

NASSAU COMMUNITY COLLEGE
Garden City, New York 11530

FINANCE AND CAPITAL COMMITTEE AGENDA (*Finance Section*)—March 10, 2020 at 5:00 p.m.
Location: 11th Floor Conference Room, Tower Building

Finance & Capital Committee members 2019-2020:

John DeGrace, Chair

John Durso

Linda Green

Wanda Jackson

Edward Powers

Call of the roll for attendance for the purpose of establishing a quorum: Present: _____

The following items and/or reports are submitted for the consideration of the Committee.

1. **Review and approval of prior meeting minutes** – February 11, 2020 (#1 in the package)

Chair: Do I have a motion to approve the minutes of February 11, 2020?

Trustee: _____ I make a motion that the minutes be approved.

Chair: Is there a second?

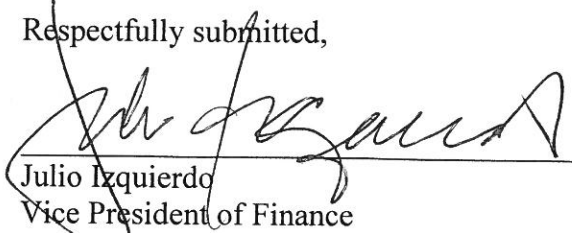
Trustee B _____ I second the motion.

Chair: Is there any discussion? (If so, the discussion proceeds.) If not, all in favor say “aye,” all opposed say, “nay.” Any abstentions?

Motion carried - For _____ Against _____ Abstention _____

2. **Pending College Procurement Agreements for Board Approval:** There are no Pending College Procurement Agreements to be presented for Board approval at the March 10, 2020 Finance & Capital Committee meeting.
3. **Comptroller’s Report:** January, 2020.
4. **Preliminary Budget Information**
5. **403(B) Internal Revenue Service Audit**
6. **Discussion:** Books for all on day one initiative.

Respectfully submitted,


Julio Izquierdo
Vice President of Finance

FINANCE COMMITTEE
BOARD OF TRUSTEES
MINUTES

Meeting of February 11, 2020

The meeting of the Finance Section of the Finance and Capital Committee of the Board of Trustees was called to order by Chair DeGrace on the eleventh floor of the Administrative Tower at approximately 5:15 p.m.

Committee Members Present: John DeGrace, Chair
 Wanda Jackson
 Edward Powers

Committee Members Absent: John Durso
 Linda Green

Also in attendance: George Siberon, Donna Tuman
 Kathy Weiss, Bridget Russell,
 President Williams, VPs Conzatti,
 Izquierdo and Muscarella,
 AVP Zamore and Friedman, Treasurer Hahn
 Director Cappello

AGENDA ITEMS

1. **Minutes**—Minutes of the January 14, 2020 were presented for approval. Trustee Powers made a motion, seconded by Trustee Jackson. The minutes were approved.
2. **Pending College Procurement Agreement**—There were no Pending College Procurement Agreements to be presented at the February 11, 2020 meeting.
3. **Office of the Comptroller's Report**—AVP Zamore advised that the Comptroller's Office reviewed all OTPS (Other than Personal Services) expenditures for the month of December 2019 and 26 expenditures were selected. The transactions ranged from \$500 to \$258,000. The cumulative total was \$697,000 and represented roughly 55% of this month's total expenditures. The transactions reviewed were generally in conformity with the criteria referred to in paragraph C. We also reviewed one personal service contract for \$500 and was also generally in conformity with the criteria with the above paragraph as well. AVP Zamore presented the Accounts Receivable (A/R) Aging Report for December 2019 and advised that the College collected roughly \$44,000,000 in FY20 and continues to collect about 97% to 98% of all tuition invoiced to students. Just touching back on the County audit from 2011, we continue to decrease that portion and collected about \$28,000 and the balance collected remains around 44% of the total \$14,000,000 that they noted in their audit.

