

# COUNTY OF ULSTER

P.O. BOX 1800  
KINGSTON, NEW YORK 12402

**Office of the Comptroller**

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**Elliott Auerbach**  
*Comptroller*

**Joseph Eriole, Esq.**  
*Deputy Comptroller*

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## Community College Chargeback Payments

### Report of Examination

College Year 2011-2012  
September 1, 2011 – August 31, 2012

November 15, 2012

**Prepared By:**

**Joseph Eriole, Esq, Deputy Comptroller**  
**Ronald E. Clum, CPA, Director of Internal Audit and Control**  
**Elizabeth Weredyk, Senior Auditor**

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November 15, 2012

Dear County Officials:

One of the County Comptroller's Office top priorities is to identify areas where county departments and agencies can improve their operations and services in order to assist county officials in performing their functions. This includes the development and promotion of short-term and long-term strategies to achieve reduced costs, improved service delivery, and to account for and protect the County's assets.

The reports issued by this Office are an important component in accomplishing these objectives. These reports are expected to be a resource and are designed to identify current emerging fiscally related problems and provide recommendations for improvement.

The following is our report on an unfunded New York State mandate commonly known as "College Chargebacks," and reflects the results of an inquiry covering the period of September 1, 2011 through August 31, 2012.

During calendar year 2011, Ulster County paid community colleges approximately \$2.8 million for our county students attending out of area community colleges. In contrast, Ulster County receives only a fraction of this amount as the result of out-of-county residents attending Ulster Community College, totaling \$80,480 for the same calendar year.

If we can be of assistance to you, or if you have any questions concerning this report, please feel free to contact us.

Respectfully submitted,

Ulster County Comptroller

COMMUNITY COLLEGE "CHARGEBACKS"  
SEPTEMBER 1, 2011 THROUGH AUGUST 31, 2012

**I. AUTHORITY**

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The Office of the County Comptroller conducted this report in accordance with the Comptroller's authority as set forth in Article IX, Section 57, first paragraph, and Sections 57(A) and (G) of the Ulster County Charter, as well as applicable State laws, rules and regulations.

**II. BACKGROUND**

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Under New York State Education Law, counties pay a "chargeback fee" when one of their residents attends a community college outside their home county. When the system was first enacted in the 1950's, the law was meant to create a three way partnership between the State, county and the student, with an expectation that each would share equally in the cost of providing educational services.

Today, however, the State share of annual operating and capital costs is much lower than it was when the law was enacted. The result is an ever-increasing unfunded mandate from the State.

The current process for determining appropriate chargeback rates is highly complex, inconsistent and not transparent. These calculations can also result in chargeback rates that change dramatically from year to year, making it difficult for counties to budget appropriately.

During calendar year 2011, Ulster County paid community colleges approximately \$2.8 million for our residents attending out-of-county community colleges. In contrast, Ulster County receives only a fraction of this amount as the result of out-of-county residents attending Ulster Community College, totaling \$80,480 for the same calendar year.

The sheer size of this expenditure makes it an appropriate target for audit and control review, since the implementation of careful controls and the consideration of short and long term policy may help to limit future expenditures.

COMMUNITY COLLEGE "CHARGEBACKS"  
SEPTEMBER 1, 2011 THROUGH AUGUST 31, 2012

**III. THE SAMPLE**

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For purposes of this study, we have focused on the six colleges with the highest charge-backs to Ulster County paid during calendar year 2011. The table below reflects the number of students and associated expenditures for those top six institutions:

College Name	No. of Students	Expenditure
Columbia-Greene *	187	\$392,410
Dutchess *	810	715,303
Fashion Institute	45	409,579
Hudson Valley	196	216,201
Orange County *	316	599,564
Sullivan County *	79	217,292
<b>Totals:</b>	<b>1,633</b>	<b>\$2,550,349</b>

These six colleges amount to roughly 89% of the total disbursements for 2011. It is interesting to note that four of the six (indicated by a \*) share a border with Ulster County, indicating that often the out-of-county college chosen by the student is not likely chosen out of a desire to be further from home. One of many issues we recommend to be investigated as a policy matter is to determine what the motivation is for Ulster County students in choosing an out-of-county school, so that we might address those motivations and thereby limit the Chargeback expense.

