

**LONGWOOD UNIVERSITY**

**REPORT ON AUDIT  
FOR THE YEAR ENDED  
JUNE 30, 2008**

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***APA***

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**Auditor of  
Public Accounts**

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**COMMONWEALTH OF VIRGINIA**

## AUDIT SUMMARY

Our audit of Longwood University for the year ended June 30, 2008, found:

- the financial statements are presented fairly, in all material respects, with generally accepted accounting principles;
- certain internal control matters requiring management's attention; and
- instances of noncompliance and other matters required to be reported under Government Auditing Standards.

The University has successfully implemented a major enterprise administrative system, known as Banner, which includes finance, student, and financial aid modules. Banner has additional modules which gives the University the capability to expand the system into other administrative aspects of the institution. As with any major implementation of a modern system, there exists opportunities to further enhance operations and re-examine the system's impact on existing internal controls and processes.

As part of our audit process, we conducted a post-implementation review of Banner and have noted a successful implementation. In addition, we have found some opportunities which we believe can improve efficiencies, eliminate or reduce manual efforts, and potentially speed-up operations.

Additionally, there are areas where the University needs to re-examine their existing internal controls and processes in light of how Banner operates. Since Banner processes information and transactions differently than their legacy system, old internal control processes may no longer work effectively and new risks may arise.

This report on internal control and compliance contains two major sections. The first section, **Banner Implementation**, deals with the recommendations we identified as part of our system post-implementation review. We have further subdivided this section into Opportunities to Enhance Operations and Revisions to Internal Controls. The second section deals with **Other Internal Control and Compliance Matters**.

In addition, we have audited the basic financial statements of Longwood University as of and for the year ended June 30, 2008 and issued our report thereon dated May 26, 2009. Our report, included in the University's basic financial statements, is available at the Auditor of Public Accounts' website at [www.apa.virginia.gov](http://www.apa.virginia.gov).

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## AUDIT FINDINGS AND RECOMMENDATIONS

### Background

The University has successfully implemented a major enterprise administrative system, known as Banner, which includes finance, student, and financial aid modules. Banner has additional modules which gives the University the capability to expand the system into other administrative aspects of the institution. As with any major implementation of a modern system, there exists opportunities to further enhance operations and re-examine the system's impact on existing internal controls and processes.

As part of our audit process, we conducted a post-implementation review of Banner and have noted a successful implementation. In addition, we have found some opportunities which we believe can improve efficiencies, eliminate or reduce manual efforts, and potentially speed-up operations.

Additionally, there are areas where the University needs to re-examine their existing internal controls and processes in light of how Banner operates. Since Banner processes information and transactions differently than their legacy system, old internal control processes may no longer work effectively and new risks may arise.

This report on internal control and compliance contains two major sections. The first section, **Banner Implementation**, deals with the recommendations we identified as part of our system post-implementation review. We have further subdivided this section into *Opportunities to Enhance Operations* and *Revisions to Internal Controls*. The second section deals with **Other Internal Control and Compliance Matters**.

### Banner Implementation

#### Opportunities to Enhance Operations

##### eVA Interface

The University uses the Commonwealth's procurement system (eVA) for purchasing goods and services. eVA allows for an interface to Banner and many of the other universities use this interface. We recommend the University use this interface to improve Banner functionality, staff efficiency, and internal controls.

The interface allows a transaction to still originate in eVA, have the procurement occur in eVA, but transfer the completed procurement transaction information to Banner's procurement module. By using the interface and Banner's procurement module, the following can occur.

- Allows for online, three-way matching of purchasing, receiving, and invoicing information, eliminating the need to manually perform the match and re-enter data into Banner.
- Replaces manual processes with automated processes for identifying and capitalizing fixed assets. This would also allow the University to use Banner's fixed asset module, which they already own, in lieu of maintaining the current asset system which is outdated.
- Reduces the workload in Accounts Payable by eliminating the need to re-key account coding.

