



## **BOARD OF TRUSTEES**

### **Fiscal and Legal Affairs Committee (FLAC)**

Members: Trustee Jeff Marsh, Chair; Trustee Mel Baldwin; Trustee Macey Moore;  
Trustee Dick Scarlett; Trustee David Fall

# **AGENDA**

Wednesday, November 13, 2019; 12:30-2:00 p.m.  
Boyd Conference Room, Marian H. Rochelle Gateway Center

## **Call to Order – Trustee Marsh**

Items for Discussion:

- FY 2019 Audit Update - **David Jewell / BKD** Pages 2-4
- NCAA Agreed Upon Procedures Report- **BKD** Pages 5-19
- Financial & HR Systems Update – **Laura Shevling/ Mark Bercheni** Pages 20-23
- Internal Audit Activity Reports – **Danika Salmans**
  - Summary Page 24
  - Audit of Alumni Relations and Financial Statements Pages 25-41
  - Honors College Change of Management Audit Pages 42-59
  - Expenditure Processing Review Pages 60-81
  - Follow Up Report Change of Management Audit for the College of Business Pages 82-85
  - Follow Up Report Audit of Cashier’s Office Pages 86-89
- Internal Audit Search Update – **David Jewell / Trustee Marsh** Page 90
- Investment Management Firm Selection Process – **David Jewell** Pages 91-100

## **Executive Session**

## **Adjourn**



To: David N. Jewell, Associate Vice President for Financial Affairs

From: Tim Keller, Interim Controller

Date: November 6, 2019

Re: Fiscal & Legal Affairs Committee (FLAC) Update on FY19 Audits

### University Financial Audit

Status - The University is awaiting reports from the Wyoming State Auditor's office associated with the State Agency Pool investments. These statements must be provided in order to complete the FY 19 Financial Statements and audit. These reports are normally provided to the University in mid-October. The State Auditor does not believe the reports will be available until November 11<sup>th</sup> due to issues the State Treasurer and Auditor are having with compiling the data and associated reports. It is not possible for BKD to complete their audit procedures without this information.

Assuming the University receives the needed information from the State on November 11<sup>th</sup>, the University will need approximately two to three days to review the report and prepare the final entries needed to close the University's books for FY 19. BKD will require additional time to audit, review, and confirm the reports and associated entries prepared by the University.

Final Financial Statements for the University should be available Wednesday, November 27<sup>th</sup>.

The University plans on supplying a copy of the final Financial Statements to the State as soon as they are available in order to allow them the maximum time possible to complete their year-end processes and audit.

The final Financial Statements will be on the agenda to approve at the December Board of Trustees meeting.

The below summarizes audit issues identified by the University and BKD in the course of conducting the audit and preparing the financial statements.

- 1) Restatement - Medical Education Loans - The University has several programs available to students wishing to pursue certain medical and dental related degrees. These programs allow for the forgiveness of tuition amounts paid on the student's behalf upon completion of certain requirements to work in the state of Wyoming. Historically the University has recorded a receivable amount for the full amount of the tuition paid on behalf of the student and charged off the amounts forgiven as the student completed their work requirements in Wyoming. Based on accounting standards the University should record an estimate for potential amounts that will be forgiven if the underlying event is likely to occur and can be reasonably estimated. Sufficient historical data exists to estimate the percentage of students who will complete work

requirements and therefore have the tuition amounts paid on their behalf to be forgiven. An allowance of \$27.7 million for estimated amounts that will be forgiven was recorded on a total balance of student receivables of \$43.7 million. This amount is based on historical forgiveness rates based on the underlying program the student is enrolled.

- 2) Restatement of Capital State Appropriations - The University has two significant state funded capital construction projects, the Engineering Education & Research Building (EERB) and the Center for Integrative Biological Research – Science Initiative (Science Initiative). In accordance with governmental accounting standards, the University should have recognized the total of \$188.5 million in state appropriation revenue in prior years when all eligibility requirements, including any contingencies are met, but only recognized approximately \$90 million in revenue relating to the capital appropriations. Therefore, approximately \$98.5 million of prior period adjustment will need to be recorded to reflect state appropriation revenue that should have been recorded in prior fiscal years
- 3) Grants Receivable – Two items were identified in the review of grants receivables and a waived entry was proposed but not recorded for these items:
  - a. Approximately \$1.0 million of Direct Loan and Pell Expenses were incurred in late June 2019. The corresponding revenue associated with these loans was not processed through and recorded in PPM until July 2019.
  - b. AP expenditures and related revenues were properly accrued; however, a burden calculation is also recorded to the grants. For FY 19, approximately \$2 million of grant revenue was accrued based on a corresponding amounts accrued as an expense as part of the year-end review and accrual of subsequent payments from the period of July 1<sup>st</sup> to August 15<sup>th</sup> 2019. The accrual amount should have also provided for an additional approximately \$800,000 as part of the burden percentage applied to grant revenue.
- 4) Year-end close and reconciliations – A number of adjustments to accruals and general ledger account balances were required based on review and testing of the auditors.

#### Wyoming Public Media

Status – The WPM audit and Financial Statements will be finalized in conjunction with the overall University Financial Statements and presented to the Board of Trustees on the December conference call.

The below summarizes audit issues identified by the University and BKD in the course of conducting the audit and preparing the financial statements.

1. Restatement Item – The University created a fringe pool in FY17 which is used to pay any leave payouts. Therefore, the liability is no longer allocated to the individual departments and the accrued vacation should not have been reported as a liability. Restatement to 6/30/17 beginning net position is \$270,195.
2. Grants accounting – Transactions related to WPM that are processed in PPM are recorded to entity 10 (UW) vs entity 13 (WPM). This resulted in the following:
  - a. Grant Revenue – Grant revenue of approximately \$317,000 was recorded twice in FY 19.

- b. Unearned Revenue – Unearned revenue of approximately \$319,000 were not properly identified for FY19.
  - c. Grants receivables of \$5,445 were not reported.
3. The prepaid expense for the NPR programming of \$78,000 was not properly recorded.
4. WPM's FY18 financial results were only partially recorded in WyoCloud and the entries were not properly recorded through the due to/due from account. Approximately \$430,000 of cash was not properly converted into WPM during the implementation of WyoCloud, \$140,197 of cash accounts held in the due to/due from for foundation accounts were double reported and entries made through the due to/due from increased cash by \$292,745. While the cash balance was ultimately correct, not recording the activity in WyoCloud and having a good trail of presentation items created significant difficulties in preparing and auditing the financials this year.

### Single Audit

Status – The initial Schedule of Expenditures of Federal Awards (SEFA) provided to BKD omitted approximately \$13.5 million of activity for FY19. After identifying the missing transactions, BKD determined that they will need to test a 3<sup>rd</sup> major program. BKD is currently testing and reviewing the additional 3<sup>rd</sup> major program. BKD anticipates completing the Single Audit by November 22 and issuing the Single Audit report on December 11. This will also be presented to the Board of Trustees on the December conference call

The below summarizes audit issues identified by the University and BKD in the course of conducting the audit and preparing the financial statements.

- 1) SEFA – Initial reports provided were missing approximately \$13.5 million of activity for FY 19. This required an additional 3<sup>rd</sup> major program to be added to testing.
- 2) R&D vs Non R&D reporting – Issues were identified regarding incorrect classification of Research and Development items vs. non Research and Development items.
- 3) Procurement – Suspension and Debarment Policies were not implemented until June 2019.

# **University of Wyoming**

Independent Accountant's Report on Applying Agreed-upon Procedures  
Performed on the Intercollegiate Athletics Program as  
Required by NCAA Bylaw 3.2.4.15.1  
Year Ended June 30, 2019

**University of Wyoming**  
**June 30, 2019**

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## **Independent Accountant's Report on Applying Agreed-upon Procedures**

To the Board of Trustees of the  
University of Wyoming  
Laramie, Wyoming

We have performed the procedures enumerated in this report, which were agreed to by the University of Wyoming (the University), solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (the Statement) of the University and related notes are in compliance with the National Collegiate Athletic Association's (NCAA) Bylaw 3.2.4.15.1 for the year ended June 30, 2019. Management of the University is solely responsible for the Statement and the compliance with those requirements. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of our testing are described below.

1. We obtained the Statement, as prepared by the administration of the University and compared the amounts disclosed in the Statement to the University's general ledger.

For revenues and expenses categories above the 4.0% threshold of total revenues and expenses, we performed the following:

2. We compared the amount of each operating revenue and expense category reported in the Statement during the year ended June 30, 2019, to supporting schedules provided by the administration of the University, noting that they agreed without exception. We recalculated the totals per the supporting schedules, without exception. The following revenue reporting categories were less than 4.0% of total revenues, and the following expense categories were less than 4.0% of total expenses, and therefore, as prescribed in the NCAA Agreed-upon Procedures Guidelines, no procedures were performed for these categories:

### Revenues

- a. Indirect University support
- b. Guarantees
- c. In-kind contributions
- d. Compensation and benefit provided by a third party
- e. Media rights
- f. NCAA distributions
- g. Conference distributions

To the Board of Trustees of the  
University of Wyoming

- h. Program, novelty, parking and concession sales

Expenses

- a. Guarantees
  - b. Coaching salaries, benefits and bonuses paid by a third party
  - c. Support staff/administrative compensation, benefits and bonuses paid by a third party
  - d. Recruiting
  - e. Sports equipment, uniforms and supplies
  - f. Game expenses
  - g. Spirit groups
  - h. Athletic facilities debt service, leases and rental fees
  - i. Direct overhead and administrative expenses
  - j. Indirect University support
  - k. Medical expenses and medical insurance
  - l. Memberships and dues
  - m. Other operating expenses and transfers to University
  - n. Student-athlete meals (non-travel)
3. We inquired of the University's management whether there were any of the following revenues, expenses or other reporting items during the year ended June 30, 2019, and University management represented that there were none:

Revenues

- a. Transfer back to the University
- b. Indirect institutional support – athletic facilities debt service, lease and rental fees
- c. Sports camp revenues

Expenses

- a. Severance payments
- b. Sports camp expenses
- c. Bowl expenses



To the Board of Trustees of the  
University of Wyoming

4. We compared each revenue and expense amount reported in the Statement to prior year amounts and current year budget estimates. We noted no variances greater than 10% between amounts reported in the Statements and current year budget estimates. We obtained and documented an understanding of any significant variances (10% change) from prior year amounts, as noted below:

#### ***Current Year Actual Versus Prior Year Actual***

- *Contributions* – Decreased \$1,800,431, or 23%, due to decrease in Cowboy Joe Club activity. Cowboy Joe Club revenue decreased in FY19 due to decrease in pre-paid Wildcatter Suites.
  - *Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities* – Increased by \$868,626, due to retention incentives paid and overall cost of living increases.
  - *Support Staff/ Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities* – Increased by \$1,933,553 due to primarily Cowboy Joe Club and Rodeo not being included in payroll during FY18. In addition, several new support staff and administrative positions were added throughout the year to support the creation of new departments including Training Table during FY19.
  - *Fund Raising, Marketing and Promotion* – Increased \$1,409,073 or 29%, due to Gift in Kind being reported in other expenses in FY18 and moved to fundraising in FY19.
5. For revenue and expense categories that exceeded 4% of total revenues and expenses, we compared and agreed a sample, defined as 10% of operating receipts and expenses unless otherwise noted, from the supporting schedules to adequate supporting documentation, as noted below:

#### **Operating Revenues**

6. *Ticket Sales* – We compared the detail of ticket sales revenue to tickets sold, complementary tickets provided and unsold tickets for the year ended June 30, 2019, per the supporting schedule to the related revenue reported in the Statement, noting they agreed without exception. For football and men’s basketball ticket revenue, we compared the detail of the number of tickets multiplied by ticket prices to the detail of revenues for those sports, noting that they agreed without exception.
7. *Student Fees* – We compared and agreed the detail of student fees reported by the University in the Statement for the reporting to student enrollments during the same reporting period and recalculated the totals within 0.39% difference. We obtained documentation of the institution’s methodology for allocating student fees to intercollegiate athletic programs. The University is not reporting an allocation of student fees countable as generated revenue to each individual sport.
8. *Direct State or Other Government Support* – We compared a sample of direct state support recorded by the University during the reporting period with corroborative supporting documentation and recalculated totals without exception.
9. *Direct University Support* – We compared a sample of direct institutional support recorded by the University during the reporting period with corroborative supporting documentation and recalculated totals without exception.

To the Board of Trustees of the  
University of Wyoming

10. *Contributions* – We obtained the supporting documentation for contributions received specifically to support athletics, noting that all contributions were received from the Cowboy Joe Club. We selected a sample of contributions, agreed them to supporting documentation, and recalculated totals without exception.
11. *Royalties, Licensing, Advertisements and Sponsorships* – We selected a sample from the listing of revenues and obtained the Fanatics Retail Group (\$6,833) agreement related to the University’s participation in revenues from royalties, licensing, advertisements and sponsorships during the year ended June 30, 2019, and documented the relevant terms and conditions. We agreed the amounts per the contract to the supporting schedule of such revenues and the total of the supporting schedule to the Statement without exception.
12. *Athletics Restricted Endowment and Investment Income* – We selected a sample from the listing of endowments used by the University and compared and agreed the classification and use of endowment and investment income reported in the statement during the year ended June 30, 2019, to the uses of income defined within the related endowment agreement and recalculated totals.
13. *Other Revenues* – We performed the minimum agreed-upon procedures referenced for all revenue categories and recalculated totals without exception.

## **Operating Expenses**

14. *Athletic Student Aid* – As the University utilized the NCAA Compliance Assistance (CA) software, we selected a sample of 10% of the student athletes (40 students), with a maximum sample size of 40, from the listing of the University student aid recipients. We obtained individual student account detail for each selection and compared total aid allocated from the squad list 2018-2019 to the students’ account screenshots. We recalculated totals for each sport and overall. We performed the following and noted findings, as discussed below:
  - a. We compared the equivalency value in the CA software for each student athlete (rounded to two decimal places) to supporting documentation. For each student athlete, we noted:
    - i. If an athlete participates in more than one sport, the award was only included in one sport.
    - ii. Other expenses related to attendance were not included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board, and course related materials were included.
    - iii. The grant amount represented the full cost of tuition for an academic year, rather than a semester.
    - iv. No sports were discontinued during fiscal year 2019.
    - v. None had exhausted their athletics eligibility.
    - vi. Only athletic grants were awarded in sports which the NCAA conducts championship competitions, emerging sports for women or football.
    - vii. Grants-in-aid were valid for revenue distribution purposes in NCAA sports that did not meet the minimum contests and participants’ requirements of Bylaw 20.9.6.3.

To the Board of Trustees of the  
University of Wyoming

- viii. The University is providing grants to student-athletes listed on the CRDE as “Exhausted Eligibility (fifth-year)” or “Medical” and receive credit in the grants-in-aid component.
- ix. The athletics aid equivalency did not exceed maximum equivalency limits.
- x. If a selected student received a Pell Grant, the value of the grant was not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the institution.

Finding:

- a. We noted one student who was not paid total cost of attendance award. Upon identification of this administrative discrepancy, the University corrected the error and paid the athlete the additional funds.
15. *Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities* – We obtained a listing of coaches employed by the University during the year ended June 30, 2019. We selected a sample of five coaches’ contracts (Jermaine Kimbrough, Men’s Basketball, Bojan Jankovic – Women’s Basketball, Jacob Dickert – Football, Bart Miller – Football, Bryan Berryhill – Head Men’s and Women’s Track and Field, Quincy Howe – Men’s and Women’s Track and Field, Ethan Kyle - Wrestling) that included football and men’s and women’s basketball.
- We obtained and agreed payroll summary registers for the reporting year for each selection to the related coaching salaries, benefits and bonuses paid by the University. Terminal leave for one employee tested was charged in error to Athletics instead of the University’s central fringe pool. Athletics identified the error in July 2019 and the error was corrected by the University in fiscal year 2020.
- We compared and agreed the totals recorded to the employment contracts executed for the sample selected and recalculated totals without exception.
16. *Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities* – We selected a sample of 14 athletic support staff/administrative personnel employed by the University (Sean O’Sullivan – Media Relations, Amil Anderson – Media relations, James Hignett – Tennis Complex, Mary Lyle – Sports Medicine, Timothy Becker - Facilities, Jacob Chapman - Football, Colton Rindler – Facilities, Jack Gadlin - Facilities, McCade Ford - Wrestling, Kara Saylor – Sports Medicine, China Jude – Director’s Office, Sophie Pomrehn – Sports Performance, Shalee Lehning – Academic Counselor, Vanessa Stines – Training Table). We obtained supporting salary information for each selection, recalculated and agreed the information to the expense recorded by the University in the Statement without exception.
17. *Team Travel* – We obtained documentation of the University’s travel policies and compared them to the NCAA policies, noting no exceptions. We obtained the general ledger detail for team travel and compared to the amount reported in the Statement and recalculated the total without exception.

To the Board of Trustees of the  
University of Wyoming

18. *Fundraising, Marketing and Promotion* – We obtained general ledger detail and compared to total expenses reported without exception. We selected a sample of transactions to view supporting documentation to validate existence of the transactions and accuracy of recording and recalculated totals without exception.

### **Agreed-upon Procedures Related to Affiliates and Outside Organizations**

19. The University identified the University of Wyoming Foundation (the Foundation) as an outside intercollegiate athletics-related organization incurring expenses on behalf of Athletics which are not under the University's accounting control. We confirmed activity with the Foundation and ensured the activity was included in the Statement.
20. We obtained the audited financial statements as of and for the year ended June 30, 2019 for the Foundation and the management letter for the Foundation noting no matters that would significantly affect the Statement.

