that the hats were for Sponsors appears to be a misrepresentation, there is no evidence they were ever given out to Sponsors nor any explanations why there would be a Pizza Hut logo on them if they were to be given to Sponsors; the hats were clearly for the baseball team alone.

Snow College Purchasing Card Policy states: "Using the Purchasing Card to obtain items for personal use or for non-College purposes is not allowed, even if the Cardholder intends to reimburse the College".

"Cardholders are authorized to use the Purchasing Card to purchase merchandise or allowed services, as required, as a function of their duties at the College, from any supplier with the exception of the following unless authorized by the Vice President of Finance and Administrative Services or the President of the College: A. Unapproved printing or imprinting (Printing approval should be obtained from Office of Purchasing Services, PRIOR to placing any order.)"

Personal use of the SVC

The SVC Director and some of his staff have used the SVC for personal use without paying rent. Following are the known events that the Director has used the facility and didn't pay rent:

- Piano recitals in the Theater
- Jr. Jazz Basketball practice in the Arena
- Baseball team batting practice in the Kage

The Director mentioned that he was never told that he had to pay rent and that he was doing what was being done in other Snow College venues where employees were allowed to use the facilities "rent free." With regard to the batting practice, the Director flatly denied that his baseball team ever used the Kage. However, Facebook posts of the baseball team using the Kage were found.

When a member of the public confronted the Director about his use of the facility for free and requested to use the facility, he offered her a discount to use the theater to hold her own piano recital.

While there is no formal policy regarding the personal use of the Sevier Valley Center, there is a pricing schedule that has been approved by the board which includes public and partner rental rates.

Misrepresentations made during the course of the audit to conceal misappropriations

During the course of the audit, the Director made several misrepresentations in what appears to be an attempt to conceal his misappropriations. These include stating that his baseball team did not use the Kage at all, much less without compensating the SVC, stating that he never gave gift cards to employees when it happened at least two times over the past two years. In addition, as described above, the SVC Director purchased shirts and hats for his baseball team and described the purpose as marketing materials for the SVC.

Significant Control Deficiencies - Mismanagement

There were several significant control deficiencies in the business processes at the SVC. In several cases these control deficiencies led to loss in the SVC. These may also indicate additional cases of misappropriation but there was insufficient evidence to make that determination. Significant control deficiencies were identified in the following areas:

- Contract oversight and approval
- Ticket sales through sponsoring vendors
- Purchasing card use and approval for meal purchases and gift cards
- Policy and transparency with the SVC Board
- Financial reporting and transparency
- Safeguarding and handling of cash
- Lack of use of college contract vendors
- Cash handling and deposits

Contract oversight and approval

Performer contract oversight and approval

Expenses for performers contracted through Snow College and the Sevier Valley Center were paid through the accounts in the Snow College SVC enterprise fund. Revenues posted to this fund were raised primarily through ticket sales and sponsor contributions.

When the SVC Director was first hired, he was given the directive to “fill the building”. One of his main objectives has been to attract performers to the SVC that will sell the most tickets. Some of the larger events that he was able to bring into the center included Bill Cosby, The Beach Boys, Styx, and Kansas.

When bringing in the outside performers, there were contracts that were signed by the Director. These contracts were typically a higher financial risk and burden to Snow College. Using a random sample of contracts from the SVC the average cost per show was \$26,000 but in some cases were significantly higher - The Director recently signed an agreement with a performer with a guaranteed payment of \$100,000 plus \$18,000 additional expenses.

The Joint use agreement for the SVC states that one of the roles of the Board is to “Make all major decisions regarding the use and operation of the SVC.” Also, the SVC Director was responsible to “Keep the parties and Board fully informed” and “Make recommendations to the Board and parties of the use and operations of the SVC.”

The SVC Director did not seek approval of the Board prior to signing agreements for these higher risk contracts. In addition, the SVC Director did not have the contracts reviewed by Legal, Snow Risk Management, the SVC Board or Snow Administration prior to signing them. Signing these types of agreements without any oversight or legal review puts Snow College at a high risk of financial loss and liability.

Public / partner use contract oversight and approval

Public and partner use of the SVC is currently billed based on a rate schedule that was passed by the SVC Board in 2016. Prior to this rate schedule being approved, billing rates were not consistent. Also, there were no contracts or agreements signed for use of the facility or disclosure of the rent or fees.

There was standard contract language that had been approved by Legal and Risk Management for public and partner use of the SVC in April, 2016. The SVC Director received the contracts from Risk Management but did not implement them. The SVC Director had implied to the Board that he was using these contracts. In the SVC Board meeting held on September 29, 2015, the SVC Director reported that “a new Use Form has been created which has been reviewed by Risk Management”. Without contracts there was no way to determine if amounts billed matched the amounts agreed upon.