4. Discussion: FY 2021 Budget Calendar—VP Izquierdo distributed a Proposed FY 2021 Budget Time Line handout. The FY 2021 budget begins on September 1, 2020 and ends on August 31st, 2021. During February and March there will be meetings with State and County Legislatures with regards to the State and County aid. The current situation with the State budget is that they have reverted back to FTE funding formula. Prior year's 98% of floor funding was removed, this causes a \$4,000,000 decrease in State aid for NCC.

Discussions ensued.

The timeline for the budget approval process starts with this Finance Committee meeting and concludes at our May meeting. I expect to submit preliminary budget information for discussion purposes in March and present a preliminary budget at the April meeting.

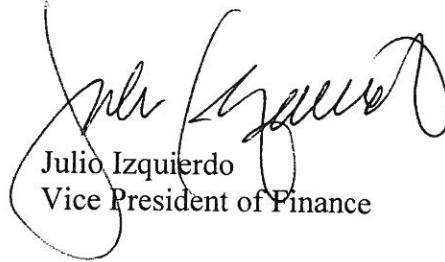
During the next few weeks we will be meeting with County Legislatures and the County Executive so we can discuss preliminary budget information. Our final budget will be presented for approval at the May 12th meeting. We will present the approved budget to the County Legislature on June 8 and June 29.

Discussions ensued on timing.

Dr. Weiss noted that she will be attending the State Legislator's breakfast at the College. Dr. Williams described the upcoming event on the 28th of March. Our State Legislatures have been invited here so that we can further brush up on the critical opportunities that Nassau Community College provides for their constituents and we will be thanking them for their support and illustrating how much we support the lifeblood of the communities and County.

The meeting adjourned at approximately 5:21 p.m.

Respectfully submitted,



Julio Izquierdo
Vice President of Finance



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TO: Board of Trustees - Finance Committee

DATE: March 10, 2020

FROM: Sherrard Zamore, AVP, Office of the Comptroller

Extension: 2-4411

SUBJECT: Report from the Office of the Comptroller

The following is submitted for your review and information for the months of January 2020 and February 2020, for expenditures and accounts receivable aging, respectively:

I. OTHER THAN PERSONAL SERVICE (OTPS) – EXPENDITURES

A. BY CONTROL CENTER

Control Center 10 – General Administration

71 General Expenses	229,474
73 Contractual Costs	13,095
75 Utility Costs	27,248
77 Equipment	42,214

Total Control Center 10 \$ 312,031

Control Center 12 – Institutional Effectiveness and Strategic Planning

71 General Expenses	12,984
73 Contractual Costs	59,197
75 Utility Costs	-
77 Equipment	528

Total Control Center 12 \$ 72,709

Control Center 15 – Academic Affairs

71 General Expenses	53,755
73 Contractual Costs	98,776
75 Utility Costs	-
77 Equipment	13,808

Total Control Center 15 \$ 166,339

WHERE SUCCESS STARTS...AND CONTINUES

Nassau Community College is a unit of The State University of New York sponsored by Nassau County

REPORT FROM THE OFFICE OF THE COMPTROLLER

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Control Center 50 – Workforce Development Lifelong Learning

71 General Expenses	70,781
73 Contractual Costs	-
75 Utility Costs	-
77 Equipment	-
Total Control Center 50	<u>\$ 70,781</u>

Control Center 52 – Academic Assessment Program Review

71 General Expenses	416
73 Contractual Costs	-
75 Utility Costs	-
77 Equipment	-
Total Control Center 52	<u>\$ 416</u>

Control Center 55 – Library

71 General Expenses	7,334
73 Contractual Costs	74,075
75 Utility Costs	-
77 Equipment	-
Total Control Center 55	<u>\$ 81,409</u>

Control Center 60 – Academic Student Services

71 General Expenses	7,710
73 Contractual Costs	750
75 Utility Costs	-
77 Equipment	1,676
Total Control Center 60	<u>\$ 10,136</u>

Control Center 65 – Facilities Management

71 General Expenses	36,584
73 Contractual Costs	573,285
75 Utility Costs	340,978
77 Equipment	3,979
Total Control Center 65	<u>\$ 954,826</u>
Total Activity for Fund NCC	<u>\$ 1,668,647</u>