### Budgetary Controls

The University sets individual budgets for departments as part of the budgetary control process. Currently, when a department wishes to make a purchase greater than \$5,000, the Budget Department must manually determine if the department has sufficient unencumbered funds to make the purchase. For all purchases less than \$5,000 no such budget check occurs.

Banner has the capability of performing automated checks of budget availability for all purchases; however, this functionality requires the University to use Banner's Procurement module. As described above, by using the eVA interface, Banner's Procurement module would contain the required information to allow the University to perform budget checking for all purchases and prevent departments from overspending their budgets.

### Paperwork Reduction

The Banner modules have sophisticated processes that eliminate the need for paper by routing transactions electronically for review and approval. This electronic routing and approval process is referred to as workflow. Below are some examples of areas where the University could reduce paper and improve efficiencies by using workflow.

- Preparing and approving on-line journal entries, eliminating the need to prepare manual entries for approval, review, and entry into the system.
- Using recurring accounts payable and journal voucher entries to reduce paperwork and allow automatic posting.
- Using the automated student withdrawal process to eliminate the need to process manual withdrawals.

### Future Plans

The University has invested considerable resources implementing the Banner system. However, the University has not fully implemented several aspects of the existing modules and entire additional modules exist that the University did not implement. Some of these implementations may create efficiencies for the University.

While Finance and Administration staff noted they expect to continue their Banner enhancement and implementation efforts, the University has no written plan that identifies management's needs or priorities for further Banner system installations or improvements. By developing and implementing a detailed, written plan that addresses future upgrades and installations, management can set priorities based on need and funding.

### Revisions to Internal Controls

#### Reconciliations and Interfaces Between Banner and Third-Party Systems

The University uses a non-Banner product, RMS, to allow students to make their housing and meal plan selections via the Internet. Periodically, the University interfaces RMS to the Banner Student module to charge the student's account for their housing and meal selections. We found the University does not reconcile RMS data to Banner and therefore may not identify interface problems, potentially resulting in incorrect charges to a student's account.

Additionally, the University uses another non-Banner product, CBORD, to manage student meal plans. Students use their ID card (CBORD), in a manner similar to a debit card when purchasing their meals on campus. An interface with Banner is used to load the meal plan data into CBORD. However, we found the University does not reconcile CBORD to RMS or Banner and therefore, does not identify errors or irregularities that could occur from the interfaces.

We recommend the University periodically reconcile CBORD, RMS, and Banner housing and meal plan information to ensure the University properly billed all student accounts and no interface errors have occurred.

### Improve System Access

#### *Banner*

Our limited review of Banner user access identified 19 individuals with access that was inconsistent with their job responsibilities or not required to perform their job. We believe there are likely other individuals with inappropriate access, but due to the volume of data, time constraints, and audit resources we were unable to identify them all.

To manage Banner access, the University establishes user classes. These user classes generally relate to a specific job function and identify the Banner screens that the user can view or modify. Allowing access to inappropriate screens could compromise the University internal controls by accidentally reducing a proper separation of duties.

Department managers assign staff to the user class that best meets their job needs. For example, all accounts payable clerks generally have the same access needs and, therefore, Longwood has created one user class for them. Currently, the University has 102 Banner user classes and some classes give access to almost 1200 Banner screens. In addition, managers can assign individuals to more than one user class, creating an opportunity for inappropriate segregation of duties by virtue of the Banner screens they can access and what those screens allow them to do.

The University originally set up their Banner user classes by borrowing classes created by another Virginia university and the recommendations from their Banner implementation consultant. We found some of the classes give access to screens associated with Banner modules that the other Virginia university uses but Longwood does not.

We recommend that the University perform a comprehensive review of their user classes to ensure they meet the University's business needs and eliminate access to modules that the University does not use. Cleaning up the user classes will make it easier for business managers to perform periodic user access reviews without having to determine if the Banner screens are inconsequential to an individual's duties.