Ticket sales through sponsoring vendors

A lack of internal controls in the cash handling and ticket sales processes through grocery stores resulted in missing tickets and/or funds.

The SVC Director entered into a verbal sponsorship agreement with Lin’s Fresh Market in Richfield, and Andy’s Market in Monroe. Both of these stores sold tickets to events in exchange for advertising in the SVC. The Office Manager in the SVC worked with Lin’s Market and the SVC Director coordinated with Andy’s Market for the ticket distribution, billing and deposits. The Director worked with Andy’s Market because they were close to his home, making it more convenient to distribute tickets and pick up funds from the ticket sales.

The following chart illustrates the discrepancies found between the number of tickets that were issued to the stores and the amount of funds deposited between 2012 – 2016:

	# Tickets Issued	# Tickets Sold/Returned	Ticket Amount	Amount Deposited	Amount Missing	# Missing
Lin’s	625	536	\$17,783	\$13,131	\$3,162	89
Andy’s	342	113	\$8,200	\$1,579	\$6,621	209
Total	967	649	\$25,983	\$29,420	\$9,783	298

The Director said the reason why he chose to do ticket sales through the grocery stores was to provide a public service. He wanted to make tickets available to the public through a variety of methods. The Director stated that the missing tickets and funds were most likely due to the grocery stores shredding the unsold tickets. Because of a lack of controls, it is not possible to say definitively that the amount missing was misappropriated. It is possible that the tickets were indeed not sold. However, the practices surrounding these tickets were grossly deficient. Following is a summary of the internal control weaknesses found in the grocery store ticket sales processes.

For both grocery stores:

- There were no written contracts, policies or procedures delineating roles and responsibilities in the ticket sales processes.
- Tickets were printed from the ticketing system, showing money had been received, however, no funds were exchanged. When this occurred, the deposit preparer made a manual entry on the deposit records reducing the deposit amount by the value of the tickets printed, however, the point-of-sale application showed them as sold.
- Tickets were delivered to the grocery stores with no record or receipt showing the number of tickets that were actually distributed.
- Records of the ticket sales were not kept by the grocery stores.
- When a show was over, the SVC Director or Manager would pick up the unsold tickets. The ticket fees were not able to be reversed because the show was over.
- Deposits were usually made several months following the events.
- Unsold tickets were placed in a file in the Manager's office.
- In some instances, the unsold tickets were shredded by the grocery store at the request of the SVC Director.

At Andy's Market:

- The SVC Director picked up the funds for the tickets that were sold. The funds were kept in an envelope in the safe at the grocery store. There was no reconciliation or review of the tickets sold and funds in the envelope.
- The Director delivered the cash and checks received from the grocery store to the Cashiers Office. There was no record provided tying the tickets sold back to the ticketing system (TicketSage).

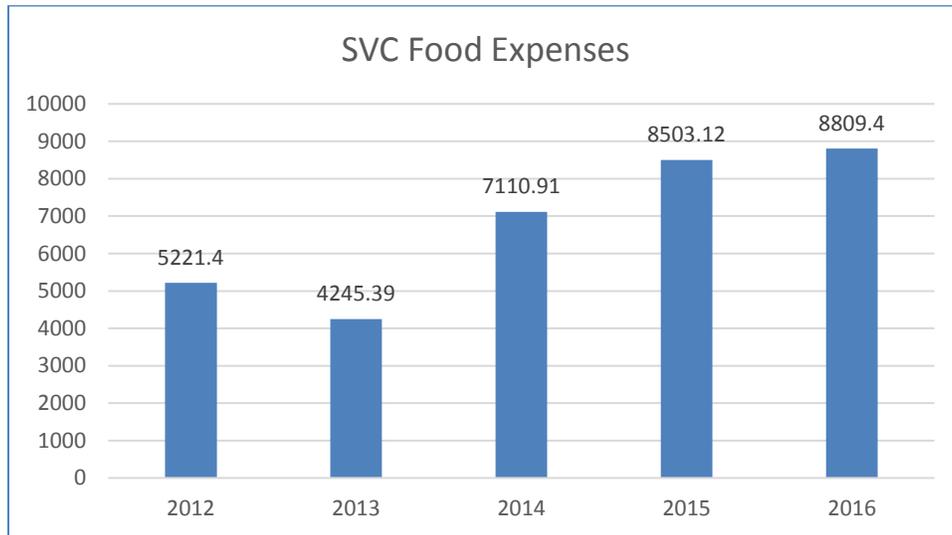
At Lin's Market the Manager sent an invoice for the tickets sold. There were errors found where Lin's Market was billed incorrectly.