### **Agreed-upon Procedures Related to Internal Control**

21. We obtained an understanding of the internal control environment and accounting systems unique to Athletics that have not been addressed in connection with the audit of the University's financial statements. We documented our understanding of these internal controls.

### **Additional Minimum Agreed-upon Procedures**

22. *Grants-in-Aid* – We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA noting a difference in the amount of \$545,080 due to the equivalencies certified and calculated on the 12-credit hour semester as compared to the actual number of credit hours the students are enrolled in for the semester.

We compared current year Grants-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission. See below for variances +/- 4%.

*Increase to mandatory fees, new technology & advising fees:*

Men's Cross Country

Men's Track, Indoor & Outdoor

Women's Cross Country

Women's Swimming and Diving

Women's Track, Indoor & Outdoor

*International student insurance rates increase in addition to mandatory fees:*

Women's Basketball

Women's Tennis

To the Board of Trustees of the  
University of Wyoming

*Increase to Rocky Mountain Scholarship (RMS) & Western Undergraduate Exchange (WUE) scholarships resulted in less Athletic Aid being required:*

Women's Golf

*Increase in the number of Wyoming resident athletes and decrease in the number of non-resident Athletes:*

Women's Soccer

23. *Sports Sponsorship* – We obtained the University's Sports Sponsorship and Demographics Forms Report for the reporting year. We validated that the countable sports reported by the University meet the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward meeting the minimum-contest requirements. We ensured that the University has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. No exceptions noted.

We compared the current year number of Sports Sponsored to prior year reported total per the Membership Financial Report submission noting no changes in the number of Sports Sponsored.

24. *Pell Grants* – We agreed the total number of Division I student-athletes that received a Pell Grant award and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report generated out of the institutions financial aid records, of all student-athlete Pell Grants, noting the amounts agreed without exception.

We compared current year Pell Grants total to prior year reported total per the Membership Financial Report submission. The variance in grants from prior year to current year was +9.

## **Agreed-upon Procedures for Other Reporting Items**

25. *Excess Transfers to Institution and Conference Realignment Expenses* – We inquired of the University's management whether there were any excess transfers to the University and conference realignment expenses during the year ended June 30, 2019, and University management represented that there were none.

26. *Total Athletics Related Debt* – We obtained repayment schedules for all outstanding intercollegiate athletics debt during the reporting period, noting the total amount outstanding as of June 30, 2019 was \$2,492,775. We recalculated annual maturities (consisting of principal and interest) provided in the schedules obtained which totaled the original loan amount of \$4,000,000. We agreed the total annual maturities and total outstanding athletic related debt to supporting documentation without exception.

27. *Total Institutional Debt* – We agreed the total outstanding University debt of \$77,950,128 to supporting documentation and the University's June 30, 2019, audited financial statements, without exception, for principal and interest payments.

To the Board of Trustees of the  
University of Wyoming

28. *Value of Athletics Dedicated Endowments* – We obtained a confirmation directly from the Foundation of all Athletics dedicated endowments maintained by the Foundation. We agreed the fair market value in the schedules to supporting documentation, the general ledger and the University’s June 30, 2019, audited financial statements without exception.
29. *Value of Institutional Endowments* – We agreed the total fair market value of the University’s endowments to supporting documentation, the University’s general ledger and June 30, 2019, audited financial statements without exception.
30. *Total Athletics Related Capital Expenditures* – We obtained a schedule of Athletics-related capital expenditures made by Athletics and the University during the reporting period. We obtained general ledger detail and compared to the total expenses reported without exception. We selected a sample of transactions to validate existence of transactions and accuracy of recording and recalculated totals without exception.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or a review, the objective of which would be the expression of an opinion or conclusion, respectively, on evaluating whether the University’s Statement and the related notes were prepared in compliance with the NCAA Bylaw 3.2.4.15.1. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

\* \* \* \* \*

This report is intended solely for the information and use of the specified parties listed above and is not intended to be, and should not be, used by anyone other than these specified parties.

Denver, Colorado  
DATE

**University of Wyoming**  
**Intercollegiate Athletics Program**  
**Statement of Revenues and Expenses (Unaudited)**  
**Year Ended June 30, 2019**

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-program Specific	Total
<b>Operating Revenues</b>						
Ticket sales	\$ 2,703,302	\$ 578,103	\$ 346,115	\$ 87,277	\$ 257,056	\$ 3,971,853
Direct state or other government support	1,613,044	481,702	164,832	1,213,678	526,743	3,999,999
Student fees	-	-	-	-	2,268,940	2,268,940
Direct University support	4,142,521	1,054,699	905,846	3,891,852	3,527,875	13,522,793
Indirect University support	-	-	-	-	536,584	536,584
Guarantees	350,000	100,000	-	-	-	450,000
Contributions	190,434	3,310	-	368,551	5,524,627	6,086,922
In-kind	109,758	45,841	39,482	98,407	983,431	1,276,919
Compensation and benefits provided by a third party	42,140	25,900	6,500	184,400	32,029	290,969
Media rights	970,857	158,046	-	-	-	1,128,903
NCAA distributions	-	-	-	-	1,166,603	1,166,603
Conference distributions (Non Media and Non Bowl)	70,202	602,888	12,336	-	-	685,426
Conference distributions	1,501,863	-	-	-	-	1,501,863
Program, novelty, parking and concession sales	182,214	50,861	33,056	14,204	460,725	741,060
Royalties, licensing, advertisement and sponsorships	-	-	-	-	2,016,137	2,016,137
Athletics restricted endowment and investments income	377,579	32,787	90,644	368,656	1,045,346	1,915,012
Other operating revenue	204,462	-	9,688	47,723	1,744,744	2,006,617
	<u>12,458,376</u>	<u>3,134,137</u>	<u>1,608,499</u>	<u>6,274,748</u>	<u>20,090,840</u>	<u>43,566,600</u>
Total operating revenues						

**University of Wyoming**  
**Intercollegiate Athletics Program**  
**Statement of Revenues and Expenses (Unaudited) (continued)**  
**Year Ended June 30, 2019**

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-program Specific	Total
<b>Operating Expenditures</b>						
Athletics student aid	2,735,878	442,368	460,866	3,137,317	282,442	7,058,871
Guarantees	700,000	346,500	23,500	53,150	-	1,123,150
Coaching salaries, benefits and bonuses paid by the University and related entities	5,150,657	1,266,916	781,969	2,155,518	-	9,355,060
Coaching salaries, benefits and bonuses paid by a third party	36,340	16,900	5,500	176,400	-	235,140
Support staff/administrative compensation, benefits and bonuses paid by the University and related entities	1,043,060	221,043	143,928	336,846	7,678,103	9,422,980
Support staff/administrative compensation, benefits and bonuses paid by a third party	5,800	9,000	1,000	8,000	32,029	55,829
Recruiting	528,216	161,632	52,871	165,358	-	908,077
Team travel	1,047,270	532,672	486,441	1,534,794	9,699	3,610,876
Sports equipment, uniforms and supplies	1,010,603	48,374	21,914	522,504	195,246	1,798,641
Game expenses	169,038	179,800	194,852	92,417	663,424	1,299,531
Fundraising, marketing and promotion	328,538	1,971	10	5,258	5,941,846	6,277,623
Spirit groups	-	-	-	-	91,248	91,248
Athletic facilities debt service, leases and rental fees	450,000	-	-	-	-	450,000
Direct overhead and administrative expenses	48,252	7,279	8,379	20,396	1,389,804	1,474,110
Indirect University support	-	-	-	-	536,584	536,584
Medical expenses and medical insurance	-	-	225	120	1,247,499	1,247,844
Memberships and dues	100	16	724	4,671	519,005	524,516
Student-athlete meals (non-travel)	396,248	36,005	28,060	120,635	798,410	1,379,358
Other operating expenses	165,185	59,175	42,829	158,211	879,182	1,304,582
	<u>13,815,185</u>	<u>3,329,651</u>	<u>2,253,068</u>	<u>8,491,595</u>	<u>20,264,521</u>	<u>48,154,020</u>
<b>Total operating expenditures</b>						
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<u>\$ (1,356,809)</u>	<u>\$ (195,514)</u>	<u>\$ (644,569)</u>	<u>\$ (2,216,847)</u>	<u>\$ (173,681)</u>	<u>\$ (4,587,420)</u>



**University of Wyoming**  
**Intercollegiate Athletics Program**  
**Notes to the Statement of Revenues and Expenses**  
**Year Ended June 30, 2019**  
**(Unaudited)**

**Note 1: Summary of Presentation Policies**

The accompanying Schedule of Revenues and Expenses presents only the transactions of Athletics, which includes the activities of Cowboy Joe Club, an affiliated athletics organization under the University's control, and not other transactions for the University. Cowboy Joe Club activity is supervised by the Senior Associate Athletic Director for Development and Revenue Enhancement. The purpose of the Cowboy Joe Club is to promote the University by providing financial support. Athletics cash is maintained and accounted for within the University's pooled cash.

The accompanying statement of revenues and expenses has been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation is incurred.

For reporting purposes, the primary sports in which Athletics participates are reported separately. All other sports have been combined and reported within the category "Other Sports". The administrative functions of Athletics, which supports all sports, have been combined and reported within the category "Non-program Specific".

**Note 2: Concentration of Donor Sources**

Cowboy Joe Club is the single largest donor source to Athletics with 100% of cash contributions of the total contributions for the year ended June 30, 2019. The cash contributions received from the Cowboy Joe Club represent gifts from various donors made for the benefit of Athletics. The Foundation is the single largest source of athletics restricted endowment and investments income. The restricted endowments and investment income are used for various expenses for Athletics. The total funds available by the Foundation for the benefit of Athletics is \$1,106,647 as of June 30, 2019.

**Note 3: Property, Plant and Equipment**

Athletics-related assets are accounted for consistent with the University's policies for property, plant and equipment. Capital assets are stated at cost at date of acquisition or, in the case of gifts, at fair market value at date of gift. Property, plant and equipment valued at \$5,000 or more and having an estimated useful life of greater than one year is capitalized. Renovations to buildings, infrastructure and land improvements significantly increase the value or extend the expense of the structure are capitalized. Routine repairs and maintenance are charged to operating expenses in the year in which the expense was incurred. Depreciation of capital assets is computed on a straight-line basis over the estimated useful lives of the respective assets, generally 50 years for building, 15 to 30 years for land and building improvements and infrastructure, and 3 to 7 years for equipment.

**University of Wyoming**  
**Intercollegiate Athletics Program**  
**Notes to the Statement of Revenues and Expenses**  
**Year Ended June 30, 2019**  
**(Unaudited)**

At June 30, 2019, Athletic property, plant and equipment consisted of:

	<b>Balance June 30, 2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Balance June 30, 2019</b>
Cost of capital assets					
Infrastructure	\$ 558,621	\$ -	\$ -	\$ -	\$ 558,621
Land improvements	10,047,621	-	-	-	10,047,621
Buildings	96,601,098	69,914,354	-	-	166,515,452
Equipment	4,754,597	285,288	2,147,084	142,097	3,034,898
Construction in progress	69,690,537	327,166	-	70,017,703	-
	<u>181,652,474</u>	<u>70,526,808</u>	<u>2,147,084</u>	<u>70,159,800</u>	<u>180,156,592</u>
Accumulated depreciation					
Infrastructure	543,858	1,640	-	-	545,498
Land improvements	5,446,424	656,911	-	-	6,103,335
Buildings	35,293,092	3,914,368	-	-	39,207,460
Equipment	4,137,002	204,098	2,138,036	25,374	2,228,438
	<u>45,420,376</u>	<u>4,777,017</u>	<u>2,138,036</u>	<u>25,374</u>	<u>48,084,731</u>
Net book value	<u>\$ 136,232,098</u>	<u>\$ 65,749,791</u>	<u>\$ 4,285,120</u>	<u>\$ 70,185,174</u>	<u>\$ 132,071,861</u>

**Note 4: Long-term Liabilities**

Long-term liabilities of Athletics consisted of the following at June 30, 2019:

Internal administrative loan payable in the amount of \$4,000,000 due to the University of Wyoming in annual principal and interest installments of \$400,000 in the year ended June 30, 2016, and \$450,000 each year thereafter, through June 30, 2025, interest bearing 2.5% secured by equipment, as of June 30, 2019

\$ 2,492,775

**University of Wyoming**  
**Intercollegiate Athletics Program**  
**Notes to the Statement of Revenues and Expenses**  
**Year Ended June 30, 2019**  
**(Unaudited)**

Aggregate maturities required on the long-term liability as of June 30, 2019 are as follows:

2020	\$	387,681
2021		397,373
2022		407,307
2023		417,490
2024		427,927
Thereafter		<u>454,997</u>
	<u>\$</u>	<u>2,492,775</u>

The University of Wyoming's debt is comprised of revenue bonds totaling \$77,950,128 and capital leases of \$3,822,938.



To: David N. Jewell, Associate Vice President for Financial Affairs

From: Mark Bercheni, Interim AVP of Human Resources;  
Laura Shevling, Senior Director, Financial Systems and Business Optimization

Date: November 6, 2019

Re: Fiscal & Legal Affairs Committee (FLAC) Update on Financial and Human Resource Systems

---

With the go live of the payroll and absence phase of the system in July 2019, the finance and human resources cloud-based system is fully implemented. A high level timeline of the full project is outlined below.

<b>Module Go Live Date</b>					
Finance	Business Intelligence Reports (Student/ Finance)	Planning & Budgeting	Employee LearnCenter & Recruiting	HR: Core/Goals/ Perform/ Profile	HR: Time & Labor Absence Payroll
July 2017	Sept. 2017	Jan. 2018	July 2018/ Dec. 2018	Jan. 2019	July 2019

Though the implementation of the system is complete, the Division of Finance and Administration has taken a continuous process improvement approach to this system, which means the finance and human resources teams are continually reviewing the system and business processes and making enhancements. The following information highlights areas the financial and human resources team has been addressing since July 2019 and next steps each area is focusing on. Since July 2019, an upgrade was completed in August and a second upgrade in the month of November is currently underway.

Human Resources and Payroll

Over the last quarter, HR and Payroll have made several improvements in processing and reporting of data. With less than a year of being live with Recruitment and Core HR, the one consistent factor of difficulty is the lack of urgency by the managers across campus to approve hires, initiate changes, approve time, and initiate terminations. The following is a brief list of recent enhancements:

- Recruiting - GA hiring process improvements for rehires, new hires, and reporting. This was a presidential task force that brought many groups across campus to help streamline a cumbersome hiring/retaining process.
- Recruiting - Work-study hire and onboarding process improvements and access for Student Financial Aid. Creating a new cross functional approach to provide more data and tracking capabilities.
- Recruiting – Reduced the number of email notifications per campus request. We also improved the messaging of the remaining email notifications.
- Compensation – HCM processed over 2500 pay increases within minutes. The prior process took multiple days to collect and process the pay changes. The 2.1% annual pay adjustment had varying parameters that the system could handle. Details for a FY 2021 pay adjustment needs to be provided to HR to develop the next plan as soon as possible.
- Compensation - Progress on creating Total Compensation Statements is being made. The statements will show the combined value for pay, benefits, and retirement that the employee receives.
- Reporting – Established special fields and reporting for Institutional Analysis for IPEDS and other institutional reporting.
- Reporting – Created academic rank tracking and reporting for Academic Affairs.
- Payroll – Developed manual work-arounds for taxes and overtime calculations. Considering a professional service agreement with Oracle to review and adjust these configurations.
- Payroll – Made new process changes to bi-weekly time card submission and approvals to help ensure accurate time processing.
- Payroll – Created Leave Balance report for departments to better track past usage and current balances. Created a Time Card report to help departments track the hours reported, not reported and overtime.

An upgrade to the product in November may allow compensation to bring in market data into HCM for comparison analysis as well as new time card features for employees and supervisors. In the future, Oracle will be phasing-out the current recruitment system to be replaced with Oracle Recruiting Cloud (ORC). HR received a demonstration of this new embedded recruitment system and is looking forward to more information on the product and its pricing.

### Finance

Since July 2019, the Division of Financial Affairs has released 12 new enhancements to the system and/or related business processes, which averages over one new enhancement every two weeks. These enhancements have eased campus' use of the system, helping to expedite processing and creating positive feedback from campus. Examples of these recent enhancements include:

- Updated the email notifications for expense transactions to include the chart string. With this enhancement, approvers now have all the information they need to approve a transaction via email instead of needing to log into the system to approve.
- Developed several new financial reports and revised existing reports. Specifically, the team created reports showing budget to actuals on grants that can be run campus-wide. Previously, special security was needed to see this information. These new reports allow business managers across campus to track on grant spending, even if they are not specifically tied to the grant. As several people in different units may be involved in grant expenditures, having this information available to all users helps with tracking and validating expenditures.
- Created new training material on how to view designated operating fund balance in the system.
- Piloted a new process for processing internal transfers.

The Division of Financial Affairs also hosted two supplier fairs this fall, one to showcase UW's strategic contract with Fisher Scientific for lab supplies and another to showcase local vendors and support UW's Buy-Wy program<sup>1</sup>.

The Division also launched the Financial Affairs Support Team (FAST)<sup>2</sup>, who are available to provide a wide range of no-cost business services and support to all University departments on an on-call, short- or long-term basis. The FAST team offers support at every level, from answering quick how-to's, providing a helpful hand during crunch times or staff vacancies, conducting brief or in-depth trainings, or assisting with the design and delivery of more complex, long-term projects.