**IV. THE PROCESS & RATE STRUCTURE**

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The process starts with a resident of Ulster County obtaining what is called a "Certificate of Residence" ("Certificate") from the Chief Fiscal Officer of Ulster County through submission of a written application form. The application is essentially a document by which the applicant swears that he or she has been a resident of New York State for at least one year, and indicates the municipality in which they have been a resident for the past six months. Once completed, a certificate is issued by the Finance Department to the applicant.

When the student submits their Certificate to their chosen community college (outside of Ulster County), it identifies Ulster County as the non-resident County, and will serve as the out-of-county community college's authorization to bill Ulster County for associated chargebacks.

There are two types of chargebacks: Operating Chargebacks and Capital Chargebacks. The rates for each are set and approved by SUNY annually. They are as follows:

- The operating chargeback supports the instructional programs of the college. These rates differ with each college. The rate of a part-time student is charged on a per credit basis. The operating chargeback fee is paid to and retained by the receiving community college, and is the higher of the two fees.
- The capital chargeback supports capital projects at the college. Capital funds are restricted in use. The capital charges are set by New York State at \$300 per year or as a part time rate of \$10 per credit. The capital chargeback fee is ultimately paid back to the

**COMMUNITY COLLEGE "CHARGEBACKS"  
SEPTEMBER 1, 2011 THROUGH AUGUST 31, 2012**

County in which the receiving community college is situated. In our case Ulster County received back \$80,480 during 2011 as notated.

The per-student operating and capital chargebacks for these six colleges which were adopted by SUNY for the 2011/2012 school year are as follows:

<b>College Name</b>	<b>Operating</b>	<b>Capital</b>
Columbia-Greene	\$3,550	\$300 (\$150 per semester)
Dutchess	1,130	\$300 (\$150 per semester)
Fashion Institute	10,720	\$300 (\$150 per semester)
Hudson Valley	2,180	\$300 (\$150 per semester)
Orange County	3,140	\$300 (\$150 per semester)
Sullivan County	4,490	\$300 (\$150 per semester)

**V. WHY EXAMINE THE CHARGEBACK SYSTEM?**

The table below shows the amount that Ulster County is paying for its residents attending non-resident community colleges from calendar years 2009, 2010, and 2011.

<b>Year</b>	<b>No. of Students</b>	<b>Expenditure</b>
2009	836	\$3,285,332
2010	1,364	3,144,948
2011	1,814	2,861,753
<b>Totals:</b>	<b>4,014</b>	<b>\$9,292,033</b>

The controls that must be exercised to ensure proper accounting greatly diminish, as do the costs in resources of administering the chargebacks, when the student attends a local college.

From an audit and control perspective, the large net expenditure on this line item requires close scrutiny and the development of policies and procedures which protect the integrity and accuracy of this budget item.

Moreover, there are direct and indirect fiscal advantages to the student staying in Ulster, such as further financial support for SUNY Ulster and its capital projects, program building at SUNY Ulster, positive economic impacts on the Ulster County communities that support the SUNY Ulster Campus, and the likelihood of retaining graduates as residents and professionals in Ulster County.

Further, if by examination of the issue and the SUNY Ulster program and physical plant we can make SUNY Ulster a more widely attractive college choice for prospective students, the expense of the Chargeback System can be substantially decreased. So, from a policy perspective, examining the disparity in our chargeback line-item has long-term planning benefits.