In addition to missing tickets and funds, having tickets printed that are not actually sold also resulted in unnecessary fees and expenses to TicketSage. Approximately \$600 in unnecessary ticket fees were paid by Snow College for unsold tickets.

Purchasing card use and approval for meal purchases and gift cards

Snow College policy prohibits the purchase of gift cards using purchasing cards. It also prohibits the use of purchasing card to pay for meals (per-diem expenses) for travel. In addition, meals purchased exclusively for employees must be pre-approved by the President or Vice President, and must remain within the per-diem spending limits.

Expenses for food at the SVC have increased between 2012 – 2016. The following chart illustrates how food expenses have increased:



Food expenses have increased each year even though the concessions were outsourced in 2015

The number of separate instances where food was purchased increased from 33 transactions in 2012 to 103 transactions in 2015. In 2016 the number of food purchases decreased from 103 to 85, but the overall cost of the food increased by \$400. In 2015 and 2016 there were increases in the number of meals that were purchased for SVC partners, potential sponsors, sponsors and employees.

The chart above also includes food purchased for concessions sales. The SVC entered into an agreement with Big Daddy's Deli on October 16, 2015, where Big Daddy's rents the concessions stands and equipment from the SVC but supplies their own food for sales. We would have expected the food costs to be higher in 2012 – 2014 due to the concession stands being run by the SVC.

According to the SVC Director, food purchases were an important part of the SVC business processes. The SVC Director used his purchasing card to purchase meals for potential sponsors, sponsors, partners, performers, vendors and employees. In 2012 the SVC Director received approval to go over per-diem rates for meals for performers, sponsors, and potential sponsors. However, the current VP has requested that the SVC Director stay within the per-diem rates for employee meal purchases. The SVC Director frequently exceeded per-diem rates for meal purchases. One example was a meal that was purchased on October 7, 2015, for a staff appreciation lunch. The total cost of the lunch was \$42.60 per person for a total amount of \$640.00. The per-diem limits for lunch were \$11.00 per person.

The Director received a double reimbursement for per-diem and meals that were purchased on his purchasing card during a trip on October 12 – October 14, 2015. On January 13, 2016, during a review of the travel expenses and reimbursements, the Director of Finance found the error, and sent an email requesting repayment. The total amount of double reimbursement that the Director owed was \$42, which was never repaid.

Meals were purchased for vendors and alleged potential sponsors where there was no legitimate business purpose or agenda. For example, the SVC entered into a three-year Sponsor agreement with DP Curtis Trucking which gave exclusive rights for advertising of trucking companies in the SVC. Even though there was no possibility of obtaining a sponsorship due to the exclusivity agreement with DP Curtis Trucking, the Director took Lund Trucking out for a meal and used the justification that they were a potential sponsor. Also the vendor that the Director used for printing baseball team shirts and hats was located in St. George, UT, which is outside the marketing vicinity for SVC Sponsors. The Director purchased them multiple meal and recorded the purpose as a potential sponsor.

Contracts with performers often included meal reimbursements as part of the payment. On 43 separate known occasions, the SVC Director participated in the meal with the performers and paid for his meal using his purchasing card.

On two separate occasions, the Director purchased gift cards using his purchasing card. One of the gift cards was for an event give-away prize and the other was a \$15.00 Quiznos gift card, purchased on December 15, 2012, from Walmart, and given to a SVC partner.

Snow College Purchasing Card Policy states: "Cardholders are authorized to use the Purchasing Card to purchase merchandise or allowed services, as required, as a function of their duties at the College, from any supplier with the exception of the following unless authorized by the Vice President of Finance and Administrative Services or the President of the College ... D. Gifts, gift cards ... Meals for per-diem"

Snow College Travel Policy 13.5.7 states: "Meals will be reimbursed according to the meal per diem rates in the current Schedule of Allowable Travel Rates ... Collect P-Cards may NOT be used to purchase meals claimed under establish per diem rates. Per diem is a reimbursable personal expense as outlined in this policy ... Meals provided exclusively to College employees must be approved in advance by the President or Vice President responsible for the employee making the purchase; though such occurrences should be kept at a minimum."

Policy and transparency with the SVC Board

According to the Joint Use Agreement the Board is responsible to "Set, establish, and document written policies and guidelines to govern the use of the SVC". The Director is responsible to "keep the parties and Board fully informed" and to "make recommendations to the Board and parties of the use and operations of the SVC".

Board meetings were regularly held, and were subject to the Utah Open Meetings Act. Following is a list of the typical agenda items for Board Meetings:

- 1) Welcome
- 2) Approval of minutes
- 3) Financial Report
- 4) Event Report
- 5) Repair / Maintenance Update

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- 6) Other Discussion Items
 - 7) Next Meeting Date
 - 8) Adjournment

Through a review of Board meeting agendas and minutes, it was determined that the majority of the agenda items in meetings were informational. For example, the SVC Director reported on the day to day operations of the SVC. His reports were frequently around the upcoming events, sponsorships, ticket sales, prices, new hires and new offerings in the SVC. His reports were informational, mostly focusing on dates of events. The Board did not review or approve specific event contracts or pricing.