In the coming months, the Financial Affairs team will focus on the following areas:

- Increasing the number of Cost Center Approvers. By increasing the number of Cost Center Approvers, we can reduce workflow for some areas that are approving a high volume of transactions. A training for new Cost Centers to ensure they understand this role has also been developed.
- Reviewing system workflow for transactions, specifically those involving grants.
- Allowing campus to use procurement cards (Visa cards) to make purchases on Office Depot, using UW's strategic contract with Office Depot. This results in reduced pricing for campus on office supplies. Currently, campus can purchase using a requisition but allowing them to use a p-card will expedite the purchase process.
- A new time effort reporting system for grants. This new system will allow for certification of time on grants, a federal requirement.

<sup>1</sup> <https://www.uwyo.edu/buy-wy/>

<sup>2</sup> <https://www.uwyo.edu/fast/>

- A new training on financial reporting. This training will help explain, from a business perspective, the Account Analysis report, which is a key report used across campus to validate transactions.
- A new training on the financial environment at UW. This new training will be geared towards onboarding of new employees so they understand financial processes and the financial system at UW.

# Internal Audit Activity Report

November 13, 2019

INTERNAL AUDIT ACTIVITY CONDUCTED IN ACCORDANCE  
WITH THE AUDIT PLAN FOR THE PERIOD  
September 2019 – November 2019

## AUDITS:

Alumni Association – Annual Review  
Honors College  
Expenditure Processing Review

## FOLLOW-UP REPORTS:

College of Business – Dean’s Office Change of Management  
Cashier’s Office

## AUDITS IN PROGRESS:

Campus Bookstore  
Education Abroad  
4-H Foundation – Annual Review

The following audits were reviewed in the last FLAC meeting and will be submitted at the BOT meeting this month as an informational item.

- College of Agriculture and Natural Resources Change of Management Audit
- Science and Math Teaching Center
- English Language Center
- Manufacturing Works
- NCAA





**Internal Audit Department**

*Dedicated to Improving Operations and Accountability*

**Audit of  
Alumni Relations**

September 4, 2019

Auditor:

Danika Salmans

Integrity ♦ Proficiency ♦ Objectivity ♦ Advising

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9/4/2019

University of Wyoming Board of Trustees:

Each year we conduct an audit of the UW Alumni Association (UWAA). Since an annual audit is required by the UWAA board. The audit consisted of interviewing staff members, analyzing business processes, reviewing and verifying the financial statements and preparing the financials to be consistent with the University categories of restricted and unrestricted funds.

The attached report discusses the audit steps used in the accomplishment of this audit and includes the financial statements.

We would like to thank Keener Fry, Executive Director, and Marisa Reilly, Business Manager, for their assistance in the performance of this audit.

Sincerely,

Danika Salmans  
Internal Audit

## **Background**

The University of Wyoming Alumni Association's mission is to promote the excellence, distinction, and uniqueness of the University of Wyoming to the people of the state, the nation, and the world and to foster a spirit of loyalty and community among its alumni, students and friends, today, tomorrow, and forever. They have served alumni, students, and UW since 1895.

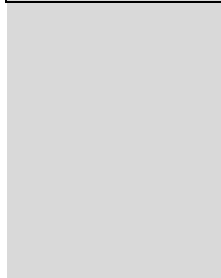
## Audit Scope and Procedures and Outcomes:

The following audit steps represent the extent of work needed to achieve the engagement’s objectives. The auditor’s professional judgment was used in sampling each area and reviewing for compliance.

The scope of this audit covered our basic audit plan and also included a special review of asset verification, investment earning, and financial statements. The audit steps included:

Area Audited	Test Work Performed	Status	Sample Size	Summary of Findings/Recommendations
Financial Statements	Asset Verification	<b>Acceptable</b>	5/5 100%	Sent confirmations to all investment firms and verified all assets were accurately recorded.
	Balancing & Reconciling Reports	<b>Acceptable</b>	N/A	Ensured that financial statements balanced and were accurate including the Balance Sheet, Profit Loss Statement, Statement of Activities, and Statement of Functional Expenses.
	Verified Financial Categories	<b>Acceptable</b>	160/160 100%	Reviewed all categories (payroll, accounts receivable, accounts payable, etc.) of entries and traced them to the trial balance and QuickBooks to verify accuracy.
	Review of Unrestricted Accounts	<b>Acceptable</b>	32/32 100%	Identified all unrestricted accounts, reviewed for accuracy and traced to QuickBooks. Verified accurate categorization.
	Review of all Restricted Accounts	<b>Acceptable</b>	4/4 100%	Identified all restricted or temporarily restricted accounts, reviewed for accuracy and traced to QuickBooks. Verified accurate categorization.
	Review of Investments Accounts	<b>Acceptable</b>	7/7 100%	Accounts were traced to financials and QuickBooks and evaluated to ensure that they were accurately represented in the financial statements.
Financial and Accounting Controls	Accounts Payable - Cash & Check Disbursements	<b>Acceptable</b>	12/419 3%	Reviewed payments made with wire transfers, transfers to UW, and cash payments for approvals and compliance with policies.
	Purchasing Card	<b>Acceptable</b>	19/630 5%	Reviewed expenses for travel charges, adequate documentation, UWAA purpose and compliance with policies.
	Foundation Accounts	<b>Acceptable</b>	N/A	Process Review: Ensure that donation accounts are being reviewed and spent in accordance with donor criteria

	Scholarships	<b>Acceptable</b>	N/A	Process Review: Ensured procedures for selecting recipients complied with UWAA policies.
	Procedures and operations	<b>Acceptable</b>	N/A	Process Review: Reviewed internal controls over cash handling, accounts receivable, write off procedures, and etc.
	Board Processes	<b>Acceptable</b>	N/A	Process Review: Reviewed minutes of board meetings, to ensure board expenditures and actions are in compliance with by-laws.



## **Observations, Recommendations, and Responses**

The financial statements were reconciled and verified for accuracy. Transactions were reviewed for appropriate year-end accounting. Investments were confirmed with the respective institutions and evaluated to ensure that they were accurately represented in the financial statements.

Operating procedures were reviewed and found acceptable. Processes for tracking and depreciating inventory, processing expenditures including purchasing cards and procedures to monitor and track payroll were reviewed. Sampled transactions were reviewed to ensure compliance with procedures. We found no issues in these areas.

The Minutes of the Alumni Association Board were reviewed for any impact on the financial statements. Just prior to the beginning of this fiscal year the Finance, Investment & audit Committee selected First Interstate Wealth Management as the new UWAA investment advisor. Funds were transferred from DA Davidson to First Interstate. The switch took UWAA from a commission-based process to a fiduciary management fee process. The Committee believed First Interstate would provide a better and more professional service. This decision went through a Request for Proposal process. Three scholarship accounts – Darnall, Samuelson, and Herschler-Skinner remained with DA Davidson. No concerns were noted.

In the Fall of 2018, the board considered a Bylaw revision to reduce the board size from around 43 members to 19-22 members. This proposal was presented to the membership and they approved the revision. No concerns were noted.

This fiscal year the Alumni Association will continue to explore the sale of the Alumni House. The sale of the house seems acceptable to the Alumni House ad hoc Committee if it is sold to the University.

Conclusion: The process and procedures of the Alumni Association appear to be in compliance with their by-laws, UWAA policy, and industry standards. Their financial statements appear accurate and complete.

## **Distribution List**

Neil Theobald, Acting President of the University of Wyoming

Kim Chestnut, Acting Vice President for Student Affairs

Keener Fry, Executive Director, Alumni Relations





**THE UNIVERSITY OF WYOMING ALUMNI ASSOCIATION, INC.**

**ANNUAL FINANCIAL REPORT**

**June 30, 2019 and 2018**

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**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2019 and 2018

THE UNIVERSITY OF WYOMING ALUMNI ASSOCIATION, INC  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash	\$ 224,833	\$ 245,445
Investments temporarily restricted	4,033,506	3,874,656
Investments unrestricted	491,592	488,154
Accounts receivable	1,140	0
Inventory	-	0
Prepaid expenses	-	0
Land, building, and equipment, net of accumulated depreciation of \$426,003 and \$402,980, respectively (Note 3)	338,097	369,155
<b>Total Assets</b>	<b>\$ 5,089,168</b>	<b>\$ 4,977,410</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 5,924	\$ 12,201
Payroll liabilities	83,679	95,187
Deferred revenue	6,127	4,176
Note payable	17,025	26,533
<b>Total Liabilities</b>	<b>112,755</b>	<b>138,097</b>
<b>NET ASSETS</b>		
Unrestricted	1,720,723	1,739,582
Temporarily restricted	3,255,690	3,099,731
<b>Total net assets</b>	<b>4,976,413</b>	<b>4,839,313</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 5,089,168</b>	<b>\$ 4,977,410</b>

**STATEMENTS OF ACTIVITIES**  
For the Years Ended June 30, 2019 and 2018

THE UNIVERSITY OF WYOMING ALUMNI ASSOCIATION, INC  
STATEMENT OF ACTIVITIES  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2019 AND 2018

	2019			2018
	Unrestricted	Temporarily Restricted	Total	Total
<b>SUPPORT AND REVENUE</b>				
Annual Membership Dues	\$ -	\$ -	\$ -	\$ 60,099
Life membership dues	92,494	-	92,494	38,445
Donations	41,071	143,098	184,169	232,761
Investment income (loss)	17,213	116,302	133,515	179,994
Unrealized gain (loss) on investment	137,519	-	137,519	(8,739)
Royalties	31,688	-	31,688	35,778
Alumni Gatherings	23,027	-	23,027	21,384
Promotional novelty sales	-	-	-	-
DMT sales and donations	17,200	-	17,200	10,250
Advertising	-	-	-	-
Other income	55,262	-	55,262	73,489
Transfer to unrestricted	103,440	(103,440)	-	-
Indirect administrative support from UW	(63,293)	-	(63,293)	233,569
Total support and revenue	455,621	155,959	611,580	877,031
<b>EXPENSES</b>				
Program Services	72,944	-	72,944	64,111
Supporting services:				
General and administrative	339,146	-	339,146	651,880
Fundraising	62,390	-	62,390	83,539
Total expenses	474,480	-	474,480	799,530
<b>CHANGE IN NET ASSETS</b>	(18,859)	155,959	137,100	77,501.78
<b>NET ASSETS</b>				
Beginning of year	1,739,582	3,099,731	4,839,313	4,761,811
End of year	\$ 1,720,723	\$ 3,255,690	\$ 4,976,413	\$ 4,839,313

**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the Years Ended June 30, 2019 and 2018

THE UNIVERSITY OF WYOMING ALUMNI ASSOCIATION, INC  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2019 AND 2018

	2019			2018	
	Supporting Services				
	Program Services	General and Administrative	Fundraising	Total	Total
Personnel	-	-	-	-	286,450.95
Office operations	-	26,030.59	36,937.54	62,968.13	120,245.09
Insurance	-	-	-	-	-
Legislative advocacy	-	-	-	-	-
Fundraising	-	-	2,412.90	2,412.90	-
Foundation fees	-	2,913.48	-	2,913.48	4,497.86
P/N expenses	-	-	-	-	-
Membership solicitation	-	-	22,766.88	22,766.88	32,275.40
Interest expense	-	-	272.51	272.51	217.12
Travel	-	36,432.26	-	36,432.26	33,833.92
Advertising	-	1,000.00	-	1,000.00	1,496.60
Alumni gatherings	-	94,388.90	-	94,388.90	92,163.01
Alumnews	-	48,765.19	-	48,765.19	-
Scholarships	-	103,440.04	-	103,440.04	136,369.24
Awards	500.00	-	-	500.00	500.00
Board of Directors	15,850.24	-	-	15,850.24	8,089.22
Dues and subscriptions	512.50	-	-	512.50	-
Bank charges	1,143.98	-	-	1,143.98	550.00
Scholarship auction	54,937.15	-	-	54,937.15	54,971.77
	72,943.87	312,970.46	62,389.83	448,304.16	771,661.18
Total expenses before depreciation					
Depreciation	-	26,175.97	-	26,175.97	27,869.53
	72,943.87	339,146.43	62,389.83	474,480.13	799,530.71
Total expenses	72,943.87	339,146.43	62,389.83	474,480.13	799,530.71

## NOTES TO FINANCIAL STATEMENTS

Note 1            Nature of activities and significant accounting policies

Nature of activities

The University of Wyoming Alumni Association is an independent, not-for-profit organization established to promote the excellence, distinction and uniqueness of the University of Wyoming to the people of the state, the nation, and the world and to foster a spirit of loyalty and community among its alumni, students and friends, today, tomorrow, and forever. The Association's financial statements present shared expenditures and recognize indirect support received from the University of Wyoming for salary and employer paid benefit expenses.

Basis of presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (FASB) No. 117, *Financial Statements for Not-for-Profit Organizations*. Under FASB No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Investments

The Association carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair market values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Inventory

AAUW does not track promotional novelty merchandise.

Property and equipment

The Association follows the practice of capitalizing all major expenditures from Association funds for land, buildings, and equipment. Additions are recorded at cost, or if donated, at fair market value at the time of donation. Buildings and equipment are depreciated by the straight line method using the following estimated service lives:

<u>Property Type</u>	<u>Years</u>
Buildings	30
Vehicles	5
Furniture and fixtures	10
Office equipment	5

### D.M. Thomas Sculpture – *Talk About Your Cowboy*

The Association commissioned a bronze statue by artist D. M. Thomas, and the finished work was installed on the Alumni house lawn as a cultural and aesthetic landmark in October 2008. The construction costs, including sculpture production and installation, which totaled \$168,052, are presented as an unrestricted asset on the Statement of Financial Position.

Based on the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (FASB) No. 93, *Recognition of Depreciation for Not-for-Profit Organizations*, depreciation will not be recognized on this sculpture because its economic benefit will be used up so slowly as to render its estimated useful life extraordinarily long. In order for a piece of artwork to be non-depreciable under FASB No. 93, it must have cultural, aesthetic, or historical value that makes it worth preserving perpetually and the holder must have the financial and technological ability to protect and preserve it undiminished. The Alumni Association is committed to preserving this important cultural and aesthetic landmark into perpetuity. Based on recommendations from the artist, a maintenance reserve account will be established if needed.

### Revenue recognition

The Association recognizes revenues in the accounting period during which they are earned and become measurable.

### Donations

The Association reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

### Income taxes

The University of Wyoming Alumni Association is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code.

### Estimates

Management uses estimates and assumptions in preparing the financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

## Advertising

The Association expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place.

## Note 2 Investments

The following shows the relationship between cost and market values of investments at June 30, 2019 and 2018. The value in the final column represents the life membership investment portfolio so that this amount can be compared to the total investment portfolio.

	Cost	Market Value of Investment Portfolio	Unrealized Appreciation (Depreciation)	Market Value of Life Membership Investments
<u>2019</u>				
Money market funds	\$ 129,711	\$ 168,201	\$ 38,490	\$ 76,998
Equity securities	2,666,786	2,815,335	148,549	2,317,095
Taxable bonds	1,054,449	1,070,808	16,360	879,344
Mutual funds	468,664	470,753	2,090	353,862
	<u>\$ 4,319,610</u>	<u>\$ 4,525,098</u>	<u>\$ 205,487</u>	<u>\$ 3,627,299</u>
	Cost	Market Value of Investment Portfolio	Unrealized Appreciation (Depreciation)	Market Value of Life Membership Investments
<u>2018</u>				
Money market funds	\$ 148,348	\$ 254,509	\$ 106,161	\$ 94,254
Equity securities	2,285,708	3,009,244	723,536	2,584,082
Taxable bonds	744,058	728,376	(15,682)	599,421
Mutual funds	322,179	372,591	50,412	192,677
	<u>\$ 3,500,294</u>	<u>\$ 4,364,721</u>	<u>\$ 864,427</u>	<u>\$ 3,470,433</u>



Note 3 Property and equipment

Property and equipment consists of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Land	\$ 50,000	\$ 50,000
Building	440,873	440,873
Furniture and equipment	48,101	48,101
Vehicle	22,108	26,990
DMT Statue	<u>168,052</u>	<u>168,052</u>
	729,135	734,017
Less: Accumulated depreciation	<u>391,038</u>	<u>364,862</u>
	<u>\$ 338,097</u>	<u>\$ 369,155</u>

Note 4 Life memberships

The life membership investment account, which has a current market value of \$3,627,299 (see Note 2), is an internal designation of unrestricted funds. Life membership dues received, net 20% per new membership and investment income generated during the fiscal year, are deposited into the life investment account and treated as an endowment fund. The investment committee, headed by the Association’s Treasurer, meets quarterly to examine investment and operating performance.

Note 5 Payroll Liabilities and Related Estimates

The University of Wyoming Alumni Association records payroll liabilities and related estimates that reflect obligations derived from University of Wyoming employment and postemployment benefits. These amounts are recorded as payroll liabilities on the Statement of Financial Position.

The payroll liability includes the liability from the association’s employment and post-employment benefits. At June 30, 2019 this amount was \$83,679.08. The association’s liability will continue to increase over time as they begin to cover more of their salary expense in accordance with an agreement with the University of Wyoming. Vacation leave is an employment benefit to which association staff members are entitled to be paid 100% of the current salary rate for all accrued, unused vacation not to exceed 352 hours upon termination or resignation.