REPORT FROM THE OFFICE OF THE COMPTROLLER

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B. BY ACTIVITY CLASS

71 General Expenses	419,038
73 Contractual Expenses	819,178
75 Utility Costs	368,226
77 Equipment	62,205
Total Activity for Fund NCC	<u>\$ 1,668,647</u>

C. SCOPE AND METHODOLOGY

The Office of the Comptroller performed an examination of OTPS expenditures based on the reports generated by the Banner system for January 2020. All OTPS expenditures were subjected to selection, and 20 expenditures were selected. The 20 expenditures were audited for appropriateness in accordance with the Code of Rules and Regulations for Community Colleges as promulgated by the State University of New York, proper departmental authorization, accurate departmental coding, evidence of receipt of goods or services and utilization of appropriate purchasing practices based on the amount of purchase and state and local requirements. The 20 expenditures ranged from approximately \$103 to \$333,166 and averaged \$60,710. The cumulative value of the 20 expenditures was \$1,214,207 and represented 72.8% of this month's total OTPS expenditures which included paper and UniMarket invoices.

D. RESULTS OF REVIEW

The items reviewed were generally in conformity with the criteria referred to in the preceding paragraph.

E. RECOMMENDATION

None.

II. PURCHASES BETWEEN 10 PERCENT AND \$100,000 ABOVE ORIGINAL BOT APPROVAL

None.

III. PERSONAL SERVICE - EXPENDITURES

A. BY CONTRACT

A	Marketing & Communications	Performs Photography Services for the College	1	\$ 574
B	Art	Modeling services for the College's Art Department	1	\$ 732
			<u>2</u>	<u>\$1,306</u>

REPORT FROM THE OFFICE OF THE COMPTROLLER

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B. SCOPE AND METHODOLOGY

The Office of the Comptroller performed an examination of all personal service expenditures based on contracts received by Accounts Payable for January 2020 and four items of expenditures were submitted for a detailed review related to two contracts. The four expenditures were audited for appropriateness in accordance with the Code of Rules and Regulations for Community Colleges as promulgated by the State University of New York, proper departmental authorization, accurate departmental coding, evidence of receipt of goods or services and utilization of appropriate purchasing practices based on the amount of purchase and state and local requirements. The four items ranged from \$72 to \$574. The cumulative value of the four items were \$1,306.

C. RESULTS OF REVIEW

The items reviewed were generally in conformity with the criteria referred to in the preceding paragraph.

D. RECOMMENDATION

None.

IV. ACCOUNTS RECEIVABLE AGING REPORT

For financial statement purpose and in conformity with accounting principles generally accepted in the United States of America (“GAAP”), Nassau Community College (NCC) at the end of each fiscal year calculates an estimate of uncollectible accounts receivable balances, according to the methodology developed based on the history of collections. This methodology was reviewed and approved by independent auditors. According to NCC policy, all account receivables balances are written off, if not collected after three years; however, these balances will still be pursued for collections, until fully satisfied. Balances that are outstanding for more than two years – reserved at 95%, more than one year at 85% and less than one year, excluding the summer of the current fiscal year at 60%.

Balances presented below represent collection of student revenue as invoiced to students and is inclusive of the estimate of uncollectible allowance as applicable. The average tuition collected over the presented 8 prior fiscal periods is 98.2%, excluding the current period.

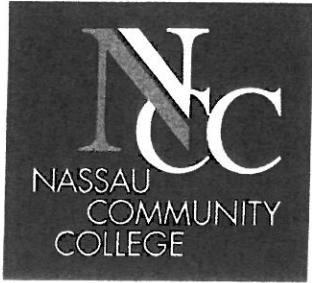
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Tuition invoiced to students	\$ 97,365,425	\$ 93,928,070	\$ 94,136,379	\$ 94,719,885	\$ 95,901,685	\$ 97,146,795	\$ 95,339,730	\$ 90,708,184	\$ 79,825,275
Amount due at 2/29/2020	1,382,102	1,317,102	1,276,273	1,305,135	1,400,720	1,856,084	2,300,498	2,543,668	21,303,708
Dollars collected	\$ 95,983,323	\$ 92,610,968	\$ 92,860,106	\$ 93,414,750	\$ 94,500,965	\$ 95,290,711	\$ 93,039,232	\$ 88,164,516	\$ 58,521,567
% Collected	98.6%	98.6%	98.6%	98.6%	98.5%	98.1%	97.6%	97.2%	73.3%