The Board was involved in setting rates, some procedures, allowing exceptions and reviewing income and expenses. All of these were done thorough motions to approve. Following are some examples of where the Board made policy decisions.

- April 7, 2015 – Voted in favor of non-refundable deposits.
- April 7, 2015 – Voted in favor that outside entity charges be itemized, with a \$2,000 a day or variable rate deposit for non-partner events. Additional charges would apply when the terms of the contract are violated or ignored.
- July 20, 2015 – Voted in favor of rate increase for rent of the facility.
- August 18, 2016 – Voted in favor of staffing fees. Exceptions to the rates required approval by the Board prior to booking.

The Director did not keep the Board fully informed of the events and offerings of the SVC or make recommendations to the Board and parties regarding the use of the SVC. For example, the Director decided it would be a good public service to add a batting cage (The Kage) to the SVC for public use at a cost. He did not discuss this with the Board prior to purchasing the batting cage, pitching machine or supplies needed. Pricing for the use of the Kage was not discussed or reviewed by the Board either. In addition, after this audit was initiated, the Director sent an email to his staff stating that the Kage should be taken down. This decision was not discussed with the Board.

On September 29, 2015, in a SVC Board meeting the SVC Director stated, “There are a lot of positive things happening, including a \$10,000 sponsorship from Costa Vida.” The Costa Vida contract was actually a two-year agreement for \$4500.

Financial reporting and transparency

The Director negotiated contracts with performers and informed the Board about the performers he had lined up, but didn’t disclose the cost of the performer, cost of the tickets, or seek board approval prior to signing the contracts. In most cases the schedule was discussed with the Board after the contracts had been signed.

Basic budget and financial support for the operation, maintenance, and support staff of the SVC are provided through State-supported operation and maintenance through Snow College’s general operating budget (general fund) and through revenue generated through the use of the Facility by outside entities (enterprise fund).

Snow College assumes the financial risk for performances in the SVC. There is currently no policy regarding the contract limits that employees are authorized to sign. The SVC Director recently signed an agreement that exceeded \$100,000 in commitment of Snow College funds. Snow College and the SVC Board were not informed of the cost of this contract.

While Snow College is financially responsible for the events, the joint use agreement gives authority to the Board to approve the events that are held in the center. Snow College does not have the majority vote on the Board for financial decisions that may negatively impact their budget.

Safeguarding and handling of cash

Following were control deficiencies in cash handling:

- Documented policies and procedures on cash handling are not adequate and not readily available to all entities
- Training on cash safeguarding and handling is not required for employees tasked with handling cash
- View of the safe from the security camera was blocked by an IT switch rack
- Safe was unlocked. Manager was able to open the safe by turning the handle without dialing in the combination.
- Log was not used to record when money was added or removed from the safe
- Lack of receipts for cash received from grocery stores for ticket sales (see "Ticket sales through sponsoring vendors")
- Cash paid to performers on the night of the show without receipts

Employees recalled multiple occasions where the safe was short on cash. After the Director was notified of the shortages, the missing funds were replaced. On one occasion the safe was short \$50.00. The Director gave the money to the manager and explained how he used the funds to break some large bills for his family and accidentally gave his sister \$50.00 more than he should have. On the other occasions the money was put back in the safe without notice or anyone admitting to taking the money out or replacing it.

There were other instances where cash handling occurred outside of the Box Office. For example, funds received from Sponsors were sometimes received through the mail, or hand delivered to the SVC. Also, cash received through ticket sales at Andy's Market was handled by the Director with no receipts or tracking.

Snow College does not have a formal approved policy on cash handling, but does have some documented procedures, focusing mainly on the processes performed in the College cashier's offices. Cash handling policies and procedures were not readily accessible to entities that handle cash, outside of the cashier's offices. Also, the entities that handle cash are not required to attend cash handling training.

Some best business practices regarding the handling and safeguarding of cash include:

- *All cash and checks should be kept in a locked vault or safe*
- *Access to areas where cash is stored should be limited to only those employees who need access to perform their business functions*
- *Cash should be deposited within 3 business days*
- *Payments received without an electronic device (cash register) should be tracked using approved pre-numbered receipts*
- *Receipts should always be given for cash payments*
- *Cash received should be balanced to daily totals*
- *Separation of duties and dual controls should be enforced for all cash handling processes*

TicketSage is the electronic point-of-sale application used by the SVC for all box office transactions.