COMMUNITY COLLEGE "CHARGEBACKS"  
 SEPTEMBER 1, 2011 THROUGH AUGUST 31, 2012

**VI. ANALYSIS OF THE CHARGE-BACK NUMBERS FOR ULSTER COUNTY**

Below is a chart that shows the breakdown of the budgeted revenues for the 2011/2012 school year, the actual 2011 Ulster County contribution, along with the associated percentage of the county's contribution to the total budgeted chargeback revenue. We have also included in the chart the percentage breakdown between budgeted state aid, tuition fees, and local shares which, when this chargeback mandate was established in the 1950's, was supposed to be shared equally between the three sources (one third each). All of this information was obtained from a SUNY memorandum dated September 20, 2011 dealing with the adoption of the various SUNY community colleges for the 2011/2012 college year.

**Community College Operating Budgets for 2011-2012**  
**Info from SUNY Memorandum dated 9/20/11**  
**Selective Information from memo**  
**as it pertains to the six colleges we reviewed**

	Columbia Greene	Dutchess	Fresh Pasture	Hudson Valley	Orange County	Ulster County
<b><u>Budgeted Revenue Amounts:</u></b>						
Tuition & Revenue Fees	\$ 5,442,312.00	\$ 24,409,550.00	\$ 42,045,246.00	\$ 42,995,636.00	\$ 23,668,472.00	\$ 5,818,638.00
Sponsor's Contribution	4,800,120.00	10,837,898.00	45,373,631.00	3,138,900.00	17,368,277.00	4,000,000.00
Chargeback Revenues	741,950.00	1,541,094.00	23,785,421.00	15,981,362.00	2,124,524.00	2,245,000.00
<b><u>Actual 2011 Amounts</u></b>						
Ulster County Contribution 2011	392,410.00	715,303.00	409,579.00	216,201.00	599,564.00	217,292.00
Percent that UC pays of the Budgeted 2011/2012 Chargeback	53%	46%	2%	1%	28%	10%
<b><u>Net Operating Costs/FTE Student</u></b>						
State Operating Aid	2,334.00	2,170.00	2,204.00	2,221.00	2,080.00	2,328.00
Student Tuition Revenue	3,778.00	3,265.00	4,620.00	4,193.00	4,458.00	4,310.00
Local Share	4,804.00	2,065.00	11,076.00	2,620.00	4,189.00	4,717.00
	10,916.00	7,500.00	17,900.00	9,034.00	10,727.00	11,355.00
<b><u>Percentage Breakdown of Budgeted Revenues:</u></b>						
State Aid	21%	29%	12%	25%	19%	21%
Tuition Fees	35%	44%	26%	46%	42%	38%
Local Shares	44%	28%	62%	29%	39%	42%

It is important to note from the data above that the breakdown between the state, the student, and the local share is not near the one third each breakdown as was intended by this New York State Mandate. This increasing disparity between reality and the intent of the law points out starkly the need for local and statewide consideration of the continued validity of the Chargeback System in its current model.

It is also noteworthy that Ulster County is paying a very substantial portion of the total chargeback revenues budgeted by the colleges, indicating, again, that there must be some baseline motivations for why so many Ulster residents choose to attend out-of-county schools. For example, Ulster County pays Columbia-Greene, Dutchess, and Orange County, 53%, 46%, and 28%, of their budgeted chargeback revenues, respectively.

## VII. SPECIFIC OBJECTIVES

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Given the size of the Chargeback line item to the County, the objectives of this report are to determine whether:

- 1) Procedures are adequate in order to produce and issue an accurate Certificate.
- 2) Procedures are adequate to reasonably ensure that the County is paying for our residents attending an out of county community college.
- 3) Recommendations can be made which will influence policy and procedure to lower the expenditure to the County.