Employees will receive payment for one-half of their current sick leave balance as of their termination date, with a maximum payout of 480 hours. The total benefits liability decreased by \$11,508.00 this year. Under the university’s life insurance plan, any employee who retires and meets certain service year requirements can also have one-half of the life insurance premium paid by the university. A firm contracted by the university calculated an actuarial estimate of the post-employment benefit liability for the entire university.



**Internal Audit Department**

*Dedicated to Improving Operations and Accountability*

**Honors College**

**Change of Management Audit**

October 16, 2019

Auditor:

Danika Salmans

Integrity ♦ Proficiency ♦ Objectivity

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October 16, 2019

**University of Wyoming Board of Trustees:**

Internal Audit has completed a review of the Honors College. This audit was selected because of the change in leadership in the Dean's position.

The objectives of the audit were to ascertain the effectiveness of operational, and financial controls related to the Honors College and ensure compliance with relevant federal and state regulations; Trustee policy; Presidential directives; and campus procedures.

Based upon the results of the work performed within the scope of the audit, the following observations were noted along with an associated evaluation of risk. The risk measure noted below is a measure of likelihood and impact or consequences to the department and/or to the University.

- **Observation #1** (low risk): Non-capitalized assets were not tracked and reported to Asset Management
- **Observation #2** (high risk): Independent contracts were awarded to current employees to perform similar work
- **Observation #3** (moderate risk): Documentation for some expenditures was not complete
- **Observation #4** (high risk): Supplemental pay for course instruction was not consistent, and policy limiting supplemental pay was exceeded
- **Observation #5** (high risk): FY 19 budget experienced notable variances

The attached report discusses the observations and recommendations for areas in which controls should be improved. The report also includes the verbatim responses from the Honors College or specific personnel noted in the audit.

I would like to thank Peter Parolin, Dean of the Honors College, and Cassidy Tolman, Senior Program Coordinator, and the other staff members for the assistance I received on this audit.

As is customary, a follow-up review will be performed in approximately six months to determine what actions have been taken in response to the audit recommendations. This audit will remain open until completion of the follow-up review, at which time I will provide another report.

Sincerely,

Danika Salmans  
Senior Auditor

## Background

### The Honors College



The Honors College is 100% about the students — a truly exceptional group of people who make a difference at UW and in the world. Honors scholars are intellectually curious students from all majors who are creative, inspired by diverse ideas, and seek a greater understanding of their place in society.

When we combine excellent students with superb faculty in small classes, the result is an invigorating and highly effective learning environment. Honors faculty talk *with* students, not *at* them. Honors students thrive in this stimulating environment, develop lasting friendships, and succeed in their academic and professional pursuits.

The four pillars of the Honors College are: 1) dynamic interdisciplinary courses that engage students in the major challenges of our times; 2) experiential learning through internships, special projects, and leadership opportunities; 3) study abroad classes that expand students' understanding of the world and the forces of globalization; and 4) independent research or creative endeavors that enable students to define a major project, develop it, and carry it through to completion under the guidance of an expert mentor. These four pillars of Honors prepare our graduates to compete with the best students in the nation, to attend top medical and graduate schools, and to enjoy impressive careers in all fields.

In their Honors classes, students push themselves to become stronger critical thinkers. They weigh and consider multiple points of view; they develop thoughtful, well-supported perspectives on important issues of our times; and they defend their ideas in public presentations.

Honors adds value to the undergraduate experience by offering students opportunities to meet distinguished visitors to UW and to attend significant cultural events -- performances, lectures, concerts, exhibits, conferences – at UW and in Laramie, as well as regionally, nationally, and internationally. Honors also offers students special funding to pursue independent research projects.

## Audit Scope, Procedures and Outcomes

The following steps represent the extent of work needed to achieve the audit’s objectives. The auditor’s professional judgment was used in sampling each area and reviewing for compliance. The scope of this audit focused on Fiscal Year 2019 and the audited areas are summarized below. The audit steps included:

Area Audited	Test Work Performed	Status	Sample Size	Summary of Findings/Recommendations
Physical Controls	Asset Management	<b>Issue</b>	100%	All capital assets were identified. The College needs to complete an inventory of all non-capitalized equipment and report to Asset Management per policy. (See Observation #1)
	Access to Building (Keys & electronic access)	<b>Acceptable</b>	100%	Procedures in this area seem to be satisfactory and controls are adequate.
Financial and Accounting Controls	Expenditures: Purchase Orders, Expense Reports and IDTs	<b>Issue</b>	78/1934 4%	Minor issues regarding proper documentation were noted and addressed with the appropriate personnel. Testing revealed that independent contracts were being awarded to employees to perform similar work. Corrective actions have been taken. (See Observation #2, 3)
	Scholarships	<b>Acceptable</b>	14/14 100%	All scholarships were reviewed for compliance with criteria. No issues were found.
	Foundation Accounts	<b>Acceptable</b>	4/4 100%	All foundation accounts that processed expenditures were reviewed. Spending appeared to be within stated criteria.

	Financial Reporting and Monitoring	Issue	N/A	The Account Analysis is used to monitor expenses. Business Manager is devising ways to track expenditures and provide budget updates to Dean. Internal Audit provided consultation on use of Pivot Tables for reporting purposes. The FY 19 operating budget was exceeded with notable variance. (See Observation #5)
Personnel Controls	Payroll	Acceptable	12/42 28%	We reviewed payroll documentation of hourly employees to ensure that their time was entered appropriately and adequately documented. Documentation for one employee did not match documentation in the system. Since the migration to HCM, these procedures will be modified.
	Supplemental Pay, Stipends and Honorariums	Issue	10/10 100%	We reviewed all supplemental pay transaction. There is a wide variance of pay per course, and the 1/3 policy for supplement pay was exceeded. (See Observation #4)
	Benefit Usage	Acceptable	12/42 28%	We reviewed documentation for sick leave and vacation for all salaried employees. We found no issues.

## Observations, Recommendations, and Responses

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### Observation #1:

#### Non-capitalized assets were not tracked and reported to Asset Management

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##### Criteria (control framework or policy that establishes the standard)

As stated in the **Standard Administrative Policies and Procedures: University Capital Equipment and Depreciation of Capital Assets Policy**, each department has a fiduciary responsibility to manage Capital Equipment and non-capitalized equipment that is critical to operating.

Based on the policy, all departments are required to designate an Organization Property Administrators (OPAs). This individual is responsible for managing capital and non-capital sensitive equipment for their designated organization(s) throughout the equipment's lifecycle, from acquisition through utilization to disposition.

##### Condition (the current state based on testing)

Currently, the Honor's College has an individual designated to be the OPA for the organization, however this individual has not compiled and submitted a list of non-capitalize equipment through Asset Management.

##### Cause (the reason for the difference)

While the OPA has been established, at the time of the audit this task had not yet been assigned nor completed.

##### Consequence (low risk)

The resulting risk of not completing this assessment is minimal, however, if loss or theft occurred, limited record keeping of the original existence of the asset would be limited. Adequate records are necessary in order to make a claim for replacement.

##### Conclusion (action plans that address the condition, recommendations)

###### **Recommendation:**

It is recommended that Honors review and follow the University Capital Equipment and Depreciation of Capital Assets Policy and verify all non-capitalized equipment that is necessary for operation and submit this list through Asset Management.

**Response:** Honors accepts Observation #1. We are remedying the concern by setting up our Office Associate as the OPA who will track all non-capitalized assets per instructions from the Office of Asset Management. We have set January 24, 2020 as the deadline for verifying all non-capitalized equipment. Moving forward, we will review and update the asset list annually.



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## Observation #2:

### Independent contracts were awarded to current employees to perform similar work

---

#### Criteria (control framework or policy that establishes the standard)

As stated on the **Employee/Independent Contractor Determination Worksheet**, proper classification of a worker determines UW's tax withholding and reporting obligations and the system (payroll versus accounts payable) from which the working should be paid.

#### Condition (the current state based on testing)

During FY 2019, two lectures who were hired as hourly non-benefited employees. Their job duties were defined by their scope of employment. These same two employees were also paid (through accounts payable) as independent contractors to perform similar duties as defined in their contract for services.

#### Cause (the reason for the difference)

The Honors College is in a period of growth and needed courses taught as well as curriculum and program development. At the time of the agreement, it was believe that this was an allowable mechanism to acquire these elements.

#### Consequence (high risk)

It is important to make the correct worker classification determination before the work is performed. Paying a person who should be classified as an employee as an independent contractor can result in Internal Revenue Service penalties being assessed against the university. If the unit classifies a worker as an independent contractor and the IRS reclassifies them as an employee, the university could be responsible for all tax assessments, penalties and interest associated with the misclassification.

#### Conclusion (action plans that address the condition, recommendations)

##### **Recommendation:**

Correctly completing the Employee/Independent Contractor Determination Worksheet is an important first step in making and accurate determination. As a part of acquiring needed contract services, it is recommended that Honors work closely with Academic Affairs and review the determination ensure compliance with all applicable regulations.

**Response:** Honors accepts the conclusion in Observation #2. We have already addressed the problem and taken corrective action. For services in AY 19-20, we awarded no contracts and hired all candidates on either a full-time or part-time basis for services rendered. Moving forward, we will continue to review each individual hire with Human Resources and Academic Affairs to stay in compliance with UW regulations.

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**Observation #3:**  
**Documentation for some expenditures was not complete**

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**Criteria** (control framework or policy that establishes the standard)

All expenditures should be supported by adequate documentation. This includes an itemized receipt, hosting form, conference agenda, etc.

**Condition** (the current state based on testing)

The following issues were noted:

- Hosting documentation for meals and tickets were not consistently attached to required expenses
- Per diem was claimed for meals provided as a part of a conference registration
- Per diem rates were not accurately calculated

**Cause** (the reason for the difference)

The cause of missing documentation is usually an oversight issue on the part of the individual submitting the expenses.

**Consequence** (moderate risk)

A comprehensive review of documentation that supports each transaction is a critical internal control. Requiring adequate documentation is a first-line defense against errors, misuse, and fraud.

**Conclusion** (action plans that address the condition, recommendations)

**Recommendation:**

Proper and adequate documentation should be attached to expenditures, and review given to ensure that the expenditure is within budgetary limitations.

**Response:** Honors accepts the recommendation in Observation #3. We will continue to work with our Cost Center Approvers and the Accounts Payables Office to ensure that we maintain proper documentation on all expenditures. Moving forward, we will continue to train staff and faculty about best practices in providing appropriate documentation.

---

**Observation #4:**  
**Supplemental pay for course instruction was not consistent, and policy limiting supplemental pay was exceeded**

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**Criteria** (control framework or policy that establishes the standard)

The University has established a limitation on supplemental pay that can be offered to full-time faculty on academic year (9 month) appointments. Procedurally, the Honors College makes teaching arrangements with faculty in return for supplemental pay as compensation.

**UW Regulation 5-2 Employment Provisions Applicable to All Personnel**

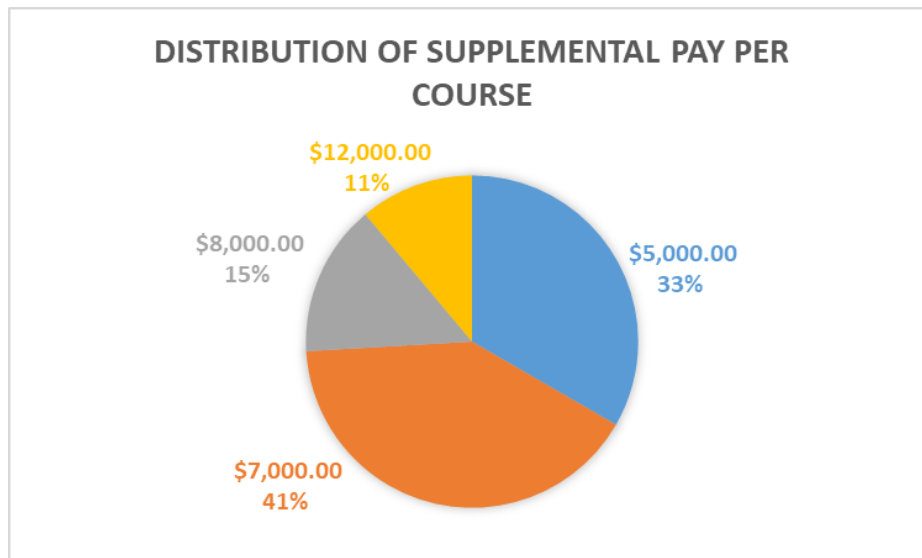
f. When approved by the appropriate University authorities, full-time employees on academic year appointments may earn up to one-third (1/3) of their base salary for services rendered during the period from Spring commencement to the Fall reporting date.

**Condition** (the current state based on testing)

In the testing, Internal Audit noted the following conditions related to compensating faculty through supplemental pay:

**1. Supplemental pay offered is not consistent.**

The testing of supplemental pay offered to secure faculty revealed a wide variance of payment per course. Historically, the Honors College has offered anywhere from \$5,000 to \$12,000 per course in supplemental pay. This varies from the practice in other colleges where a standard pay range per course is established. It was reported by Academic Affairs that this range varies by college, but tends to be between \$3,000 and \$7,500 per course and is justified by the level of the course and the experience of the instructor.



## **2. Supplemental pay exceeded 1/3 allowance**

In one instance, a faculty member exceeded their supplemental pay allowance. This occurred when Honors submitted the supplemental pay request and it exceeded the limit once it was totaled with obligations from other colleges. This caused the necessity for Academic Affairs to seek a special exemption to the policy so that the faculty member could be compensated for the class instruction that he had provided.

### **Cause (the reason for the difference)**

The Honors have very few designated faculty members so the program must work with other interdisciplinary instructors to teach courses to Honors students. In the past, this has been a process of negotiation between the Dean and the faculty member.

1. The reason for the wide variance in supplemental pay is that an allowable range had not been established. The amount that was offered to faculty was largely based on negotiations, history, and availability within their 1/3 allowance and not on a range that was justified by established parameters.

Work flow requires that Academic Affairs review and approve all temporary hires and supplemental pay requests. This occurred in HRMS as well as in HCM. Temporary hires and supplemental pay requests are allocated to the part-time line item so they are not subjected to a review that considers CPM (Central Position Management) which is done for full-time/benefited hiring requests.

When Academic Affairs reviews these requests for temporary hires and/or supplemental pay requests, they review term, title, and other fields to ensure completeness. Academic Affairs receives a high volume of temporary lecturer and supplemental pay requests which is why they rely on the department to submit requests that have been vetted and are in within budgetary guidelines.

2. The reason that Supplemental pay exceeded the 1/3 allowance in one instance was that the faculty member and other academic departments make additional teaching agreements “off-line.” These verbal obligations remain “off-line” until it is submitted to distribute the supplemental pay.

In the HCM (WyoCloud Human Capital Management) system, the administration of the Honors College cannot view supplemental pay that has been submitted by other colleges for employees not a part of their division. In order for Honors to obtain full disclosure of these obligations, a faculty member would have to self-disclose that he is obligated to supplemental pay in the future, and/or the Honors College would have to reach out to the home college to see if there are any obligations on record that have not yet been submitted. In order for Honors to have knowledge of verbal obligations that have been made, they must verify with the faculty member to ensure that the faculty member has available time in their 1/3 limitation.

### **Consequence (high risk)**

The lack of a supplemental pay range and the absence of ability and procedure to verify faculty availability within their 1/3 allowance will reduce the control and consistency that is provided by the Supplemental Pay policy.

The absence of procedures to verify faculty availability could put the faculty at risk of exceeding the 1/3 policy.

**Conclusion** (action plans that address the condition, recommendations)

**Recommendation:**

1. It is recommended that Honors develop a standardized range for supplemental pay that is justified by course level and experience of the instructor. This process will also aid in budgeting and honoring spending limitations.
2. Before Honors commits a faculty member to course instruction, availability should be verified. This could include:
  - a. Refer to available budget in making staffing decisions
  - b. Review the supplemental pay policy with the faculty member
  - c. Have faculty confirm and verify their prior and future obligations with other units
  - d. Verify and communicate with the other department, and calculate availability within the fiscal year to verify faculty's ability to provide instruction for the Honors College.

**Response:** Honors accepts the recommendations in Observation #4. The Honors College will move expeditiously to establish clear and equitable policies on salaries. The Honors policy on supplemental hiring and salary will incorporate all aspects of the auditor's recommendations in #2 above.

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## Observation #5: FY 19 budget experienced notable variances

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### Criteria (control framework or policy that establishes the standard)

Based on **UW Regulation 7-1** University’s Operating Budget the “...overall operating budget shall include all sources of revenue, of whatever nature, all expenditures, and all cash and cash equivalents funds or reserves.”

The operating budget is a compilation of budgets submitted by individual units and thus, the individual units must present a budget that accurately anticipates revenue and expenditures in their achievement of strategic objectives.

### Condition (the current state based on testing)

During FY 2019, the Honors College experienced revenue and expenditure variances related to their Unrestricted Operating budget.