Areas where cash was received in the SVC included:

- 1) Box Office for ticket sales
- 2) Concessions vendor payments
- 3) Ticket outlets (grocery stores)
- 4) Sponsor payments
- 5) Payments to performers (Cash and Check)
- 6) Rent and facility usage payments

Cash receipting and processing of payments from Sponsors and rent and facility usage payments are now handled through the Cashier's office. This change was made when the Controller's office took over the billing for the SVC. There were three receipt books in the Director's desk that were not approved receipts for Snow College or SVC cash handling. The business purpose for these receipt books is unknown.

Sponsorship

Sponsorship agreements written and signed by the SVC Director were in conflict with other SVC and Snow College contracts with concession vendors. There were multiple issues with the Sponsorship agreements including:

- Contracts and agreements were not organized. They were scattered in paper files and there were no records showing a list of sponsors, donation amounts, etc,
- Some agreements were not signed. In some instances, the agreements were only signed by the SVC Director and in other cases some were signed by only the vendor.
- Some agreements were verbal.
- There were missing bills and payments from Sponsors.
- A lighted sign was still displayed for a vendor that was not an active sponsor.
- There was a total of \$10,118 in expected sponsor payments that were not accounted for.
- Tickets to events and advertising were given in exchange to sponsor donations without recording the fair value of the admission and advertising.

Snow College Advancement Office – General Guidelines and policies 17.1 states:

“3. The Advancement Office shall approve all contracts with outside development related consultants and vendors”

“Generally, conferences and symposia are budgeted projects which would typically have all expenses related to the event covered by the College or one of its units. The College welcomes contributions from private sources to support such events with the following stipulations: ... b. If the donor (or in the case of organizations, the representative of the donor) is planning on attending the event, any applicable registration fees must be paid separately, in addition to the gift, or the amount of the gift must be reduced by the fair value of admission or other benefit received (see Quid Pro Quo Gifts). c. It is the responsibility of the department sponsoring the event to ensure that the distinction is clearly explained to the donor.”

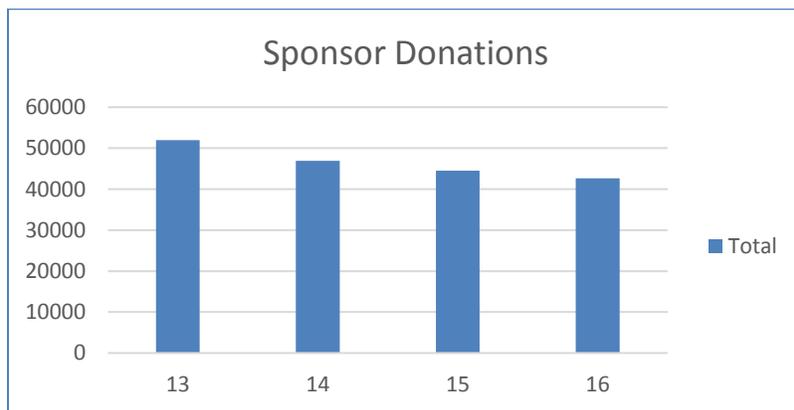
“Quid Pro Quo Gifts: A quid pro quo donation is one in which the donor’s payment is made partly as a contribution, partly in payment of goods received. An example would be a contribution of \$50 required to attend a dinner, \$15 of which covers the value of the dinner.”

We spoke with one sponsor that expressed concerns about the SVC Director not following through on his commitments. This was due to the fact that there was no written agreement with that sponsor.

Sponsors for the SVC and for events held in the SVC were managed by the SVC Director. He wrote and signed the agreements and kept the agreements in paper files and on his computer. He met on a periodic basis with the manager to request bills be sent to sponsors, and told her how much to bill them. The manager very seldom billed from a contract or agreement and never provided copies of the agreements to the Advancement Office.

When the Director of Finance took over the billing in 2016, she sent several emails requesting information on the Sponsors, which the Director initially ignored. After several attempts she received back incomplete information on Sponsors and billing. She sent the initial requests because of concerns about the declining sponsor donations.

The following chart illustrates the sponsor donations that were received from 2013 – 2016:



We asked the SVC Director why there was a decline in sponsor donations and the SVC Director was surprised to learn that sponsor donations had decreased. He was not aware that they were decreasing and didn't know the reason for the decline.

A review of the sponsor agreements that were on file showed that between 2012 and 2016 the SVC should have billed for and received \$212,400 in Sponsor cash or check donations. The actual amount that was received was \$202,281.87. The SVC was short \$10,118.13 in sponsor donations.

The SVC Director was not sure why there was a discrepancy in the amount received. The sponsor donation records were disorganized and there was no tracking system in place to track the sponsors contracts, billings and payments.