## VIII. SCOPE & METHODOLOGY

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Investigation procedures included:

- 1) Preparation of a schedule of chargebacks paid to community colleges broken down by year and college name. We then used a materiality level of 5% of total expenditures and produced a list of six colleges. The colleges are as follows: Columbia-Greene Community College, Dutchess County Community College, Hudson Valley Community College, Orange County Community College, Fashion Institute, and Sullivan County Community College. It is interesting to note that these were the only colleges over the threshold for the past three calendar years.
- 2) Obtaining a listing from the Finance Department of Certificates issued and sorted that list alphabetically by last name and used a random number generator to select 60 students out of the possible 1,809 certificates issued.
- 3) Verification that the application is complete, signed by the applicant and the County, and notarized.
- 4) Review of a sample of bills paid to the identified six colleges and reviewed the student's applications.
- 5) Review of the most current certificate to determine whether it is more than one year old and verification of whether the student was a resident of Ulster County during all or part of the year.
- 6) Verification that the college charged the rates established by SUNY.
- 7) Verification, where possible (ie., current home-owners) of whether a student or his family's house is actually located in Ulster County through <http://gis.co.ulster.ny.us>, Zillow.com, or through voter registration records.

## **IX. CRITERIA**

Criteria represent the laws, regulations, contracts, standards, measures, expected performance, defined business practices and benchmarks against which performance is compared or evaluated. Criteria identify the required or desired state or expectation with respect to the program or operation.

Criteria for this investigation consisted of the following:

- 1) New York State Education Law, specifically section 6305 entitled "Non-resident and out-of-state students".
- 2) "Ulster County Certificate of Residence Information Sheet" as it pertains to both requirements and acceptable forms of identification.

## **X. INTERNAL CONTROLS**

We gained an understanding of internal controls by interviewing finance staff. Internal controls relate to an organization's system of controls that are designed to provide reasonable assurance of achieving effective and efficient operations, reliable financial and performance reporting, or compliance with applicable laws and regulations. All of our findings and associated recommendations have to deal with internal controls associated with the processing and issuing of certificates of recommendations. There were no findings as it relates to the county paying an improper claim to a community college in our sample.

## **XI. FINDINGS AND RECOMMENDATIONS**

The following is a listing of the internal control findings noted during our review along with associated recommendations.

1. **Findings; Backup Documentation:** As per the information sheet that is attached to the application there is a list of acceptable forms of identification. The documents must be in the applicant's name and clearly show an Ulster County address. During our review we became aware that the Finance Department does not retain this documentation that verifies the students' Ulster County residency. Without this documentation it is impossible to verify that the student had the acceptable forms of identification at the time of submission to the Finance Department. We were informed by the Finance Department that the reason that they do not keep this documentation is due to storage space limitations.

The Finance Department also keeps an access database of the certificates issued and has two fields for proof provided with the certificate, but these fields are not filled out on a consistent basis.

COMMUNITY COLLEGE "CHARGEBACKS"  
SEPTEMBER 1, 2011 THROUGH AUGUST 31, 2012

**Recommendation #1:** We recommend that the Finance Department keep on file the documents that they reviewed in order to verify the students Ulster County residency. This documentation is important if there is a question regarding a future payment dispute with another community college. Without maintaining this documentation there is no way for county personnel to go back and look at the backup of the documents that were submitted at the time of the application nor is it indicated in the access database.

If physical space is an issue, electronic document storage should be considered. This limitation could be remedied by the Finance Department if an electronic copy (a pdf file) of the application, the required documentation, and the actual certificate was scanned into the County's filing system and stored in a systematic filing system. This file then could be hyperlinked into the access database for future references when needed. This would not only aid in the retrieval of the information if there are questions that arise but would increase the Finance Departments storage space rather than deplete it with paper copies of these files.

2. **Findings; Notarization of the Certificates:** The County receives applications in two ways; through the mail, or directly from the applicant by hand delivery. The applications have an affirmation section that the student has resided in New York State for at least one year and in Ulster County for at least six months (or number of months less than six so that the charge can be pro-rated). This affirmation has to be notarized by a notary if the application is sent in through the mail, but not if the applicant drops off the application. Applications that are brought to Finance are reviewed and a Certificate is issued at that time upon proof of residency. The applications that are sent in via mail are date stamped and reviewed and the Certificates are sent in the mail once all proof of residency is verified.

The only identifiable proof that we had that an application that was mailed in rather than direct walk-in, was a date stamp which was usually placed on the upper right hand corner of the application. As explained above, a mailed-in application had to be notarized whereas the walk-ins were not.