Internal Audit performed the following analysis of revenue and expenditure categories. **This is not a finalized statement of financial outcomes. These values could change slightly after adjustment have been made and the year has been closed.**

#### FY 2019 Budget Analysis

Category	Actuals	Budget	Variance Totals	% over Budget
Revenue	\$ (361,775.74)	\$ (120,423.00)	\$ 241,352.74	200%
Payroll	\$ 1,328,597.07	\$ 1,102,984.01	\$ (225,613.06)	20%
Services, travel, and supplies	\$ 219,116.65	\$ 136,592.01	\$ (82,524.64)	60%
Internal Services	\$ 34,010.96	\$ 13,600.00	\$ (20,410.96)	150%
<b>Total:</b>	<b>\$ 1,219,948.94</b>	<b>\$ 1,132,753.02</b>	<b>\$ (87,195.92)</b>	<b>8%</b>

### Cause (the reason for the difference)

The variances noted in the table above is the result of multiple situations:

- The Honors College is in a period of growth as noted by the increase in revenue. The Honors College received more students than anticipated and this resulted in them acquiring more revenue than anticipated (200% more than budgeted). With the increased enrollment came the obligation to offer additional courses, secure additional faculty, which resulted in increased spending in other areas. A large portion of the payroll variance was due to supplemental pay and associated benefits to secure faculty for teaching Honors courses.
- Over the last few years, the college has made the transition from a “program” operation to a “college” which has involved a reengineering of operations. The development of the budget to accurately anticipate revenue, expenditures, and obligation on University funds has been in a process of development.
- Mechanisms to check and track transactions against the available budget have not been refined. In the past, promises were made by the leadership to secure instruction prior to checking the availability of funds.

- Since the Honors College has only a few designated staff, the college will support training and other expenditures for faculty in other departments in exchange for their contribution toward the Honors' objectives. As expenditures are processed by these faculty members against the Honors' budget, they originate from departments across campus. Due to the current work-flow these go directly to the cost center approver in Academic Affairs. This process does not give Honors the opportunity to review the transaction for compliance with agreements, check the transactions against the budget, and ensure that proper documentation is attached.

### Consequence (high risk)

*Budgeting* is the outcome of strategic planning and the act of estimating future costs and taking steps to ensure that these estimates aren't exceeded without good reason. Establishing an accurate budget and monitoring expenses against that budget is crucial to controlling spending, guiding decisions, and ensuring that objectives are achieved.

In the absence of strategic planning that involves intentional decisions and close monitoring of expenditures, Honors will have a difficult time planning resources and have a difficult time spending within those parameters.

### Conclusion (action plans that address the condition, recommendations)

#### **Recommendation:**

Since the Honors College is in a period of growth, it is recommended that Honors continue to identify the financial needs of its operations based on strategic planning of revenue and resources. The planning process might consider:

- Strategic objectives
- Anticipated revenues
- Related expenditures to meet strategic objectives

Accurately estimating these elements will facilitate the calculation of the obligation on limited University resources and variances can be minimized.

In addition, the management of expenditures against the budget needs to be carefully monitored.

It is also recommended that the Honors College work with Academic Affairs to potentially have expenditures that are submitted by individuals from outside of the Honors College reassigned to the Honors' Program Coordinator for review and approval. This will allow Honors the opportunity to review these transactions for compliance with agreements, budget tracking and to ensure that proper documentation is attached.

**Response:** Honors accepts the recommendations in Objective #5: To address revenue issues, the Honors College will work closely with the Budget Office and Accounts receivable to build a more accurate timeline of when revenue will be applied to the Honors budget. We will develop strategic planning of revenue and resources that will allow us to budget more effectively and that will allow the budget to support our operations more efficiently.

In order to develop a strategic approach to revenue and resources:

Honors will better manage expenditures by implementing an expenditure request form that will track funding requests, expenditure processing, and reconciling. Development of this form is currently underway.

Honors will continue to work with Cost Approvers and Academic Affairs to improve our management of expenditure requests from external units. Our goal is to ensure that requested funds are used appropriately.



## **Distribution List**

Neil Theobald, Acting President of the University of Wyoming  
Kate Miller, Provost and VP for Academic Affairs  
Peter Parolin, Dean for the Honors College

## **Appendix 1: Standards and policies that impacted the audit**

- **SAPP University Capital Equipment and Depreciation of Capital Assets Policy**

ORGANIZATION PROPERTY ADMINISTRATOR (OPA)

A. Designation

Every campus Organization must designate at least one Organization Property Administrator (OPA). The Asset Management Office will formalize this designation through an agreement with the OPA and the Organization's Senior Financial Officer or Business Manager.

B. Responsibilities and Training

The OPA must manage Capital (and non-capital) Equipment for the OPA's individual Organization(s) in accordance with policy for the equipment's entire lifecycle, from arrival on campus through final disposition. Personnel designated as OPAs must undergo training developed and provided by the Asset Management Office within 30 days of designation.

- **UW Regulation 5-2 Employment Provisions Applicable to All Personnel**

A. Supplementary Compensation

1. From Funds Disbursed Through the University

Full-time employees during their regular terms of service shall not have their salaries supplemented from University grants, contracts, or other University sources except for:

- a. Employment in extension classes, noncredit programs, and similar activities scheduled through adult education programs.
- b. Occasional employment at University-sponsored events such as ticket selling at athletic events, or similar duties.
- c. Overtime payments when required by the employee contract or by applicable state or federal law.
- d. Employment as part-time instructor, lecturer or professional employee, where the appointing department, with the approval of the employee's vice president or administrative officer, determines that:
  - (1) The employment will not interfere with the performance of the employee's regularly assigned duties;
  - (2) The part-time duties to which the employee is assigned on a supplementary basis require instructional or professional expertise that is not available through regularly appointed academic personnel or professional employees or through part-time appointment of non-University personnel;

- (3) The supplementary assignment does not exceed the equivalent of one regularly scheduled three-hour credit course in any calendar year; and
  - (4) The supplementary assignment is not recurring and is not in addition to the maximum time allowed for consulting as outlined below.
- e. Employment on grants, contracts and similar University-funded activities where the work is in addition to the individual's regularly assigned duties under limited conditions and for a limited period of time. Such employment may be approved when:
- (1) The essential services cannot be provided by persons employed or receiving salary support under the grant;
  - (2) It is not possible to relieve the employee of part of usual duties;
  - (3) The project is one for which another department has principal responsibility; and
  - (4) The overload will not exceed twenty (20) days per academic year or twenty-four (24) days per fiscal year as determined by the employee's period of appointment and shall not be in addition to the maximum time allowed for consulting as outlined below.
- f. When approved by the appropriate University authorities, full-time employees on academic year appointments may earn up to one-third (1/3) of their base salary for services rendered during the period from Spring commencement to Fall reporting date.

When approved by the appropriate University authorities, employees who have been granted a sabbatical leave may receive compensation from sponsored research grants and contracts awarded to the University, up to a maximum of forty (40) percent of their approved academic year salary, if funding from the grant or contract is an integral component of the sabbatical proposal.



**Internal Audit Department**

*Dedicated to Improving Operations and Accountability*

**Expenditure Processing Review**

September 26, 2019

Auditors:

Kathleen Miller

Danika Salmans

Integrity ♦ Proficiency ♦ Objectivity



Internal Audit  
1000 E. University Ave.  
Laramie WY, 82071

September 26, 2019

Board of Trustees  
University of Wyoming

Internal Audit has completed a review of Expenditure Processing. This topic was selected because the implementation of WyoCloud has created a significant change in the processing of transactions, work-flow, and access to reports regarding financial information for each unit. The primary objective was to evaluate the adequacy of internal controls over the processing of expenditures. In order to meet professional and due diligence standards, it is necessary that Internal Audit evaluate the new system.

The original review was completed in August of 2019. This report constitutes a reexamination of the data, policies and standards. Please find the executive summary and report immediately following the table of contents.

The attached report discusses the results of our review and includes an evaluation of the current climate and utilization of the WyoCloud system from the user's perspective.

Sincerely,

Danika Salmans  
Internal Audit

Review of  
Expenditure Processing

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## **Executive Summary**

Internal Controls are designed to provide reasonable assurance that errors, misuse, and fraud will be prevented. Internal controls are the University's methods, systems and procedures for (1) protecting resources from waste, loss, theft or misuse (2) ensuring that resources are used in accordance with law, policy, and business intent and (3) producing reliable, usable, and understandable financial reports based on accurate and verifiable data.

The **OBJECTIVE** of this review was to:

1. Test the internal controls that are performed by the cost center approver to ensure they are adequate
2. Assess the workload presented to the cost center approver to ensure it allows for a proper review of transactions
3. Assess the end user's ability to obtain understandable and useful information from the system for the purpose of monitoring revenue and expenditures

The **RESULTS** of our testing revealed:

1. The results of a statistical test of internal control that is performed by the cost center approver appears to be working as assumed.
2. The results of the analysis of workload presented to the cost center approver revealed that there are some that spend up to half a day reviewing financial transactions. Due to the volume, this could be affecting the quality of the control that is performed by these individuals.
3. The financial users of the system that were surveyed reported that on average, they are needing assurance on the accuracy of the system reports and additional training to understand the outputs.

Since this was a review of the current status and not a traditional audit, recommendations and responses are not needed. Our review was a means to assess the current status of important internal controls. However, Internal Audit has formed a conclusion and Financial Affairs had provided comment on that conclusion.

## Review Objectives, Procedures, and Outcomes

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### **Objective 1:**

**Test the internal controls that are performed by the cost center approver to ensure they are an adequate preventative control.**

---

#### **Criteria** (control framework or policy that establishes the standard)

A critical component of the University's internal control environment over financial transactions is the review and approval of expenses by the cost center approver. This preventative (at the "front-end") control must be adequate to detect waste, loss, theft or misuse of assets. The cost center approver provides this preventative control in their review of submitted transactions.

In addition to reviewing expenditures for validity, appropriateness, and reasonableness, it is expected that the Cost Center Approver would assess each transaction for:

- Adherence to current UW policies:
  - Current UW policies that are related to the findings state that in order for a purchase to be valid it must have:
    - Per Diem cannot be collected for a meal that has been covered by conference registration (*UW Regulation 3-177, UW Regulation 7-5, Wyoming State Regulation 9-36-102a*)
- Adequate supporting documentation
  - Expenditures must be supported by an itemized receipt (*Procurement Card Policies and Procedures – June 2019*)
- Correctly allocated to appropriate chart field
  - A proper review should prevent financial statement misrepresentation
  - A proper review should ensure natural account aligns with actual expenditure

It is expected that all transactions are reviewed by the cost center approver for these components.

#### **Condition** (the current state based on testing)

Internal Audit tested the hypothesis that the University of Wyoming can be 90% confident that less than 5% of transactions fail the internal control that is performed by the cost center approver.

In order to test this hypothesis, Internal Audit conducted an attributed test of internal controls. We compiled all expenditures from cost center divisions across campus for the



months of June 2018-May 2019. The total number of expenditures that was a part of the population was 153,667 transactions. This total did not include IDT's, credits, or postal or copier services since these expenditures are processed differently.

In order to test the hypothesis, we used our analytical software to select a random sample of 233 transactions from the population. The hypotheses would be proven true if less than 7 deviations were noted in the sample.

This was a test of attributes of the internal control system so the dollar value of the expenditure was not relevant to the results of the evaluation.

We reviewed these expenditures for the elements stated above. If an expenditure had all the required elements, it "passed" the attribute test for internal control review.

In the testing, Internal Audit discovered 4 deviations in the sample of 233 transactions. Below is a summary of these deviations.

Number	Nature of Finding	Summary of Findings
1	<b>Expenditure does not align with description or business purpose</b>	The natural account indicates "Books, Subscriptions & Media Supplies." The Description indicates "Books for WY Teacher." However, the receipt is for Play-Doh and a wall-hanging. The inconsistency should be questioned and justification noted in documentation.
2	<b>Itemized receipt or invoice was not attached</b>	A sales order is attached to this expense rather than an invoice or itemized receipt. The total on the sales order does not match the amount charged. The actual invoice should have been attached to justify the expense. (Procurement Card Policies and Procedures)
3	<b>Motel stay exceeded conference</b>	The business purpose indicates that a conference was attended and registration was paid. It appears that the motel stay exceeded the conference by two days. Documentation should have included justification for additional nights in motel.
4	<b>Per Diem paid when not allowable; no justification provided</b>	A conference agenda was attached. Based on Policy (UW Regulation 7-5) per diem cannot be paid to an individual for which a conference registration has already provided a meal. There are legitimate reasons why per diem can be claimed in this situation, however this should have been included in the documentation.

Since only 4 deviations were discovered in the sample, the original hypothesis was validated.

**For an observed number of 4 deviations in a sample size of 233, the University can be 90% confident that the internal control error rate is no more than 3.4%.**

**Cause** (the reason for the difference)

Supporting documentation attached to expenditures should always be self-explanatory and not require verbal explanation. Supporting documentation needs to be present to provide evidence of the validity, appropriateness, and reasonableness of a financial transaction.

Internal Audit recognizes that a reason for the deviations is that the cost center approver might have explored some of these issues off-line through phone conversations and/or email to gain further clarification on the expenditure. However, we performed this review to assess the documentation provided in the system and assess whether sufficient documentation was present to support the transaction and whether internal control measures were effective.

**Consequence** (risk or effect)

The cost center approver performs an important function in the internal control process. In essence, they are a first-line defense against errors, misuse, and fraud. If they are not adequately equipped with knowledge, training, and time to perform a proper review of transactions, then this increases the risk of errant transactions being processed through the system.

It is encouraging that the internal control test passed the statistical test as current cost center approvers are attempting to fulfill this responsibility.

**Conclusion** (recommendations, action plans that address the condition)

An overall conclusion will be provided at the end of this review.

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## Objective 2:

### Assess the workload presented to the cost center approver to ensure it allows for proper review of transactions.

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#### Criteria (what should be based on control framework or policy)

Cost center approvers need to have adequate time to provide a thorough review of each transaction.

#### Condition (the current state based on testing)

The approving process through WyoCloud is automated using a work-flow process. Once submitted, the expenditure automatically flows to the approver(s) identified in the system. At the time of testing (May 2019), the University had identified 45 Cost Center approvers. Internal Audit utilized IDEA analytical software join the 153,667 transactions to the Cost Center approver that performed the review.

The review of transactions, if done appropriately can consume a considerable amount of time especially for those approvers with a high volume of transactions. In our assessment, we determined it could take 2-3 minutes per transaction to perform an adequate review. For example, a cost center approver may have to ask for additional information from the unit in order to understand the transaction. A cost center approver reported to Internal Audit that she spends more than half of her day reviewing transactions. The analysis validated this statement. This does not include her review of HR approvals and other transactions.

The distribution of transactions revealed that a small number of cost center approvers are reviewing a large portion of university transactions. The following table shows the statistics for the top 10 cost center approvers. The table also demonstrates the amount of time it takes to perform a minimal review assuming it takes two to three minutes per transaction. The full analysis can be found in the Appendix.

COST CENTER APPROVER	# OF Orgs	# of Transactions over 11 month period	Average Number of transactions reviewed per day	Average number of hours per day to approve if it takes 2 minutes per transaction	Average number of hours per day to approve if it takes 3 minutes per transaction
1	20	22,937.00	99	3.31	4.96
2	29	19,558.00	85	2.82	4.23
3	34	16,987.00	74	2.45	3.68
4	23	12,042.00	52	1.74	2.61
5	16	10,064.00	44	1.45	2.18
6	13	9,622.00	42	1.39	2.08
7	25	7,001.00	30	1.01	1.52
8	14	4,669.00	20	0.67	1.01
9	6	3,947.00	17	0.57	0.85
10	1	3,771.00	16	0.54	0.82

Figure 1 Distribution of Transactions per Cost Center Approvers

**Cause** (the reason for the difference)

The distribution of cost center approvers corresponds to organizations; however, some organizations have a significantly higher number of transactions than others, which creates a greater burden on these individuals.

The initial philosophy around the approval process was to limit the number of individuals with this level of authority. While that thought has its benefits, it has created a situation where some cost center approvers are overloaded with approvals and this compromises the internal control that this process was intended to provide.

**Consequence** (risk or effect)

Cost center approvers need to have adequate time to give a proper review of financial transactions when combined with their other responsibilities.

An opportunity for errant transaction to be passed through the system is created if expenditures are not reviewed adequately.

**Conclusion** (recommendations, action plans that address the condition)

Overall conclusions will be provided at the end of this review.

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### Objective 3:

## Assess the end-user's ability to obtain understandable and useful information from the system for the purpose of monitoring revenue and expenditures.

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### Criteria (what should be based on control framework or policy)

An end-user's ability to perform a financial analysis of processed transactions is an internal control activity. It includes an overall assessment of the financial position and a review of the comparison of expected revenue and expenses against those that processed. This review provides a detective (at the "back-end") control in ensuring transactions were processed completely and accurately.

The COSO internal control framework (Committee of Sponsoring Organizations of the Treadway Commission) establishes that:

"The organization obtains or generates and uses relevant, quality information to support the functioning of internal control."

The ability for users to obtain timely, accurate, complete, and understandable information in order to review transactions and monitor budget variances is an important internal control.