In addition, there was a sponsor agreement with Pizza Hut where the SVC offered Pizza Hut exclusive rights to sell pizza at events. The SVC and Snow College previously awarded a contract to Big Daddy's Deli for all concessions sales, including pizza, on the SVC premises.

Purchasing

The SVC outsourced printing of posters without proper approval and through a non-contract vendor. Snow College has a contract with Northstar printing for printing of posters and flyers. In addition, the SVC Director entertained the printing vendors by taking them out for meals and expensing the meals using his purchasing card.

Snow College Purchasing Card Policy States: "Cardholders are authorized to use the Purchasing Card to purchase merchandise or allowed services, as required, as a function of their duties at the College, from any supplier with the exception of the following unless authorized by the Vice President of Finance and Administrative Services or the President of the College: A. Unapproved printing or imprinting (Printing approval should be obtained from Office of Purchasing Services, PRIOR to placing any order.)"

RECOMMENDATIONS

Internal Audit completed a review of the SVC internal controls and processes for transactions that occurred from between fiscal years 2012 – 2016. Additional transactions were included for FY 2017 to help reach some audit conclusions. Internal Audit recommends the following:

SVC Board

- 1) Review and update the joint use agreement so it properly delineates the roles and responsibilities of the Board and the SVC Director.
- 2) Consider further modifying the joint use agreement to better allocate power over decisions to the entity with the risk which may include providing Snow College with a majority representation on the Board.
- 3) Coordinate the use of, access to, and payment for the use of the SVC among the parties, the community and outside entities.
- 4) Set, establish and document written policies and guidelines to govern the use of the SVC. Ensure that the policies and procedures are in agreement with Snow College and Utah State Board of Regents policies. For example:
 - Ticket sales – Eliminate the use of grocery stores for ticket sales without adequate controls.
 - Sponsor pricing – Establish consistent minimum pricing and benefits for sponsorship agreements, and review and approve any exceptions to those agreements.
 - Business meals – Clarify through policy where business meals are considered appropriate and allowable. Establish purchasing limits on business meal expenses.
 - Employee and family use of the SVC – Determine acceptable use and rates for employee use of the SVC.
 - Overtime meals for employees – ensure meals purchased for employees are done in accordance to Snow College and Board of Regents policies.
- 5) Make all major decisions regarding the use and operation of the SVC, including reviewing and approving performer contracts, financial commitments, and services offered. If necessary, designate subcommittees with the tasks of reviewing and approving contracts.
- 6) Determine whether or not to continue offering the batting cage and if continued, establish appropriate staffing levels and schedules to support the operation of the Cage.
- 7) Follow up on assignments made during Board meetings.

Snow College Administration

- 1) Review, update and establish new policies and procedures, where necessary, for the following:
 - Allowable business purpose and entertainment meals, including overtime meals provided to staff
 - Personal and business use of the Snow College facilities and equipment
 - Cash safeguarding and handling
 - Authorized signers for contracts, contract limits, and an approval process by the College which includes Risk Management and Legal Counsel
 - Donations and contributions made by sponsoring organizations

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- Purchase, acceptance of and use of gift cards from sponsors
 - Advance approval for business meals purchases
 - Use, approval and enforcement of purchasing cards for meals and other items that have the appearance of personal-use.

SVC Director

- 1) Develop rigorous procedures so that all revenues are properly recorded and organized and all expenses are properly made, recorded and organized so that all revenues and expenses can be quickly and clearly tracked.
- 2) Abandon the practice of giving gift cards to employees for personal use or gifts.
- 3) Work with payroll to ensure all gifts given to employees that exceed \$50 are recorded as taxable compensation through the payroll system.
- 4) Ensure overtime meals are in compliance with Snow College policy and record all overtime meals provided to staff as taxable compensation.
- 5) Report all sponsor contributions and donations to the Advancement Office to record as gifts or donations.
- 6) Obtain written approval from the SVC Board for exceptions to standard sponsorship pricing or benefits.
- 7) Ensure that all in-kind donations are used for legitimate business purposes and are used and tracked in accordance to Snow College policies and procedures. Maintain receipts and track usage of gift cards and other in-kind donations or payments.
- 8) Adhere to Advancement Office policies in regards to quid-pro-quo sponsor agreements by properly accounting for comp tickets provided to sponsors for events.
- 9) Ensure that all contracts for sponsors, performers, and public use be reviewed by legal and risk management and are approved and signed by the SVC Board or Snow College Administration.
- 10) Obtain Board approval for all events and pricing including personal-use events.
- 11) Ensure all services provided by the SVC are reviewed and approved by the Board prior to implementation. Also ensure they are in-line with the joint use agreement mission and the Snow College mission.
- 12) Discontinue printing unsold tickets at the face value and manually adjusting deposit records to reduce the deposit amounts for the unsold tickets.
- 13) Include a detailed report in the deposit records itemizing the number of tickets sold by event. Review deposit receipts from the Cashiers office to verify that the deposit amounts were applied to the appropriate events.
- 14) Track attendance of events and reconcile the number of attendees with the number of tickets sold. A possible method of tracking attendance would be to use the existing ticket bar code scanning process that is part of the TicketSage application.
- 15) Deposit all funds within three business days.