Due to the fact that there is no indication on the application whether the application was sent in or was acquired through a walk-in, we had to use the date stamp as the identifying mark. Therefore all date stamped applications should have been notarized according to the Finance Departments policies in regards to issuing certificates.

We noticed that two applications were signed by notaries whose commission had expired. We also noticed that four applications that were notarized were not date stamped.

**Recommendation #2:** It is important that no application is signed off on by the Chief Fiscal Officer of the County without all of the information being true and complete. All mailed in applications should be notarized according to the informational sheet provided with the applications. If the application is not complete or if the notary's commission has expired then we recommend that the applications be returned and not signed off on until such time that it is complete.

COMMUNITY COLLEGE "CHARGEBACKS"  
SEPTEMBER 1, 2011 THROUGH AUGUST 31, 2012

We also recommend that a field be added to the form which indicates if the application was mailed in or a walk-in.

- 3. Findings; Issuance of Certificates:** During our review we became aware that applications are processed by multiple personnel within the Real Property Tax Services Agency that is overseen by the Finance Department. On the application there is a space that indicates that the certificate should or should not be issued based on the documentation provided as well as space for an initial of the personnel who reviewed the application materials. Once it is indicated that a certificate should be issued either the certificate is issued to the applicant immediately (for walk-ins) or the certificate is mailed (for mailed-in applicants).

We noted two instances where the application were not signed off on by the appropriate personnel.

We also noted as many as five individuals initialing the application/approval process as it deals with issuing certificates.

**Recommendation #3:** We recommend that the Finance Department maintain a list of personnel who are authorized as approvers of these applications, that said designation be part of their formal job description, and that someone independent of this list review that the certificate should be issued based on the documentation provided. This may correct the situation where a certificate is issued without the proper authorization.

- 4. Findings; Maintaining Certificates:** As indicated above a certificate is issued upon proper documentation and is either given to the applicant at the time of processing for walk-ins or is sent to the applicant if it is a mail-in. Once these certificates are printed out and stamped with the county seal a copy is not maintained by the county.

We were informed that sometimes questions arise regarding a student's certificate as it relates to a community college bill. When an application is not on file for a student the county contacts the community college directly and asks for the certificate to be faxed back so that the county can verify it did issue the certificate.

**Recommendation #4:** In the modern office, document replication can be done quite easily and effectively. The current process leaves room for this practice for someone whom may not be able to provide adequate documents an opportunity to obtain this County service. We recommend that the Finance Department maintain a copy or a .pdf copy along with the application and other source documents as indicated in recommendation # 1 above. This would eliminate the need for the Finance Department contacting the various colleges when a question arises with a certificate. This file could be accessed through a hyperlink on the access database that is already maintained by the Finance Department and contain all documents in one place.

## **XII. POLICY CONSIDERATIONS & ACTION ITEMS**

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As mentioned above, our reports are to develop and promote both short and long term strategies and provide possible ideas to reduce costs to the county whenever possible. During this review of chargebacks we became aware that other counties within New York State are also struggling with this chargeback mandate. We have identified below some possible areas which we believe the county could look into further in order to minimize the expenses that the county currently expends for these chargebacks. Some of the ideas would require the proposal and passage of state legislation, others could be accomplished within the County by policy determinations or local legislation, questions on which, if pursued, we would defer to the County Attorney.