In August 2008, the University's Information Technology Department distributed user access reports to all University vice-presidents so they could review user access for appropriateness based on job functions and responsibilities. Although these access reports showed users and their assigned Banner user classes, it did not show the Banner screens associated with those classes. Given the quantity of user classes and associated screens, coupled with users' assignment to more than one class, we recommend that future user access reports provide the detailed class and screen information to enhance the review of user access.

## *eVA*

The University failed to deactivate the access of ten eVA accounts within one working day of the employees' termination as required by eVA security standards. These users had access for up to eight months after their termination date, leaving the University at risk that these individuals could continue to purchase from eVA since users can access the system through the Internet.

For two accounts, Human Resources notified the eVA Security Officer late of the terminations; however, access termination occurred within one day of notification. For eight accounts, the eVA Security Officer missed deleting them even though Human Resources provided timely notification.

eVA Security Standards require that security officers to review access quarterly. The eVA Security Officer could not provide documentation that there was a review for the third and fourth quarters of the fiscal year. If the eVA Security Officer had performed these reviews, we believe identification of the missed terminations would have occurred sooner. Although the University has documented procedures for terminating eVA user access and performing quarterly user access reviews, we recommend the eVA Security Officer and Human Resources be more diligent in following their procedures.

### Provide Audit Trail for Manual Student Account Holds Releases

The Banner Student System is effective in placing automatic holds on student accounts when the student owes the University money. In addition, Banner will automatically remove a hold when the student pays the balance. Having a hold on an account prevents the student from registering for future semesters, consistent with University policy.

Occasionally, it is necessary that cashiers manually release holds. This situation occurs most commonly during student registration, when students pay their balances and need the hold released immediately rather than waiting for the Banner system to automatically remove it. As a result, during our review of Banner access, we expected primarily only cashiers and staff within student accounting to have the ability to manually release holds. Instead, we found a total of 87 individuals campus-wide with this capability.

Given the number of individuals with this capability, we also attempted to review manual hold releases to determine why the release occurred, who did it, and if it was reasonable, but found this to be impossible because no audit trail exists. Although Banner allows storage of the manual hold releases in the database, the University chose to process manual hold releases differently. This decision results in the deletion from the database of the original hold and subsequent manual release records.

We recommend the University reconsider its decision to delete manual hold release data and instead use the Banner recommended process which will retain records in the database. This will provide for a complete audit trail of student account activity. Currently, the University is at risk of manually releasing holds and allowing students to register and attend classes without paying for previous semester charges, with no way to identify who released the hold.

## Other Internal Control and Compliance Matters

### Use eVA Workflow to Enforce University Policy

University policy requires the approval of all purchases made in eVA, regardless of dollar amount. However, our review of eVA user profiles determined that 159 of 218 (73 percent) eVA users have an expenditure limit of \$2,000 per purchase without any approver requirement. This places the University at risk because these users can make unlimited purchases, each up to \$2,000, with no approval.

Any unusual or fraudulent purchases would likely go unnoticed until the Accounts Payable Department receives the vendor invoice or credit card statement, up to 30 days after the purchase of items by the eVA user. In addition, one of the eVA users with a \$2,000 limit and no approver requirement is also an accounts payable staff member, who has the ability to enter and approve invoices in the Banner Accounts Payable module.

eVA's workflow feature provides the University with the ability to change the expenditure limits as well as add approvers to a user's access profile. Longwood should assess the reasonableness of the current \$2,000 limit given to most users and consider different thresholds for different users based on job responsibilities and need. In addition, the University should consider adding approvers in the workflow to reduce the risk of unusual or fraudulent purchases.

We also recommend that the University develop documented procedures for creating eVA user accounts. These procedures should include instructions to the individual requesting a user account regarding dollar threshold and approval workflow so the individual is aware of the risks associated with these areas and their responsibility as the account requestor. In addition, we recommend the University review and modify existing eVA user profiles where purchasing limits without an approver may be deemed too high.