Controller's Office

- 1) In the financial system track all revenues back to specific events to provide for more accurate reporting and transparency with the SVC Board.
- 2) Require and provide cash handling and safeguarding training to all employees that are work with cash.
- 3) Obtain copies of and record all sponsor donations and payments in Banner.
- 4) When billing sponsors, ensure the Advancement Office has copies of the sponsor agreements and billing amounts for input into the current donor management system.
- 5) Procedures for the use and tracking of gift cards, gift certificates and other similar in-kind donations

Purchasing Office

- 1) Communicate contract vendors to employees to ensure contract vendors are used where appropriate. Consider posting contract vendors and contracts in a centralized location for employee information and use.
- 2) Update the purchasing card policies and procedures for clarification on meal purchases and approvals.
- 3) Include policies and procedures for supervisors that are tasked with reviewing and approving purchasing cards.

Advancement Office

- 1) Obtain copies of all SVC sponsor agreements, record and maintain all sponsorship information and donations received in the current donor management system.
- 2) Provide copies of sponsor agreements to the Controller's Office to ensure the proper amounts are billed, tracked and entered into the financial system.
- 3) Ensure that completed in-kind donation forms are received when in-kind donations are documented as use for payments by sponsors.
- 4) Send appropriate acknowledgement of contributions to sponsors.

MANAGEMENT RESPONSE

Internal Audit discussed the findings of this report with Snow College Administration, the Controller's Office, Sevier Valley Center Management, the Advancement Office, and the Sevier Valley Center Board. All have expressed their appreciation for the detailed audit of the Sevier Valley Center.

Administration has requested that a campus-wide policy on cash handling be written and implemented and that entities that handle cash receive training on the new policy. The cash policy is currently being developed by the Controller's Office. In addition, policies are being developed regarding allowable meals, employee use of College facilities, and contract reviews and approvals.

The cash and employee use of College facilities policies should be completed and presented to the Board of Trustees for approval by May 1, 2017. In addition, the contract and meals policies should be presented to the Board of Trustees for approval by June 30, 2017.

Sevier Valley Center Board

The Sevier Valley Center Board reviewed the report and met on June 30, 2017 with the following motion and approval:

"Upon a motion made by Mr. Mason and seconded by Mr. Creamer, it was unanimously agreed to consider the audit recommendations, evaluate and modify the Joint Use Agreement and have a solution in place by June 30, 2017."

Sevier Valley Center Acting Director

The SVC acting Director has met with the Controller's Office and the Advancement Office to discuss the findings and recommendations and how to implement the necessary controls. The following responses and actions correspond with the recommendations made for the SVC Director:

1. Acting Director has contacted Ticketsage and they have already sent a couple reports that they thought might work. We are still having them make a few changes but I hope to have this final no later than March 30, 2017.
2. The SVC will not be giving out gift cards to employees effective immediately.
3. If any employee gifts are ever given (although we do not anticipate this) we will follow the **Gifts and Awards Policy 13.5.12**.
4. The only meals that the SVC should be purchasing for employees would be for the Inmate crew and only when we have them come before 6:00 am. This is only on a rare occasion and a small amount. When we use the Inmate crew before 6:00 am we are required to feed them breakfast or they can't come until after their breakfast meal is done being served at the jail. This happens maybe once or twice a year.
5. We are working to implement this by June 30, 2017.