1. **Survey of the Motivation for Choosing an Out-of-County College:** We recommend that our office partner with SUNY Ulster to develop a questionnaire survey that would accompany the application form in which the student would be asked to identify the reasons why they chose an out-of-County school over SUNY Ulster, for at least a one year period. The data could be analyzed in order to determine whether SUNY or the County could address the major motivating factors in a manner which would decrease the exodus of students and decrease the Chargeback expense. The data could likewise support any funding applications made to address such issues. Among the factors which might be flushed out are several discussed below.
2. **Ulster County and Dorms:** Recently Dutchess Community College opened their 465 bed residence hall that will enable students who wish to have that live away from home experience of college. More than half of SUNY's community colleges currently offer student housing. Construction costs are expected to be around \$30 million for the 136,000 square foot building. The cost of the units for students is currently around \$3,300 per semester. This may increase the number of Ulster County residents opting to apply to Dutchess for this on-campus experience. Perhaps Ulster Community College should aggressively consider plans to construct a similar campus to retain more Ulster County residents to stay in Ulster County. The net economic gain, both direct and indirect, would likely be significant. We would encourage a cooperative study in this regard, and would offer our assistance.
3. **Program Analysis:** Ulster Community College could be encouraged to audit the programs in which Ulster county students are enrolled in out-of-county schools, by way of determining whether there are programmatic changes which can be made at the college to retain in-county students.
4. **Fashion Institute of Technology:** The Fashion Institute ("FIT") is the only community college in New York State that offers "upper division courses." There is currently a proposal in the NYS Legislature to eliminate FIT's authority to chargeback counties for their students who are enrolled in these upper-division courses. New York State Education Law Section 6305.10 states that NYS shall reimburse counties, up to 50%, who pay this chargeback to FIT as long as there is an appropriation available. The state has not reimbursed any county for this cost since 1995 when it was enacted. The passing

COMMUNITY COLLEGE "CHARGEBACKS"  
SEPTEMBER 1, 2011 THROUGH AUGUST 31, 2012

of this current bill is important as it would reduce the costs that Ulster County pays to FIT which amounted to approximately \$409,000 during calendar year 2011.

5. **Student Responsibility:** Nowhere in the law does it stipulate that the student must maintain a minimum grade. Should the county pay for a resident attending an outside college if they failed the class? Perhaps a minimum level of effort on behalf of the student should be maintained in order for the community college to charge Ulster County. If the student fails to do so, the student could be made responsible for the balance.
6. **Class Not Offered at Ulster County Community College:** In one state that has a similar chargeback system, the county would pay the chargeback to another county's college only if the class was not offered by the host county (Ulster County Community College). In that way, the various counties were not spending funds on resources by duplicating the programs offered by their own college.
7. **Student Pays the Difference:** Legislation could be proposed and/or supported by which the student who decides to go outside of Ulster County pay some or all of the differential, similar to an out-of-state tuition fee schedule.
8. **Chargeback to the Towns:** A number of counties in New York State are looking into passing this cost (or a portion thereof) to the cities and towns in the county in proportion to the number of out-of-county students residing within each town. This approach would likely garner heavy criticism in that it basically passes an unfunded New York State mandate onto the cities and towns.
9. **Border County Exemptions:** Perhaps an exemption could be proposed when the out-of-county college chosen shares a border with the home county, especially where the program in which the student is enrolled is offered at the home county SUNY. As described above, 89% of Ulster County's chargebacks are paid to these border counties, which are more easily commuted to since the 1950's when these laws were enacted by New York State and SUNY.

## **XII. CONCLUSION**

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We wish to thank the Finance Department and its staff for their help with the gathering of the needed items in order to complete this report. A draft copy of this Report was provided to Commissioner of Finance, Burton Gulnick, Jr.. Mr. Gulnick's comments are attached hereto as **Exhibit A**. Our response to Mr. Gulnick's comments is attached hereto as **Appendix 1**.

Respectfully submitted,

Ulster County Comptroller



# ULSTER COUNTY DEPARTMENT OF FINANCE

P.O. Box 1800, 244 Fair Street, Kingston, New York 12402

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*Commissioner of Finance*



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*Deputy Commissioner of Finance /  
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Mr. Joseph Eriole, Esq, Deputy Comptroller  
Office of the Comptroller  
PO Box 1800  
Kingston, NY 12401

November 14, 2012

Dear Mr. Eriole:

In response to the Draft Report of Examination of the Community College Chargeback Payments, the following comments are submitted.

**Section IV:** Please note that the capital chargeback fee is limited to \$150.00 per semester and then \$300.00 per year.