### Condition (the current state based on testing)

Internal Audit wanted to assess the end-users' perspective on obtaining understandable information by assessing report utilization, processing efficiency, and dependence on the system for delivering financial information. The survey asked the user to evaluate the following statements:

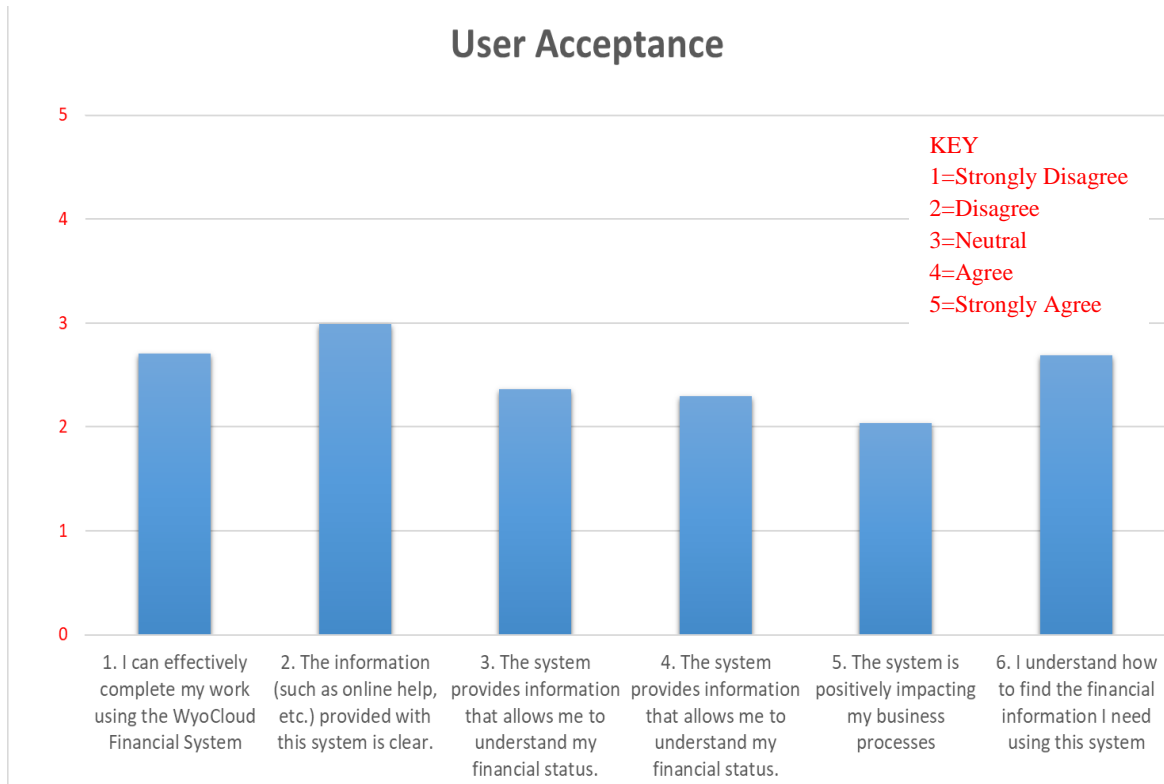
- Climate (1 – strongly disagree; to 5 – strongly agree)
  1. I can effectively complete my work using the WyoCloud Financial System.
  2. The information (such as online help, on-screen messages, and Quick Reference Guides) provided with this system is clear.
  3. I am confident in the information provided in the financial reports, and I believe it is complete and accurate.
  4. The system provides information that allows me to understand my financial status.
  5. The system is positively impacting my business processes.
  6. I understand how to find the financial information I need using this system.
- Report Utilization
  7. I use the following reports:
    - Account Analysis
    - General Ledger Balances Report
    - General Accounting Dashboard

- Outstanding P-card Transactions Report
  - Expense Report Information Report
  - Purchase Order Line Status
- Processing Efficiency (1-strongly disagree; to 5-strongly agree)
  8. The system quickly processes my transactions.
  9. Items are approved in a timely manner.
- Reliance on the system for financial information
  10. What do you use to monitor your budget vs. spending?
    - I use an Excel spreadsheet or other software to obtain my current balances.
    - I use a register to track expenses and deposits that have not cleared WyoCloud, and then use that information to adjust balances reported by WyoCloud.
    - I only use WyoCloud reports to monitor my current balances.

The survey was submitted to 185 office associates, accountants, business managers, and business operation managers across campus. We obtained 74 responses which is a 40% response rate.

**Climate:**

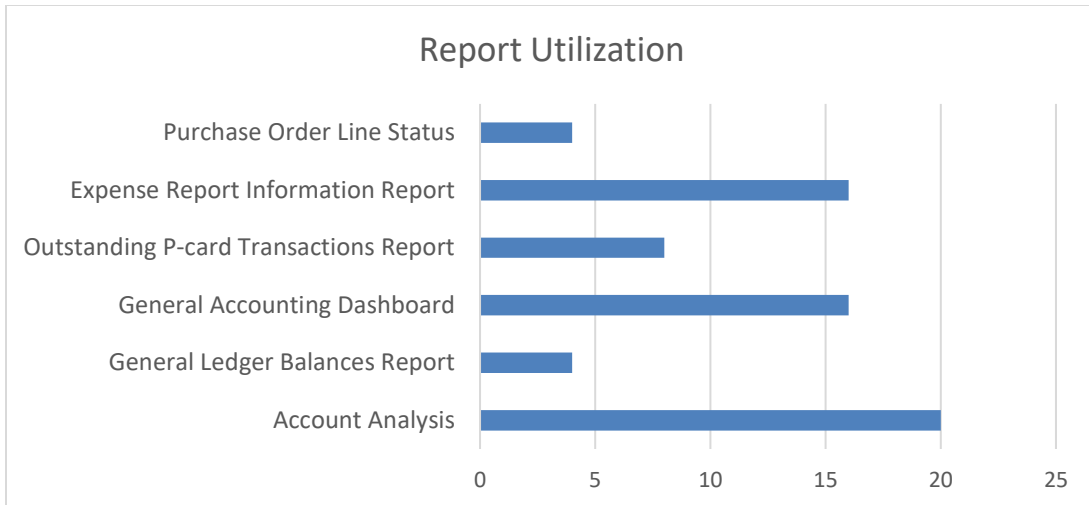
The questions regarding the adequacy and inclusiveness of the information provided to users revealed campus' comfort level with using the system and obtaining usable financial information. See the chart below:



These results indicate that users are still not experiencing the efficiency and effectiveness of the system. As the system continues to mature, and the WyoCloud Team continues to be responsive to user needs these responses should improve over time.

**Report Utilization:**

The WyoCloud Team has provided the campus with a variety of reports that can be used by various levels of users. The WyoCloud Team continues to develop new reports, and modify current reports in order to meet the needs of the various departments and their unique functions. The survey attempted to assess the reports that are being utilized by campus. The survey discovered the following results:

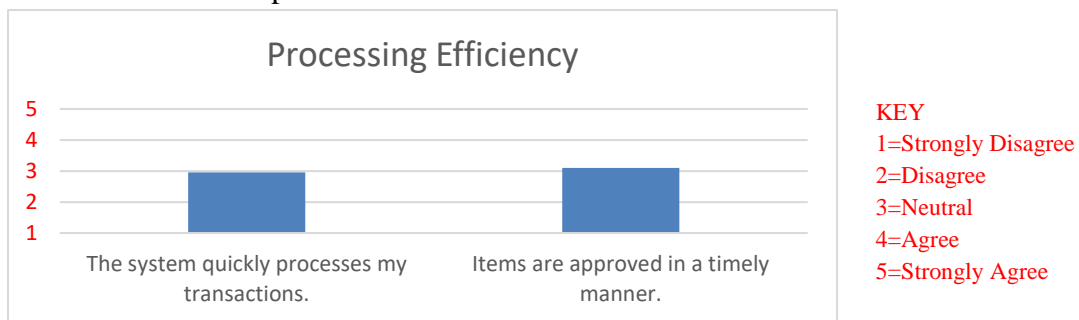


Twenty responders out of 74 reported using the Account Analysis, which is the most utilized report. This report is an inclusive report of accurate financial information, including budget, revenue, and expenditure information. Campus appears to be using a variety of available reports to aid in understanding their financial position as well as track expenditures.

**Processing Efficiency:**

After a transaction is entered into the system, it enters workflow where it is reviewed by approvers based on the organization and nature of the transaction. The speed at which transactions are processed affects the reliability of the financial reports. For example, if a cost center approver does not review the expense in a timely manner, it will not be processed through the system as expected.

The survey asked the users for their perception of how quickly the system processes their transactions. The responses are tabled below:



Overall, users are “neutral” on the speed of review and approval of transactions. Some issues with processing have been related to Inter-Departmental Transfers (IDT) as these are processed on a spreadsheet outside of the system and units may have to wait months before the transaction posts to their account. This is due to the manual nature of the IDT



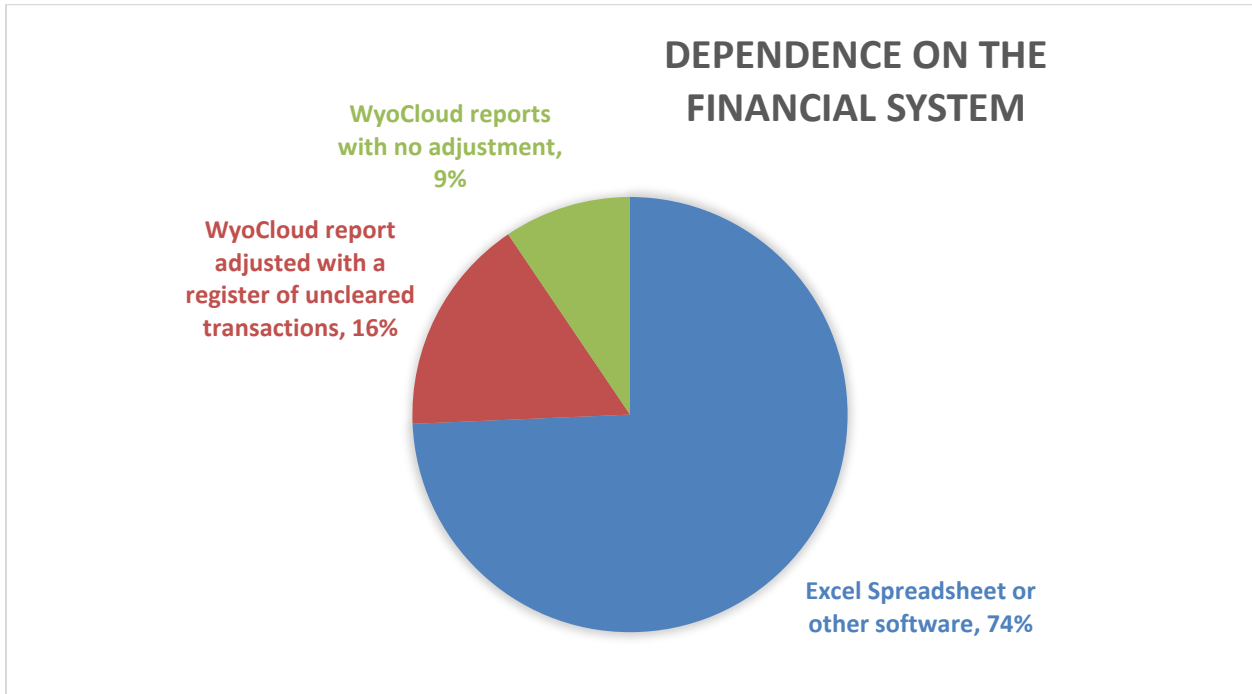
process. Currently, the WyoCloud Team is working on automating this process which should positively impact these numbers in future surveys.

**Dependence on Financial System:**

Trust in the financial data delivered on reports can be directly related to reliance on other systems including excel spreadsheets to deliver financial information.

Now that more reports are becoming available, units are moving away from their shadow systems and placing more dependence on WyoCloud reports for obtaining financial information.

The survey attempted to assess what users are currently utilizing to monitoring budget variances. The results are below:



That data revealed that 74% of users are still utilizing an excel spreadsheet or other software to understand their account balances. It is assumed that this tracking mechanism is an alternative to obtaining account balances that is not reconciled back to the main system.

It is anticipated that this practice should start to diminish as the system matures and trust in the financial reports grows. Typically a financial tracking spreadsheet is a necessary input-output control and it should be reconciled back to WyoCloud, however, in some cases, it is not.

While those practicing responsible accounting may maintain a register of transactions they have processed through WyoCloud, (much like a checkbook register) we would not expect them to be relying on a separate spreadsheet to deliver account balances that are not reconciled back to financial reports from the system. Best practices would indicate that if an account manager is keeping a register, it would be reconciled to WyoCloud.

#### **Cause (the reason for the difference)**

The Account Analysis report was released to campus in February of 2017, which was 8 months after the WyoCloud Financial System went live. While there were tools available to find inclusive information when the system went live, users were learning the new system processes themselves along with reconciliation and these tools were not significantly utilized. Up until the release of this report, users found it difficult to use the reports and tools that contained inclusive information; this created the initial reliance on external tracking spreadsheets.

The transition takes time and business processes across campus have had to be redesigned. Many of the responses represent the status of the transition which indicates that efforts still need to be made to meet end-user needs. In addition, end-users need to increase their understanding of the information that is contained in the reports. Internal Audit recognizes that this process takes time and perceptions of the users should be taken into consideration when assessing ongoing status.

#### **Consequence (risk or effect)**

Obtaining and reviewing transactional information is another important element in the internal control framework. Units need to be able to track the life-cycle of individual transactions and deposits from inception to reporting to ensure that all activity happened in the correct account and ensure it was accurately processed.

This input/output control is weakened if the acquisition of complete financial information from the system is hindered. This important control is also weakened if units choose to maintain alternative financial tracking systems to the exclusion of the WyoCloud financial system.

#### **Overall Conclusion (recommendations, action plans that address the condition)**

This review was an analysis designed to identify events that could adversely affect the achievement of objectives. The identified risks should be mitigated by internal controls. The internal control activities that have been discussed are preventative and detective in nature and are designed to provide reasonable assurance that errors, misuse or fraud would be detected in a timely manner.

- The processing of expenditures presents a significant risk to the assets of the University and thus adequate internal controls must be in place to mitigate this risk. Internal controls that are performed by the cost center approver tested to be adequate, however, ongoing training should be provided to cost center

approvers to keep them current on complete review expectations and acceptable documentation that should support each expenditure type.

- The review and approval process performed by the cost center approver is a critical component of the internal control environment, however, it is important that the individual has adequate time to perform a complete review of each transaction. For this reason, Internal Audit concludes that the volume of approval requests presented to each cost center approvers should be assessed to allow time for a proper review.
  - o The number of cost centers could be increased especially in high-volume areas.
  - o Or, individuals could be designated as the cost center approver instead of it being a task that is a part of an already full job description.
  
- Financial analysis and review of financial reports at the department level is an internal control activity where monthly and annual trends are analyzed and discrepancies are investigated. In addition, transactions are monitored to ensure they processed as expected. In order for this to occur, users need to have timely, accurate, complete, and understandable transactional information from the system. A continued collaborative effort should be given toward developing inclusive and transactional reports for users to review, and ongoing training should be provided to help end-users become comfortable with the information provided by the system.

### **Response**

The Division of Finance and Administration is dedicated to continuous process improvement, including developing additional training for end users, additional reporting, and reviewing controls within the system. It is this methodology that will continue to improve our processes and procedures as campus continues to adjust to the system.

The Division of Finance and Administration understands the analysis of the expenditures reviewed by Internal Audit. Even though the expenditure review showed only that the University can be 90% confident that the internal control error rate is no more than 3.4%, the Division of Financial Affairs will still continue to improve our training for Cost Center Approvers. Additionally, none of the four transactions reviewed effect audited financial statements, management reporting, or reporting to the Board of Trustees, presenting a lower-risk.

The Division of Finance and Administration is committed to working with leadership and units across campus to increase the number of Cost Center Approvers. During the implementation of this system in 2016, it was requested that the number of cost center approvers be limited to a select group. Given recent changes and that the system has now

been live for two years, there is more openness to increasing the number of approvers. In order to begin adding additional cost center approvers, The Division of Finance and Administration has developed a training for cost center approvers to take before they begin approving, drafted a new web form so end users can submit requests to change cost centers, and drafted a policy on the approvals/process needed to change cost center approvers. It is anticipated that adding Cost Center Approvers will also provide them more time to more clarify review transactions and increase internal controls.

The transition to a new enterprise resource system is a significant transition for any organization to make. According to Educause, only 5% of institutions go live with a new system in one year, and 20% take four or more years<sup>1</sup>. UW implemented this system in 12 months. Thus, we need to be realistic about a transitional timeline and allowing campus to learn the new system. The Division of Finance and Administration also believes that it is important to note that all official management, financial statement, and Board of Trustee financial reporting is generated directly from the new system. Thus, the continued use of shadow systems is a local/departmental/unit decision and does not impact nor drive the official financial reporting that is used by the University's leadership to make decisions or operate the institution. Prior to the new financial system, the entire organization (central units as well as local/departments units) were dependent upon shadow systems for financial information—this is not the case today. Provided below is more context and details regarding the specific approaches the Division is taking to meet the training, change management, and reporting needs of campus stakeholders.

### Campus Climate

In order to help campus transition, Financial Affairs sends regular email communications, holds working sessions for end users to come with their questions, holds a monthly campus presentation to share any updates/changes, uses the system to post communications, responds to user questions submitted to the help desk, makes office visits, continually creates and updates training materials, holds a user-group, and has recently launched a campus support team (Financial Affairs Support Team). With the change to the new system, significant business process changes occurred as well, such as the transition to accrual accounting. The information and reporting that is generated by the system has a level of detail and sophistication that did not exist in the prior system—thus the amount of data and level of detail can be overwhelming to campus users as they are learning to interpret, understand, and analyze the financial data in the new system. The Financial Affairs team will continue to work with campus to understand the information provided by the system.

### Reporting

<sup>1</sup> <https://er.educause.edu/~media/files/articles/2008/1/ers0204w.pdf?la=en>

Financial Affairs continually listens and responds to user feedback for the system, business process, and reports. For example, new reports related to grants were recently released to campus, allowing for greater financial transparency and tracking on grants across campus. Many of the reporting opportunities in the system also require a strong understanding of Excel. In order to help users utilize this powerful tool, the Financial Affairs Team in coordination with IT, host a training on pivot tables which has been well received by attendees.