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6. We would like to see a level of sponsorship set up so we have a bronze, silver and gold. This will take a while to set up with the Advancement Office and have approved with the board. We believe that each level needs to be set up the same for all who join as sponsors. We would like to have this all set by June 30, 2017. An example of what we are thinking is as follows:
 - Bronze would be a pamphlet or brochure that they could have here in a stand that they could advertise their business or have coupons on.
 - Silver would be small Theatre shows, and banners in the Arena.
 - Gold would be the larger Arena shows and would include the lighted signs.
 7. The Controller's Office and the Advancement Office are working on this.
 8. The SVC will work with the Advancement Office on this.
 9. The SVC is now using the approved contract for all outside use of the SVC. Any big-ticket shows brought in by the SVC or Promoters will be looked at by the VP of Finance, Risk Management, and the SVC Executive Board (if that is decided) before we sign contracts. We would like to have the SVC director and staff be able to decide and possibly sign the contracts directly on the smaller community, school district and recurring events like this.
 10. We understand that a College wide policy for personal –use is being prepared by Administration and the SVC board is looking at the pricing recommendations as well. We will follow the guidelines and policies when they are approved.
 11. See Number 9 for the first part of this question. For the Joint use agreement, we will follow what the SVC Executive Board recommends, as well as be mindful of Snow's mission.
 12. We will no longer be selling tickets outside the SVC. This should solve the problem of having tickets out with a dollar value on them. Effective immediately.
 13. This is already being worked on by Ticketsage and should be done no later than March 30, 2017.
 14. The SVC will scan all tickets to reserved seating shows. The only reason we will not scan sporting events is the tickets are good all day and they come and go several times throughout the day. We tear the tickets and stamp their hand for these types of events.
 15. Deposits are being made daily except for Saturday and Sundays which are turned in on Mondays. The only other days they will be held is when we are closed for holidays. We have the ticket office leads trained to take deposits over when the SVC staff is on vacation or out sick. We have two people sign off on all deposits. All money is counted with no less than two people.

Controller's Office

The Controller's Office has met with the Interim SVC Director and the Advancement Office to begin discussions on how to remediate the recommendations in the report.

1) In the financial system track all revenues back to specific events to provide for more accurate reporting and transparency with the SVC Board.

The Interim SVC Director is currently working with TicketSage to get this report created so that it can be a part of the daily closing in the ticket office. Once the creation of this report is completed, we will review it and verify that it has all the information we need. This report will then be required to be handed in to the Cashier's with every deposit. At that time the Cashier's will be given activity codes by the Director of Finance and these revenues will be deposited into

the SVC Fund using the appropriate event activity code. As it is not practical to have every single SVC event have an activity code, some sort of guideline will be developed for which activity codes will be created and used and how these will be tracked on the revenue side. The Interim Director has stated a March 30 date for the daily deposit report so we are hoping to have everything planned and decided to start entry by activity at the first of next fiscal year – July 1, 2017.

2) *Require and provide cash handling and safeguarding training to all employees that work with cash.*

Trainings are currently being planned and we will work towards having this in place for all cashiering positions by September 1, 2017. The Controller's office is in the process of getting a new Cash Policy approved which will address this issue. It is estimated that the cash policy will be approved by the Board of Trustees by the end of April 2017. At this time, the cash policy will begin to be implemented campus wide.

3) *Obtain copies of and record all sponsor donations and payments in Banner.*

The Controller's office as well as the SVC Interim Director will move forward with this after we are able to meet with the Advancement Office. We will schedule a meeting with the Advancement Office before June 30, 2017.

4) *When billing sponsors, ensure the Advancement Office has copies of the sponsor agreements and billing amounts for input into the current donor management system.*

We are waiting for word from the Advancement Office as to when they can meet with the SVC Interim Director and the Controller's office to review the requirements for sponsors and donations. We hope to have all of this in place by June 30, 2017.

5) *Procedures for the use and tracking of gift cards, gift certificates and similar in-kind donations. The Advancement Office currently has policies on how these are to be accounted for and what we should be doing.*

We will find out what is required for these as well when we meet with the Advancement Office. Again, we hope to meet with them on this topic before June 30, 2017.

Advancement Office

The Advancement Office agrees with the findings and recommendations in the Sevier Valley Center audit report and will work with the SVC Board, Director, and Snow College Administration to provide consulting on best practices and guidelines for gift acceptance and sponsorship package design. We will also update Advancement related policies and procedures to clarify governance and policies involving cash and non-cash gifts as well as sponsorship donations. We will also continually assess our practices as needs evolve to ensure that operating procedures remain practical and efficient while safeguarding the College, its employees, and donors.

Purchasing Office

- 1) *Communicate contract vendors to employees to ensure contract vendors are used where appropriate. Consider posting contract vendors and contracts in a centralized location for employee information.*

We currently have a link on our webpage to the State of Utah contract webpage. Where individuals can search all of the State of Utah contracts which are in place. However, we don't have a list of current College contract holders on this page. This is a very good idea and we will work with our Webpage designer to be able to include a list of all College wide contracts we have in place.

- 2) *Update the purchasing card policies and procedures for clarification on meal purchases and approvals.*

The purchasing card policies refer us back to the meal/travel policy and we audit from that. The meal/travel policy is not under the direction of Procurement Services to update, it is under the direction or control of the Controller's Office.

- 3) *Include policies and procedures for supervisors that are tasked with reviewing and approving purchasing cards.*

We will work on writing up procedures for what should be done in reviewing, approving, and for questions if they don't want to approve the purchase(s).