**Section XI, #1, Findings & Recommendations, Recommendation #1:** The Department of Finance disagrees with the recommendation that back up documentation should be kept on file. Physical space is not the issue as stated in this draft report. However, the labor cost involved in reviewing certificate of residence eligibility documentation provided by approximately 2,000 students per year is already substantial. Adding additional time and expense to copy or scan several documents per student is not the solution to an already cumbersome process. To date, the Department of Finance has not had payment disputes with other community colleges. The cost associated with expanding this process will not be covered by winning a potential dispute. Copying or scanning over 6,000 documents per year is not a viable solution. The student's original application is kept on file and their name, address, school, semester year, certificate issue date and the number of months of residency is entered into a database. The database is only used to facilitate the payment of the college chargeback invoice, as it produces a report of students by college that can easily be matched to the invoice received from a specific college.

**Section XI, Sub-Section 2:** It should be noted that some walk-in students have their applications notarized before they submit them at the tax counter, so in these cases the applications are not date stamped as they were not received in the mail. Also, the expiration of a notary commission would not be a concern for a walk-in student, because they are submitting their application and their documentation in person with their ID.

**Section XI, Recommendations, Recommendation #3:** The Department of Finance will maintain a list of employees who are authorized as approvers. Job descriptions are established by Civil Service and are not written to encompass this measure of detail. Employees are trained in the procedures governing the issuance of certificates of residence, which includes seeking supervisory assistance to review any questionable documentation or applications.

**Section XI, Sub-Section 4, Recommendation #4:** The Department of Finance keeps all student applications on file. Upon this examination, all applications requested by the Comptroller's office were produced for review. On the rare occasion an application is incorrectly filed and entered into the database, a community college is asked to send the Certificate they have on file to substantiate their claim for payment. If a Certificate were kept on file with the application, the same error could occur and the school would still be asked to substantiate their claim for payment. Adding 2,000 certificate copies to the files will not eliminate this rare occurrence.

Please note that the Department of Finance is not commenting on any proposed policy changes as set forth in objective number three of Section VII that are under the authority of the Ulster County Legislature and the Ulster County Community College.

Sincerely,



Burton Gubick  
Commissioner of Finance



## **RESPONSE TO COMMENTS OF COMMISSIONER OF FINANCE**

**Response to Comment 1, Section IV:** This comment as to the per-semester fee has been reflected in the final Report.

**Response to Comment 2, Section XI, #1:** This comment as to the additional time and expense required to maintain files of backup documentation, is noted, but the recommendation should stand, in our view. The recommendation is sound from an audit and control perspective. The issues of how to accomplish the copying as noted by the Commissioner, and that of filing and storage limitations (which were raised by Finance Department staff in our interviews), are largely issues of budget, procedure, technology and efficiency, which are worthy of further study by the County in many contexts. Also, instituting a policy of keeping a scanned image of all backup materials, which can be catalogued electronically and quickly and easily retrieved at any time, should actually increase efficiencies and decrease staff manpower required to administer the program.

**Response to Comment 3, Section XI, Sub-Section 2:** This comment as to the identification of applications notarized by notaries with expired commissions, is noted, however, the Finding and the accompanying recommendations, stand. Both the Finding and the recommendation are sound from an audit and control perspective.

**Response to Comment 4, Section XI, Recommendations, Recommendation #3:** The favorable response as to maintaining the list of authorized personnel, as well as the comment as to civil service control of job descriptions, are noted. As to the job description issue, we note that it is our understanding that job descriptions may be expanded within a department so long as they are not inconsistent with the civil service title. We would ask that the recommended language be added to the identified employees' job description.

**Response to Comment 5, Section XI, Sub-Section 4, Recommendation #4:** This comment that keeping the Certificates of residency on file in addition to the Application, is duly noted, but for the reasons stated in response to Comment 2, we believe the Finding remains sound from an audit and control perspective, notwithstanding any problem solving required to address it. Being able to verify the issuance of a Certificate within our own records is an important protocol.