### Require Detailed Coding for Purchase Card Transactions

During fiscal year 2008, the University spent \$4 million using purchase charge cards, representing at least 15 percent of the University's discretionary spending. The University limits the detail they obtain for these purchase card transactions in their accounting system and instead more generically combine them together.

By not obtaining additional information about the type of goods and services purchased with credit cards, management cannot effectively analyze its discretionary expenditures, particularly when looking for spending trends and where cost cutting can occur. Without more detailed coding, departments such as Budget cannot determine basic information, such as how much the University spends on hotel rooms versus meals, since the purchase card activity does not distinguish this level of detail.

We recommend that the University explore options to code purchase card transactions to the same degree of detail as they do traditional vendor invoices. These options should include training cardholders on how to code their purchase card activity.

### Improve Contingency Plan Testing

The University has not tested their continuity of operations or disaster recovery plans for their Banner systems. University standards specify that all directors or department heads have responsibility for periodically reviewing, testing, and updating their plans.

While there is some testing of backup tapes to ensure that the University can recover and begin operations, there has not been a complete test of the contingency plan or the disaster recovery plan. Without

having completed these tests, the University cannot guarantee the availability of these systems to continue operations in the event of an emergency. We recommend that the University allocate the necessary resources to test both the Continuity of Operations Plan and the Disaster recovery plan to help ensure that the availability of mission critical systems.

#### Properly Complete I-9 Forms

The University has implemented significant improvements in the procedures they follow to ensure that University employees and supervisors properly complete Employment Eligibility Verification forms (I-9) in accordance with guidance issued by the U.S. Citizenship and Immigration Services of the U.S. Department of Homeland Security. Even so, the decentralized nature of the I-9 process followed by the University has allowed several exceptions to the guidance to occur. The guidance requires the employee to complete, sign, and date the form on the first day of employment. Additionally, the employer or designated representative must complete, sign, and date the form within three business days of employment.

In our sample of 15 of these forms completed after June 30, 2008, we found one or more errors on four of the forms as follows:

- One employee did not sign and date the form on the first day of employment required in Section 1.
- The employer did not verify documentation for one employee within three business days of the employment start date required in Section 2.
- Two forms did not provide sufficient information from the verification documents, such as expiration date, issuing authority, and/or document number, required in Section 2.
- One form failed to list first day of employment in the Certification Section.

We recommend that the Human Resources Department continue to improve their processes by ensuring detailed training of all departmental staff who complete these forms, and developing broader procedures to ensure a review of all forms for compliance with federal regulations. The federal government has increased its enforcement efforts requiring employers to ensure that all new employees are legally entitled to work in the United States. Their increased enforcement makes having a good process in place to complete I-9 forms even more important.

#### Revise Calculation of Allowance for Doubtful Accounts

The University's calculation of its allowance for doubtful accounts does not include past-due student receivables sent to collection agencies. The purpose of the allowance for doubtful accounts is to estimate the amount of accounts receivable the University does not expect to collect and excluding accounts in collections from this estimate significantly distorts the collectability of receivables.

The University's method of calculating the allowance showed estimated uncollectible accounts totaling \$2,285 rather than the re-calculated allowance of \$333,158. The re-calculated allowance reconsidered the University policy requiring the Vice President for Administration and Finance agree to the write-off of any accounts under \$3,000.

We recommend that Longwood adopt a methodology for calculating an allowance for doubtful accounts that includes past-due student receivables sent to collection agencies. A more accurate calculation shows the receivable amounts the University will anticipate collecting and allows management to more accurately monitor its collection efforts.