REPORT FROM THE OFFICE OF THE COMPTROLLER

Balances presented below at February 29, 2020 are before allowances for uncollectable receivables are applied and are presented on a gross basis. NCC records are maintained on this basis and all outstanding accounts receivable balances are pursued for collections, until fully satisfied.

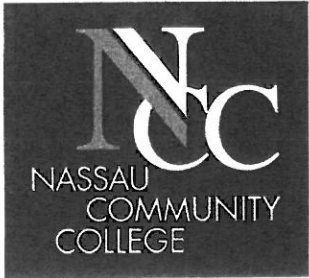
Accounts Receivable Aging Report at 02.29.2020

Fiscal Year	2011	2018	2019	2020	\$ Collected in 2019	% Collected in 2019	\$ Collected in 2020	% Collected in 2020	Total Collected	% Collected
2007	\$ 1,905,208	\$ 1,687,350	\$ 1,668,994	\$ 1,663,049	\$ 18,356	1.1%	\$ 5,945	0.4%	\$ 242,159	12.71%
2008	1,940,947	1,512,255	1,505,331	1,499,691	6,924	0.5%	5,640	0.4%	441,256	22.73%
2009	3,183,760	1,708,366	1,692,932	1,684,825	15,434	0.9%	8,107	0.5%	1,498,935	47.08%
2010	3,437,641	1,593,060	1,568,567	1,561,820	24,493	1.5%	6,747	0.4%	1,875,821	54.57%
2011	3,760,605	1,552,225	1,531,906	1,525,184	20,319	1.3%	6,722	0.4%	2,235,421	59.44%
Total "Nassau County audit"	14,228,161	8,053,256	7,967,730	7,934,569	85,526	1.1%	33,161	0.4%	6,293,592	44.23%
2012		1,425,214	1,392,759	1,382,102	32,455	2.3%	10,657	0.8%		
2013		1,348,031	1,321,183	1,317,102	26,848	2.0%	4,081	0.3%		
2014		1,324,059	1,288,564	1,276,273	35,495	2.7%	12,291	1.0%		
2015		1,406,660	1,321,206	1,305,135	85,454	6.1%	16,071	1.2%		
2016		1,689,350	1,464,255	1,400,720	225,095	13.3%	63,535	4.3%		
2017		2,094,722	1,902,345	1,856,084	192,377	9.2%	46,261	2.4%		
2018		4,000,445	2,395,408	2,300,498	1,605,037	40.1%	94,910	4.0%		
Fall 2018			1,839,919	1,351,546			488,373	26.5%		
Winter 2019			7,015	2,555			4,460	63.6%		
Spring 2019			1,800,604	1,050,201			750,403	41.7%		
Summer 2019			569,473	139,366			430,107	75.5%		
2019 Total			4,217,011	2,543,668			1,673,343	39.7%		
Fall 2019				2,456,360						
Winter 2020				74,578						
Spring 2020				18,772,770						
2020 Total				21,303,708						
Grand Total		\$ 21,341,737	\$ 23,270,461	\$ 42,619,859	\$ 2,288,287	10.7%	\$ 1,954,310	8.4%		