### Processing Efficiency

Another area of learning for campus with this transition has been to understand that approving items in their worklist should be treated the same way as employees check their emails—on a daily basis. If employees regularly approve items in their worklist or via their email (another option), transactions process in a timely manner. In the event an employee is out, they can delegate their approvals to someone else in the system. The Financial Affairs team also launched a new IDT pilot process, which will assist with ensuring transactions are posted on a regular basis.

### Dependence on Shadow Systems

It is important to define what a “shadow system” is and how users understood this definition when they answered. There are two important items to note as well in relation to shadow systems. First, the final phase of this project, payroll, went live this last July. With the go live of payroll, users will, for the first time, be able to use one system to reconcile all of their expenses. Prior to July, users did need to use both our prior HR system and the current financial system to track expenditures. As campus can adjust to this final phase of the system and continue to build confidence in the system, dependence on shadow systems will continue to decrease. Second, the current system does not encumber payroll. While many institutions nationally do not encumber payroll, our campus users want this ability. Thus, many of them continue to maintain their shadow systems so they can “encumber” payroll. Some end users have created easy ways to do so using the Account Analysis report, while Oracle continues to develop the system so it can encumber payroll. Depending on how end users answered the survey/interpreted “shadow systems” it may have affected these responses. The Financial Affairs team needs to take this data and follow up with end users to more fully understand other reasons users are still maintaining shadow systems and work with them to more fully utilize the system.

## **Distribution List**

Neil Theobald, Acting President for the University of Wyoming

David Jewell, Associate Vice President for Budget and Institutional Planning

## Appendix 1: Cost Center Approver Transaction Distribution Chart

COST CENTER APPROVER	# OF Orgs	# of Transactions over 11 month period	Average Number of transactions reviewed per day	Average number of hours per day to approve if it takes 2 minutes per transaction	Average number of hours per day to approve if it takes 3 minutes per transaction
1	20	22,937.00	99	3.31	4.96
2	29	19,558.00	85	2.82	4.23
3	34	16,987.00	74	2.45	3.68
4	23	12,042.00	52	1.74	2.61
5	16	10,064.00	44	1.45	2.18
6	13	9,622.00	42	1.39	2.08
7	25	7,001.00	30	1.01	1.52
8	14	4,669.00	20	0.67	1.01
9	6	3,947.00	17	0.57	0.85
10	1	3,771.00	16	0.54	0.82
11	12	3,596.00	16	0.52	0.78
12	1	3,532.00	15	0.51	0.76
13	2	3,322.00	14	0.48	0.72
14	1	3,322.00	14	0.48	0.72
15	3	3,292.00	14	0.48	0.71
16	7	2,975.00	13	0.43	0.64
17	1	2,037.00	9	0.29	0.44
18	1	1,830.00	8	0.26	0.40
19	6	1,827.00	8	0.26	0.40
20	3	1,820.00	8	0.26	0.39
21	3	1,627.00	7	0.23	0.35
22	5	1,611.00	7	0.23	0.35
23	1	1,569.00	7	0.23	0.34
24	1	1,424.00	6	0.21	0.31
25	5	1,191.00	5	0.17	0.26
26	1	1,117.00	5	0.16	0.24
27	1	972.00	4	0.14	0.21
28	4	868.00	4	0.13	0.19
29	1	814.00	4	0.12	0.18
30	1	792.00	3	0.11	0.17
31	3	564.00	2	0.08	0.12
32	4	480.00	2	0.07	0.10
33	2	409.00	2	0.06	0.09
34	1	403.00	2	0.06	0.09
35	1	328.00	1	0.05	0.07
36	1	326.00	1	0.05	0.07
37	2	167.00	1	0.02	0.04
38	1	146.00	1	0.02	0.03
39	1	143.00	1	0.02	0.03
40	2	138.00	1	0.02	0.03
41	1	132.00	1	0.02	0.03
42	3	127.00	1	0.02	0.03
43	1	101.00	0	0.01	0.02
44	1	35.00	0	0.01	0.01
45	1	32.00	0	0.00	0.01
		<b>153,667.00</b>			

## **Appendix 2: Related UW Policies and Regulations**

### **Official University Travel and Reimbursement Policy Authorized by UW Regulation 7-5 Effective January 1, 2017**

#### **7. REIMBURSEMENT FOR TRAVEL THAT EXTENDS BEYOND ONE TWENTY FOUR (24) HOUR PERIOD**

f. In addition to meal and lodging expenses, the following actual expenses incurred as a necessary part of approved travel may be claimed. Receipts shall be required for claims in excess of fifteen dollars (\$15.00) on the travel expense voucher.

vii. registration/conference fees (The registration form and/or conference agenda must be attached to the travel expense voucher to show the respective expenses for each of the meals, lodging and/or banquets that were included in the registration fee. Separate claims for meals in lieu of those provided, whether paid or complementary, will not be allowed.)

8. REIMBURSEMENT OF EXPENSES FOR BUSINESS MEALS When an individual is required or authorized to host individuals for legitimate business purposes related to the mission of the university, they may receive reimbursement of the actual itemized receipted meal and gratuity expenses. Requests for reimbursement of meals qualifying as business meals under IRS regulations will not be taxable to the employee if full accounting is provided. Full accounting must include a statement on the travel expense voucher indicating the date of the breakfast, lunch or dinner, the location (city and establishment), the business purpose of the expense, or the business benefit gained or expected to be gained, and the nature of the business discussion, and information about the person(s) for whom the expense is being claimed of a sufficient nature to establish the business relationship.

9. REGISTRATION FEES Payment of registration fees must be supported by a copy of the registration form, conference agenda, or program itinerary showing any meals, lodging, or banquet fees that were included. The supporting documentation must be attached to the travel expense voucher to show the respective expenses for each of the meals, lodging and/or banquets that were included in the registration fee. Separate claims for meals in lieu of those provided, whether paid or complementary, will not be allowed. Fees specifically for personal entertainment, activities or sightseeing are not reimbursable



## **Procurement Card Policies and Procedures Revised June 2019**

### **J. Documentation and Receipts**

Substantiating your purchase with an itemized receipts a critical element of the procurement process. Itemized receipts provide detailed permanent records for accounting and auditing purposes. Many suppliers may initially provide a credit card receipt with only the total purchase amount reflected. Remember to ask for an itemized receipt to document each item purchased. You (or your delegate) will process p-card transactions in the expense module in WyoCloud. The corresponding receipt will be uploaded and attached to the expense item.

Documentation requirements for procurement card purchases are the same as for all university purchases. The cardholder must obtain the original sales documents (invoices, cash register tape, itemized credit card slip, e-mail confirmation, etc.) for all items. Cardholders (or their delegate) will save these documents as a file to be uploaded to the expense item for that p-card transaction. Note that the amount paid, including shipping, handling and sales tax (if tax-exempt status is not recognized), must be included on the receipt, invoice, or other documentation. Writing the cost by hand on the receipt not acceptable.



**Internal Audit Department**

*Dedicated to Improving Operations and Accountability*

**Follow Up Report  
Change of Management Audit for the College of Business**

October 14, 2019

Auditors:

Danika Salmans

Integrity◆Proficiency◆Objectivity

October 14, 2019

**RE: Follow Up Report  
Change of Management Audit for the College of Business**

Board of Trustees:

Internal Audit has completed the Follow-Up review of the Change of Management Audit for the College of Business. This audit was originally completed in December 2018 and a follow-up report was required to be finalized in six months after the initial audit. The purpose of follow up is to ensure that management has implemented their action plan, and that it has addressed the issues.

The International Standards require internal audit activities to ensure that management has taken actions to effectively implement their action plans or have accepted the risk of not taking action.

In the review of the progress management has made toward the observations, the College of Business, Dean's Office has completed the implementation of objectives as indicated in their responses to the original audit.

Since all observations have been addressed in accordance with management's action plan, this audit is now closed.

The following table summarizes the recommendations, responses and current status of the observations that were noted in the audit.

Observations	Summary of Recommendations	Summary of Response and Action Plan	Current Status: <i>(Pending, In Progress, or Complete)</i>
<b>1. Revenue budgets should be more accurately anticipated</b>			<b>COMPLETE</b>
	The College of Business should identify tools to more accurately forecast their revenues.	We entirely agree that it is critical to project accurate costs and revenues for colleges on an annual basis. The challenge is to use the emerging fiscal system and associated reporting systems to create such projections. We are optimistic that recent changes in the budget system and associated processes will allow a more accurate projection for this year.	The college had \$495,000 of support returned to our budget effective July 1, 2020.
	An analysis of foundation funds and their use as operating funds should be made to determine if this is a sustainable approach since the only sustainable funding from the foundation is the annual interest earned.	The college now has permanent leadership aimed at directing the excellence funds towards strategic priorities including: building maintenance, technology and furniture (~25%), enhanced research activities (~25%), improved teaching and learning (~25%), and support for the operations of the dean's office and college (~25%).	Effective this fall, we began utilizing our freed up excellence endowments to support the five goals of our strategic plan: 1. Student experience, 2. Research, 3. Statewide outreach and engagement, 4. Global connections and 5. Quality online offerings.
<b>2. Expenditure tracking spreadsheet should be validated</b>			<b>COMPLETE</b>
	The expenditure tracking spreadsheet should be validated against or reconciled to the Account Analysis Report to ensure that budget totals, expenditure totals, and variance totals are accurately calculated.	The audit revealed a formula error which has since been fixed and now provides accurate validation.	The formula error was fixed and continues to provide accurate validation, and the updated internal tracking spreadsheet is regularly verified against the Account Analysis Report
<b>3. Special revenue generating projects should be documented and monitored</b>			<b>IN PROGRESS</b>
	Special revenue generating projects should be handled in a grant-like fashion in which expenditures and services are documented and clearly applied to the project.	Going forward, the Dean's Office will develop a template for required processes and information needed for future revenue opportunities.	The college is currently developing Standard Administrative Policies and Procedures (SAPP's) to be approved and published for all faculty and staff. This template and process are included and should be finalized this fall.

Observations	Summary of Recommendations	Summary of Response and Action Plan	Current Status: <i>(Pending, In Progress, or Complete)</i>
<b>4. The monitoring process for endowed and excellence chairs and professorships should be evaluated</b>			<b>IN PROGRESS</b>
	The Dean should implement some form of monitoring of endowed chairs to ensure that donor expectations are met.	The College of Business normally conducts five-year reviews of all endowed chairs – an approach consistent with best practices of many business schools. We will make these established processes more rigorous going forward.	The college is currently developing Standard Administrative Policies and Procedures (SAPP's) to be approved and published for all faculty and staff. Dean Sprott and Associate Dean Mason have been working on this process which should be finalized this fall. The plan is to have endowed chairs provide a plan and budget for the academic year, which will be evaluated as part of their annual review. The Dean will also solicit regular updates throughout the year.
<b>5. Cash handling of key deposits needs to be improved</b>			<b>COMPLETE</b>
	Cash handling of key deposits should be improved	The college has reviewed the current key checkout process and determined a new policy is warranted. The new process will eliminate the need for cash deposits from current permanent faculty, staff and students.	Key pads have been installed. Current key checkouts were verified and any deposits held were returned via the cashier's office. Deposits are no longer required except from non-COB faculty requesting classroom keys; they will pay a deposit via the cashier's office prior to receiving a key and receive a deposit from this office upon returning a key.
<b>6. All equipment over \$5,000 should be recorded and tagged in the University inventory system</b>			<b>COMPLETE</b>
	All items over \$5,000 should be recorded in the University Asset Management System and should be tagged with the appropriate inventory number.	The college will contact the property office to tag inventory exceeding \$5000. The college believes that there are few purchases above \$5000 to be tagged, but will confirm.	The college has an assigned Organization Property Administrator (OPA) which will maintain the required database and notify property of inventory to be tagged.

A copy of the full audit is available upon request.

I would like to thank David Sprott, Dean of the College of Business, and Karen Rhodine, Director of Business Operations, for the assistance I received with completing this follow-up report.

Sincerely,

Danika Salmans  
Senior Auditor



**Internal Audit Department**

*Dedicated to Improving Operations and Accountability*

**Follow Up Report  
Audit of Cashier's Office**

October 14, 2019

Auditors:

Danika Salmans

Integrity ♦ Proficiency ♦ Objectivity

October 14, 2019

**RE: Follow Up Report  
Audit of Cashier's Office**

Board of Trustees:

Internal Audit has completed the Follow-Up review of the Cashier's Office Audit. This audit was originally completed in February 2019 and a follow-up report was required to be completed in six months after the initial audit. The purpose of follow up is to ensure that management has implemented their action plan, and that it has addressed the issues.

The International Standards require internal audit activities to ensure that management has taken actions to effectively implement their action plans or have accepted the risk of not taking action.

In the review of the progress management has made toward the observations, the Cashier's Office has completed the implementation of objectives as indicated in their responses to the original audit.

Since all observations have been addressed in accordance with management's action plan, this audit is now closed.

The following table summarizes the recommendations, responses and current status of the observations that were noted in the audit.

Observations	Summary of Recommendations	Summary of Response and Action Plan	Current Status: <i>(Pending, In Progress, or Complete)</i>
<b>1. Currency in the vault should be reduced</b>			<b>COMPLETE</b>
	Currency in the vault be limited to not more than \$100,000 and not less than \$60,000.	Cashier's Office reduced the amount of cash in the vault.	We have implemented the reduction of cash-on-hand; we make more frequent deposits of cash to the bank, and deposit cash daily when possible.
	Bundled money should be routinely counted on a sample basis.	The Cashier's Office will add a routing counting of bills in the bundled money.	We have implemented a bundle-count audit, conducted every two weeks and noted in the physical ledger.
	Test the alarms as well as track and request tests from the Police on a regular basis.	The Cashier's Office will request monthly testing of the alarms	The Cashiers Office has implemented monthly testing of the alarms, including creating work orders if the alarms don't ring through.
<b>2. The procedures manual should be updated</b>			<b>COMPLETE</b>
	The procedures manual for the Cashier's Office should be updated with critical information including combination lock changes, segregation of duties, and alarm testing, etc.	The Cashier's Office will update the office procedure manual to include all recommendations.	<p>As of February 5th the procedures manual was updated.</p> <ul style="list-style-type: none"> <li>- The safe combinations will be changed in the event an employee leaves under negative circumstances; the combination to the vault door will be changed in the event of employee turnover (including the above circumstance) and annually (at the end of the calendar year).</li> <li>- The cashiers alternate primary reconciling duties, and the person reconciling the daily spreadsheet notes their initials on the primary sheet.</li> <li>- The fortnightly bundle audit, the testing of alarms, and the reduction in vault cash levels have been implemented and listed in the procedure manual.</li> </ul>
<b>3. The Cashier's Office should provide guidance to departments on appropriate processes.</b>			<b>COMPLETE</b>
	Mechanisms should be developed to provide instruction and guidance to departmental personnel working with cash	Cashier's Office will work with the WyoCloud team to develop Quick Reference Guides (QRG) for instruction and guidance regarding cash handling and department depositing as well as address other items.	Procedure documents for departments is available for distribution in the Cashiers shared drive. Additionally, the web site has been (and will be) updated with the latest information and forms for departments, as well as links to QRG's outlining all procedures.



A copy of the full audit is available upon request.

I would like to thank ShaeC Cooper, Head Cashier; Aaron Courtney, Associate Director of Student Financial Services; and Tim Keller, Associate University Controller; for the assistance I received with completing this follow-up report.

Sincerely,

A handwritten signature in purple ink that reads "Danika Salmans". The signature is written in a cursive style with a large initial 'D'.

Danika Salmans  
Senior Auditor



## **Update to FLAC Committee on Internal Auditor Search**



To: David N. Jewell, Associate Vice President for Financial Affairs

From: Aaron Courtney, Interim Director of Treasury Management;

Date: November 6, 2019

Re: Fiscal & Legal Affairs Committee (FLAC) Update on Intent to issue Request for Information for Investment Management services

The Division of Financial Affairs team intends to issue an Investment Management Services Request for Information (RFI) to explore options for the university’s daily liquidity management. Recently, Maketa Investment Group recommended the hiring of US Bank for the University of Wyoming Foundation’s investment needs. However, during the selection process Maketa did not consider the liquidity needs of the Financial Affairs team.

Our goal is to recommend a vendor to FLAC at the March 2020 meeting.

Investment Management RFI Timeline					
Introduce Intent to FLAC	Request sent to vendors	Information due from vendors	Provide update to FLAC	Presentations from firms	Recommendation of vendor to FLAC
November 2019	December 1, 2020	January 15, 2020	January 2020	February 2020	March 2020

The Financial Affairs team will focus on the following areas in the RFI:

- Work with university staff to understand cash flow projections to ensure that the investment strategy is consistent with the university’s liquidity requirements.
- Demonstrate the firm will act in a fiduciary capacity for the university.
- Manage on a daily basis the university’s separate investment portfolios pursuant to the specific, stated investment objectives.
- The professionals in the firm have extensive experience managing fixed-income investments.
- Reporting – Are monthly, and daily, reports available for the account?
- Integration with Wyoming Government Investment Fund (WGIF)
- Transparency of fees
- Investment philosophy and strategy and demonstrated investment performance.
- The firm has financial capacity and insurance to perform the requested services throughout the term of the contract.
- Experience with higher education institutions

**Combined Summary  
Brokerage Account and Bank Account**

**Statement Period  
10/01/2019 - 10/31/2019**

UNIVERSITY OF WYOMING

**Account Number**

**Total Account Value Summary - US Dollar (USD)**

This summary does not reflect the value of unpriced securities. Repurchase agreements are reflected at par value.