# Commonwealth of Virginia

Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218

**Walter J. Kucharski, Auditor**

May 26, 2009

The Honorable Timothy M. Kaine  
Governor of Virginia

The Honorable M. Kirkland Cox  
Chairman, Joint Legislative Audit  
and Review Commission

Board of Visitors  
Longwood University

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

We have audited the financial statements of the business-type activities and aggregate discretely presented component units of **Longwood University** as of and for the year ended June 30, 2008, which collectively comprise the University's basic financial statements and have issued our report thereon dated May 26, 2009. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. We did not consider internal controls over financial reporting or test compliance with certain provisions of laws, regulations, contracts, and grant agreements for the financial statements of the component units of the University, which were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, but not in accordance with Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we

identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting. We consider the deficiencies entitled "Banner Implementation-Revisions to Internal Control," "Use eVA Workflow to Enforce University Policy," "Require Detailed Coding for Purchase Card Transactions," "Improve Contingency Plan Testing," and "Revise Calculation of Allowance for Doubtful Accounts", which are described in the section titled "Audit Findings and Recommendations", to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance and other matters that are required to be reported under Government Auditing Standards. An instance of noncompliance, entitled "Properly Complete I-9 Forms" and other matters entitled "Banner Implementation-Opportunities to Enhance Operations," are described in the section titled "Audit Findings and Recommendations."

The University's response to the findings identified in our audit is included in the section titled "University Response." We did not audit the University's response and, accordingly, we express no opinion on it.

#### Status of Prior Findings

The University has not taken adequate corrective action with respect to the previously reported finding "Properly Complete Employment Eligibility Forms." Accordingly, we included this finding in the section entitled "Audit Findings and Recommendations - Other Internal Control and Compliance Matters." The University has taken adequate corrective action with respect to audit findings reported in the prior year that are not repeated in this report.

### Report Distribution and Exit Conference

The “Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters” is intended solely for the information and use of the Governor and General Assembly of Virginia, the Board of Visitors, and management, and is not intended to be and should not be used by anyone, other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

We discussed this report with management at an exit conference held on May 21, 2009.

AUDITOR OF PUBLIC ACCOUNTS

HV/clj

**LONGWOOD**  
UNIVERSITY

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May 14, 2009

Mr. Walter Kucharski  
Auditor of Public Accounts  
P.O. Box 1295  
Richmond, VA 23218

Dear Mr. Kucharski:

The following are the responses to the BANNER Implementation recommendations and Other Internal Control and Compliance Matters findings issued to Longwood University following the recent audit of the University's June 30, 2008 financial statements.

**BANNER Implementation**

As part of the audit process, the Auditor of Public Accounts conducted a post-implementation review of Banner and noted a successful implementation. In addition, opportunities were noted to improve efficiencies, eliminate or reduce manual efforts and potentially speed up operations. The BANNER review was divided into Opportunities to Enhance Operations and Revisions to Internal Controls. 

Opportunities to Enhance Operations included recommendations for implementing the eVA interface, enhancing budgetary controls through use of the procurement module, using the workflow process to implement electronic routing and approval processes and creating a written plan to address future upgrades and installations.

Revisions to Internal Controls included completing reconciliations between BANNER and third-party systems, reviewing BANNER system access, timely deactivation of eVa accounts and providing an audit trail for manually released holds on student accounts.

**Opportunities to Enhance Operations**

Longwood University implemented BANNER in a phased approach. The Finance Module went live on July 1, 2006 and the Student Module was implemented on July 1, 2007. During Fiscal Year 2008, the University worked diligently to ensure that the system was working properly and that all financial data was being recorded appropriately.

*Office of the Vice President for Administration and Finance*

During the first year of operation of the system, time was devoted to the evaluation of encumbrances and their liquidation and to the eVA/BANNER interface. After this evaluation, it was decided that resources were not available to implement the eVA interface.

The University will evaluate the additional recommendations for BANNER efficiencies to determine if operations will be enhanced by implementation of these processes. A timetable for the implementation of further efficiencies will be developed by June 2010 in cooperation with the Information Technology Division at the University.

### **Revisions to Internal Controls**

The University will evaluate the opportunities to create reports to reconcile BANNER and third party systems. The University will also review every BANNER class and delete unneeded forms. These two processes will be completed by December 2009.