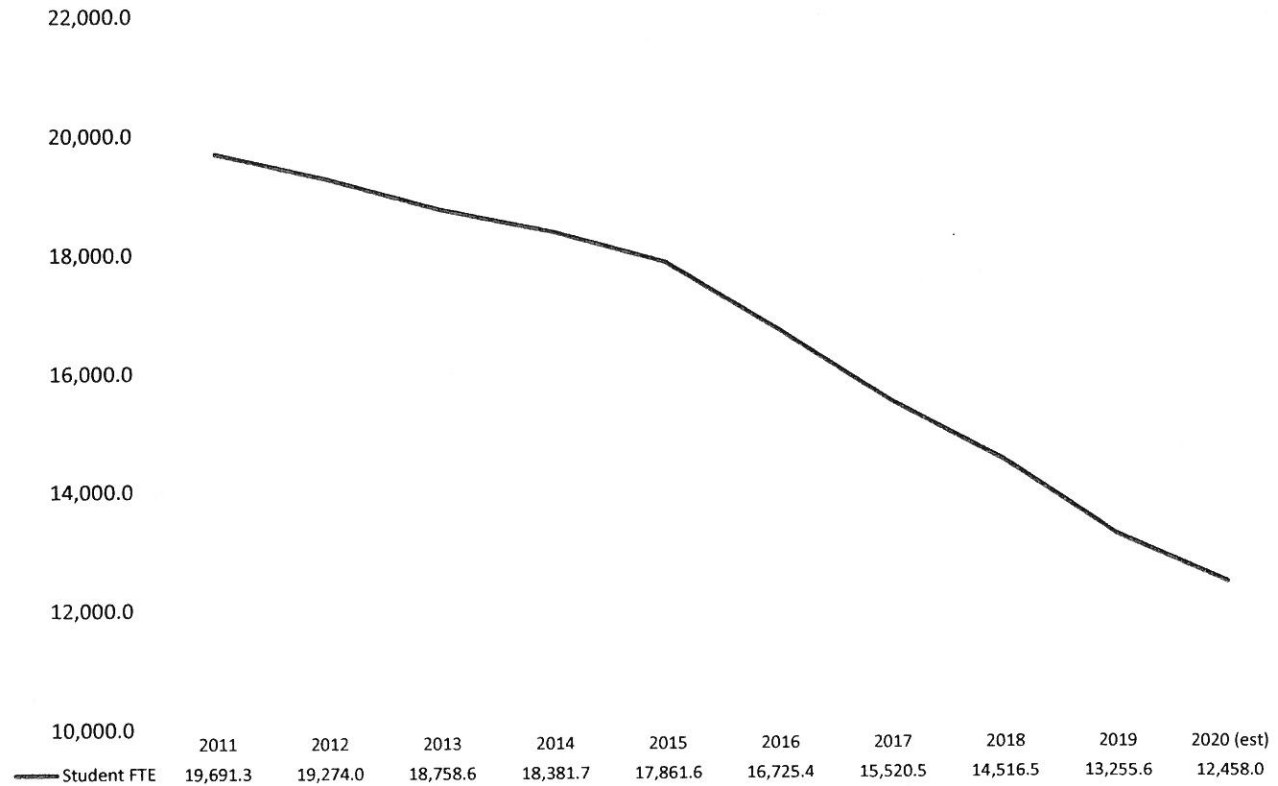


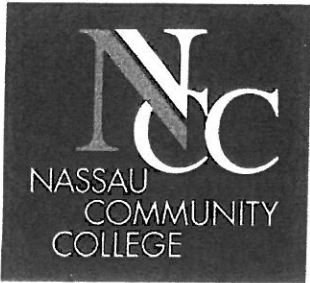
Preliminary Budget Information Meeting

- Background
- Fund Balance
- Revenue Generating Initiatives
- Preliminary Revenues 2021
- Expenses by Major Categories
- FY 2020 Projected Operating Expenses