	Amount Last Statement Period	Amount This Statement Period	% Portfolio
Cash	\$ 0.00	\$ 0.00	0%
Money Market Mutual Funds	0.00	0.00	0%
Bonds	100,342,130.25	81,497,669.72	100%
Stocks	0.00	0.00	0%
<b>Total Account Value</b>	<b>\$ 100,342,130.25</b>	<b>\$ 81,497,669.72</b>	<b>100%</b>
<b>Value Change Since Last Statement Period</b>		<b>\$ (18,844,460.53)</b>	
<b>Percent Decrease Since Last Statement Period</b>			<b>19%</b>
<b>Value Last Year-End</b>		<b>\$ 121,168,214.58</b>	
<b>Percent Decrease Since Last Year-End</b>			<b>33%</b>

\*\*\*Includes amortized Par value of municipal leases and notes.

**Total Income Summary USD**

	This Period	Year-To-Date
Interest	\$ 112,500.00	\$ 1,503,365.82
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	0.00	0.00
Other	0.00	0.00
<b>Income Total</b>	<b>\$ 112,500.00</b>	<b>\$ 1,503,365.82</b>

**Total Interest Charged USD**

Description	This Period
Debit Interest For October 2019	0.00
<b>Total Interest Charged</b>	<b>\$ 0.00</b>

**Total Money Market Mutual Funds Summary USD**

Description	Amount
<b>Opening Balance</b>	<b>\$ 0.00</b>
Deposits and Other Additions	0.00
Distributions and Other Subtractions	0.00
Dividends Reinvested	0.00
Change in Value	0.00
<b>Closing Balance</b>	<b>\$ 0.00</b>

# Brokerage Account Statement

Statement Period  
10/01/2019 - 10/31/2019

UNIVERSITY OF WYOMING

Account Number

## Account Value Summary *USD*

This summary does not reflect the value of unpriced securities. Repurchase agreements are reflected at par value.

	Amount Last Statement Period	Amount This Statement Period	% Portfolio
Cash	\$ 0.00	\$ 0.00	0%
Money Market Mutual Funds	0.00	0.00	0%
Bonds	0.00	0.00	0%
Stocks	0.00	0.00	0%
<b>Total Account Value</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>0%</b>
<b>Value Change Since Last Statement Period</b>		<b>\$ 0.00</b>	
<b>Percent Increase Since Last Statement Period</b>			<b>N/A</b>
<b>Value Last Year-End</b>		<b>\$ 0.00</b>	
<b>Percent Increase Since Last Year-End</b>			<b>N/A</b>

## Income Summary *USD*

	This Period	Year-To-Date
Interest	\$ 0.00	\$ 0.00
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	0.00	0.00
Other	0.00	0.00
<b>Income Total</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

## Interest Charged *USD*

Description	This Period
Debit Interest For October 2019	0.00
<b>Total Interest Charged</b>	<b>\$ 0.00</b>

## Money Market Mutual Funds Summary *USD*

Description	Amount
<b>Opening Balance</b>	<b>\$ 0.00</b>
Deposits and Other Additions	0.00
Distributions and Other Subtractions	0.00
Dividends Reinvested	0.00
Change in Value	0.00
<b>Closing Balance</b>	<b>\$ 0.00</b>

Account Number:

Daily Account Activity

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
<b>Transaction Activity USD</b>									
09/30/19	10/02/19	Purchase	313370US5	FEDERAL HOME LOAN BANK	2,000,000.00	101.0455165	(2,020,910.33)	(3,354.17)	(2,024,264.50)
09/30/19	10/02/19	Security Delivery	313370US5	FEDERAL HOME LOAN BANK	(2,000,000.00)	101.0455165	2,020,910.33	3,354.17	2,024,264.50
10/16/19	10/18/19	Purchase	4581X0CD8	INTER-AMERICAN DEVEL BK	4,000,000.00	100.4430000	(4,017,720.00)	(37,541.67)	(4,055,261.67)
10/16/19	10/18/19	Security Delivery	4581X0CD8	INTER-AMERICAN DEVEL BK	(4,000,000.00)	100.4430000	4,017,720.00	37,541.67	4,055,261.67
10/16/19	10/21/19	Purchase	313370US5	FEDERAL HOME LOAN BANK	2,000,000.00	101.1430000	(2,022,860.00)	(6,388.89)	(2,029,248.89)
10/16/19	10/21/19	Security Delivery	313370US5	FEDERAL HOME LOAN BANK	(2,000,000.00)	101.1430000	2,022,860.00	6,388.89	2,029,248.89
10/23/19	10/24/19	Purchase	912828K58	UNITED STATES TREASURY NOTE	2,000,000.00	99.9149320	(1,998,298.64)	(13,226.90)	(2,011,525.54)
10/23/19	10/24/19	Security Delivery	912828K58	UNITED STATES TREASURY NOTE	(2,000,000.00)	99.9149320	1,998,298.64	13,226.90	2,011,525.54

# Bank Account Statement

Statement Period  
10/01/2019 - 10/31/2019

UNIVERSITY OF WYOMING

Account Number

## Account Value Summary *USD*

This summary does not reflect the value of unpriced securities. Repurchase agreements are reflected at par value.

	Amount Last Statement Period	Amount This Statement Period	% Portfolio
Cash	\$ 0.00	\$ 0.00	0%
Money Market Mutual Funds	0.00	0.00	0%
Bonds	100,342,130.25	81,497,669.72	100%
Stocks	0.00	0.00	0%
<b>Total Account Value</b>	<b>\$ 100,342,130.25</b>	<b>\$ 81,497,669.72</b>	<b>100%</b>
<b>Value Change Since Last Statement Period</b>		<b>\$ (18,844,460.53)</b>	
<b>Percent Decrease Since Last Statement Period</b>			<b>19%</b>
<b>Value Last Year-End</b>		<b>\$ 121,168,214.58</b>	
<b>Percent Decrease Since Last Year-End</b>			<b>33%</b>

## Income Summary *USD*

	This Period	Year-To-Date
Interest	\$ 112,500.00	\$ 1,503,365.82
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	0.00	0.00
Other	0.00	0.00
<b>Income Total</b>	<b>\$ 112,500.00</b>	<b>\$ 1,503,365.82</b>

## Interest Charged *USD*

Description	This Period
Debit Interest For October 2019	0.00
<b>Total Interest Charged</b>	<b>\$ 0.00</b>

## Money Market Mutual Funds Summary *USD*

Description	Amount
<b>Opening Balance</b>	<b>\$ 0.00</b>
Deposits and Other Additions	0.00
Distributions and Other Subtractions	0.00
Dividends Reinvested	0.00
Change in Value	0.00
<b>Closing Balance</b>	<b>\$ 0.00</b>

Portfolio Holdings

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
<b>Bonds USD</b>								
912828G61	UNITED STATES TREASURY NOTE	11/30/19	1.500%	4,000,000.000	99.9714	3,998,855.40		
9128283H1	UNITED STATES TREASURY NOTE	11/30/19	1.750%	2,000,000.000	99.9910	1,999,820.20		
912828G95	UNITED STATES TREASURY NOTE	12/31/19	1.625%	12,800,000.000	99.9683	12,795,944.32		
3130AFQH3	FEDERAL HOME LOAN BANK	01/15/20	2.500%	2,000,000.000	100.1575	2,003,150.96		N
912828V31	UNITED STATES TREASURY NOTE	01/15/20	1.375%	4,000,000.000	99.9531	3,998,124.00		
3137EAE5	FREDDIE MAC	01/17/20	1.500%	5,000,000.000	99.9682	4,998,412.30		N
3135G0A78	FANNIE MAE	01/21/20	1.625%	2,000,000.000	99.9957	1,999,914.06		N
3133EKAF3	FEDERAL FARM CREDIT BANK	02/12/20	2.540%	4,000,000.000	100.2768	4,011,073.72		N
912828MP2	UNITED STATES TREASURY UNNT	02/15/20	3.625%	6,000,000.000	100.5430	6,032,578.14		N
912828UQ1	UNITED STATES TREASURY NT	02/29/20	1.250%	7,000,000.000	99.8750	6,991,250.00		
3133EFK63	FEDERAL FARM CREDIT BANK	03/04/20	1.250%	2,704,000.000	99.8922	2,701,085.28		N
313396UE1	FREDDIE MAC DISCOUNT NT	03/12/20	0.000%	3,000,000.000	99.4097	2,982,290.01		N
313396VJ9	FREDDIE MAC DISCOUNT NT	04/09/20	0.000%	3,000,000.000	99.2889	2,978,666.67		N
3137EAEF2	FREDDIE MAC	04/20/20	1.375%	2,000,000.000	99.8885	1,997,770.86		N
912828K58	UNITED STATES TREASURY NOTE	04/30/20	1.375%	6,000,000.000	99.8828	5,992,968.72		
313396WT6	FREDDIE MAC DISCOUNT NT	05/12/20	0.000%	2,000,000.000	99.1476	1,982,951.66		N
313396YF4	FREDDIE MAC DISCOUNT NT	06/17/20	0.000%	2,000,000.000	98.9886	1,979,771.66		N
912828Q2	UNITED STATES TREASURY NOTE	08/15/20	1.500%	2,000,000.000	99.9102	1,998,204.00		
313370US5	FEDERAL HOME LOAN BANK	09/11/20	2.875%	4,000,000.000	101.0683	4,042,731.20		N
912828V1	UNITED STATES TREASURY NOTE	09/15/20	1.375%	2,000,000.000	99.8164	1,996,328.12		
4581X0CD8	INTER-AMERICAN DEVEL BK	11/09/20	2.125%	4,000,000.000	100.3945	4,015,778.44		N
				81,504,000.000		81,497,669.72	0.00	

\*See important information regarding security pricing on Page 2.

\*\*Total amount that is pledged to or held for another party or parties. Refer to the Pledge Detail Report for more information.



Account Number:

**Daily Account Activity**

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
<b>Transaction Activity USD</b>									
09/30/19	10/02/19	Security Receipt	313370US5	FEDERAL HOME LOAN BANK	2,000,000.00	101.0455165	(2,020,910.33)	(3,354.17)	(2,024,264.50)
10/16/19	10/18/19	Security Receipt	4581X0CD8	INTER-AMERICAN DEVEL BK	4,000,000.00	100.4430000	(4,017,720.00)	(37,541.67)	(4,055,261.67)
10/16/19	10/21/19	Security Receipt	313370US5	FEDERAL HOME LOAN BANK	2,000,000.00	101.1430000	(2,022,860.00)	(6,388.89)	(2,029,248.89)
10/23/19	10/24/19	Security Receipt	912828K58	UNITED STATES TREASURY NOTE	2,000,000.00	99.9149320	(1,998,298.64)	(13,226.90)	(2,011,525.54)

**Income / Payment Activity USD**

10/02/19	10/02/19	Matured	3137EADM8	FREDDIE MAC			2,000,000.00		2,000,000.00
10/02/19	10/02/19	Interest	3137EADM8	FREDDIE MAC				12,500.00	12,500.00
10/17/19	10/17/19	Matured	912796SNO	UNITED STATES TREASURY BILL			4,000,000.00		4,000,000.00
10/21/19	10/21/19	Matured	3130ACM92	FEDERAL HOME LOAN BANK			2,000,000.00		2,000,000.00
10/21/19	10/21/19	Interest	3130ACM92	FEDERAL HOME LOAN BANK				15,000.00	15,000.00
10/21/19	10/21/19	Interest	3137EAEF2	FREDDIE MAC				13,750.00	13,750.00
10/24/19	10/24/19	Matured	912796SP5	UNITED STATES TREASURY BILL			15,000,000.00		15,000,000.00
10/25/19	10/25/19	Matured	313384NK1	FED HOME LN DISCOUNT NT			2,000,000.00		2,000,000.00
10/31/19	10/31/19	Interest	912828K58	UNITED STATES TREASURY NOTE				41,250.00	41,250.00
10/31/19	10/31/19	Matured	912828F62	UNITED STATES TREASURY NOTE			4,000,000.00		4,000,000.00
10/31/19	10/31/19	Interest	912828F62	UNITED STATES TREASURY NOTE				30,000.00	30,000.00

**Cash Activity USD**

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
10/02/19	10/02/19	Wires	WIRE TRANSFER FROM:		11,764.50
10/17/19	10/17/19	Wires	WIRE TRANSFER TO:	4,000,000.00	
10/18/19	10/18/19	Wires	WIRE TRANSFER FROM:		4,055,261.67
10/21/19	10/21/19	Wires	WIRE TRANSFER FROM:		498.89
10/24/19	10/24/19	Wires	WIRE TRANSFER TO:	12,988,474.46	
10/25/19	10/25/19	Wires	WIRE TRANSFER TO:	2,000,000.00	
10/31/19	10/31/19	Wires	WIRE TRANSFER TO:	4,071,250.00	

## Account Statement - Transaction Summary

For the Month Ending **October 31, 2019**

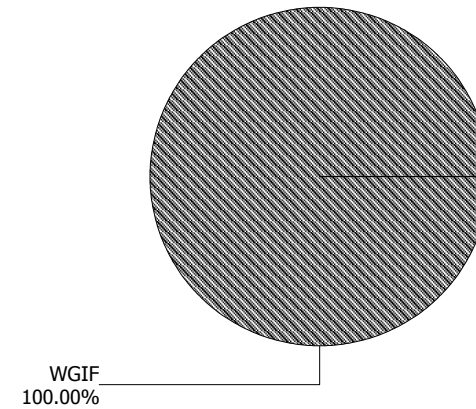
### UNIVERSITY OF WYOMING -

WGIF	
Opening Market Value	76,418,230.76
Purchases	15,809,668.83
Redemptions	(32,518,729.65)
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$59,709,169.94</b>
Cash Dividends and Income	109,169.94

Asset Summary		
	October 31, 2019	September 30, 2019
<b>WGIF</b>	59,709,169.94	76,418,230.76
<b>Total</b>	<b>\$59,709,169.94</b>	<b>\$76,418,230.76</b>

Asset Allocation	
WGIF	100.00%



## Account Statement

For the Month Ending **October 31, 2019**

### UNIVERSITY OF WYOMING

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>WGIF</b>					
<b>Opening Balance</b>					<b>76,418,230.76</b>
10/01/19	10/01/19	Redemption - Wire Redemption	1.00	(318,230.76)	76,100,000.00
10/02/19	10/02/19	Redemption - Wire Redemption	1.00	(700,000.00)	75,400,000.00
10/03/19	10/03/19	Redemption - Wire Redemption	1.00	(1,900,000.00)	73,500,000.00
10/04/19	10/04/19	Redemption - Wire Redemption	1.00	(2,400,000.00)	71,100,000.00
10/07/19	10/07/19	Redemption - Wire Redemption	1.00	(1,400,000.00)	69,700,000.00
10/08/19	10/08/19	Redemption - Wire Redemption	1.00	(5,000,000.00)	64,700,000.00
10/09/19	10/09/19	Purchase - Wire Purchase	1.00	400,000.00	65,100,000.00
10/10/19	10/10/19	Redemption - Wire Redemption	1.00	(300,000.00)	64,800,000.00
10/11/19	10/11/19	Redemption - Wire Redemption	1.00	(300,000.00)	64,500,000.00
10/15/19	10/15/19	Redemption - Wire Redemption	1.00	(2,300,000.00)	62,200,000.00
10/16/19	10/16/19	Redemption - Wire Redemption	1.00	(700,000.00)	61,500,000.00
10/17/19	10/17/19	Purchase - Wire Purchase	1.00	1,300,000.00	62,800,000.00
10/21/19	10/21/19	Redemption - Wire Redemption	1.00	(1,800,000.00)	61,000,000.00
10/22/19	10/22/19	Purchase - Wire Purchase	1.00	498.89	61,000,498.89
10/22/19	10/22/19	Redemption - Wire Redemption	1.00	(498.89)	61,000,000.00
10/23/19	10/23/19	Purchase - Wire Purchase	1.00	600,000.00	61,600,000.00
10/24/19	10/24/19	Purchase - Wire Purchase	1.00	13,400,000.00	75,000,000.00
10/29/19	10/29/19	Redemption - Wire Redemption	1.00	(2,200,000.00)	72,800,000.00
10/30/19	10/30/19	Redemption - Wire Redemption	1.00	(12,400,000.00)	60,400,000.00
10/31/19	10/31/19	Redemption - Wire Redemption	1.00	(800,000.00)	59,600,000.00
10/31/19	11/01/19	Accrual Income Div Reinvestment - Distributions	1.00	109,169.94	59,709,169.94

## Account Statement

For the Month Ending **October 31, 2019**

UNIVERSITY OF WYOMING

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>Closing Balance</b>					<b>59,709,169.94</b>
	<b>Month of October</b>		<b>Fiscal YTD January-October</b>		
<b>Opening Balance</b>		76,418,230.76		42,379,007.05	<b>Closing Balance</b>
<b>Purchases</b>		15,809,668.83		445,135,370.24	<b>Average Monthly Balance</b>
<b>Redemptions (Excl. Checks)</b>		(32,518,729.65)		(427,805,207.35)	<b>Monthly Distribution Yield</b>
<b>Check Disbursements</b>		0.00		0.00	1.91%
<b>Closing Balance</b>		<b>59,709,169.94</b>		<b>59,709,169.94</b>	
<b>Cash Dividends and Income</b>		109,169.94		1,233,211.04	