In order to improve the timely deactivation of eVA users, the ISO reminded the eVA Security Officer regarding the importance of following internal procedures. Additionally, the internal procedures documented in our eVA Security Plan have been updated to indicate access will be removed on or before user's termination date. This update will align our eVA Security Plan with existing University policies and the eVA Security Standards SEC501. The University notes that Managers are responsible for following University policies with regards to termination or transfers received by the supervisor in a timely manner. The eVA Security Officer and HR will draft a communication to all supervisors that University policies for termination and transfer will be followed.

To improve the process for lifting holds on student accounts, access to SOAHOLD will be reviewed. The number of employees with the access to modify holds will be limited to those with a specific need for this access. By August 2009, the University will determine if a BANNER audit feature exists that will create a log to serve as an audit trail for manually lifting holds.

### **Other Internal Control and Compliance Matters**

#### **Use eVA Workflow to Enforce University Policy**

The University will review all eVA user profiles to assess the reasonableness of expenditure limits. The University will further review all approvers in the workflow and adjust the approval limit where necessary. Additionally, the University will develop documented procedures for creating eVA user accounts and will provide training for individuals requesting accounts.

### **Require Detailed Coding for Purchase Card Transactions**

The University will begin coding small purchase charge card transactions to the specific sub object codes to facilitate detailed reporting. Training to explain the change in policy will be developed for small purchase charge card holders by August 2009.

### **Improve Contingency Plan Testing**

Longwood University is currently working with VDEM to complete the updates to the COOP plan. In addition, the University is updating its Technology Disaster Recovery Plan. The University will finalize the COOP and DRP testing no later than March 1, 2010.

### **Properly Complete I-9 Forms**

Even though Longwood University has received a repeat finding regarding proper completion of I-9 Forms, the Longwood University Office of Human Resources has, as acknowledged by the Auditor of Public Accounts, demonstrated significant improvement in the I-9 compliance process. As indicated in our February 11, 2008 response to the FY 2007 audit finding, we agreed to conduct training semi-annually, and have actually conducted several training sessions (5) in the last 13 months with the last session being held on April 29, 2009. As demonstrated, detailed training of department staff University-wide continues. Employment eligibility educational resources have been made available online since February 12, 2008, and have been specifically referenced in numerous communications and training notices that have been disseminated since May 7, 2008.

New procedures were implemented in February 2008 to review over 80% of sample I-9 forms of Longwood University employees (excluding students) on a post-audit basis, when the I-9s are not completed in HR directly. When issues of non-compliance have been detected, the Human Resources Office contacts the employer I-9 processor and conducts immediate remedial education. Testing of I-9 compliance conducted February 12, 2009 by Longwood University Department of Accounting and Financial Reporting resulted in 29 of 36 I-9 forms in compliance, and those not in compliance were I-9's being completed "in the field."

Human Resources will continue efforts to improve I-9 compliance, including continuing education efforts. In addition, a semi-annual report will be provided to respective Vice Presidents identifying employer representatives who are not complying with I-9 regulations so that corrective measures may be taken. It is important to note, while Longwood University has not achieved 100% I-9 compliance, Longwood University has hired only those individuals lawfully eligible to work in the United States.

**Revise Calculation of Allowance for Doubtful Accounts**

The University has created an Allowance Methodology based on review of the aging of past due accounts and information from collection activity. The University has developed aging reports in BANNER that will be used to appropriately age debt in the future. The amounts that were past due at June 30, 2007 were brought into BANNER in a lump sum. The University will manually review these accounts. Until an appropriate aging has been completed on the old debt, the University will use the entire amount at collection agencies as the allowance for doubtful accounts for those receivables.

If you have any questions or need additional information, please do not hesitate to contact me at (434) 395-2016 or [worsterks@longwood.edu](mailto:worsterks@longwood.edu).

Sincerely,



Kathy S. Worster, MBA, MAcc, CPA  
Vice President for Administration/Finance

Cc: Dr. Patricia Cormier, President  
Robert Murray, Internal Auditor  
Randy Sherrod, Controller

LONGWOOD UNIVERSITY

Farmville, Virginia

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