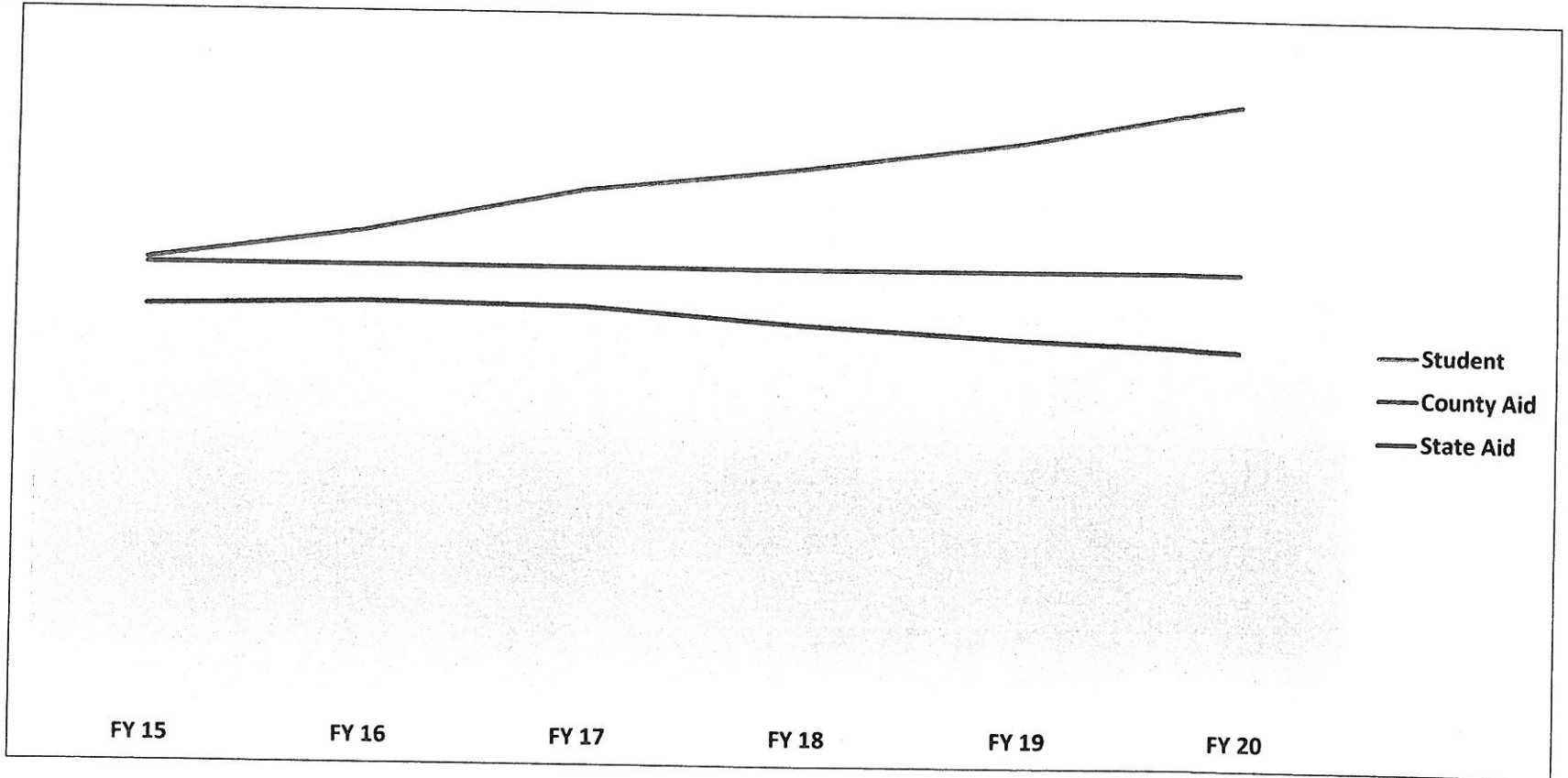


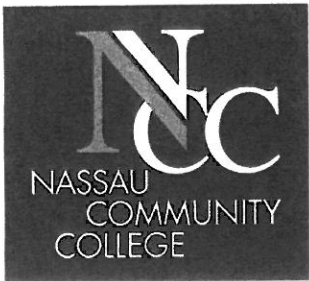
STUDENT FTE FISCAL 2011-2020





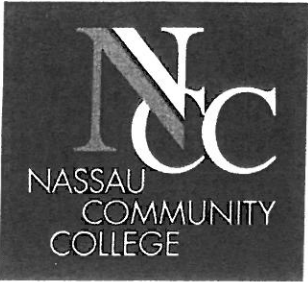
CONTRIBUTION TRENDS OF MAJOR REVENUE SOURCES





TUITION & FEES RATES SUNY AND CUNY AREA COLLEGES

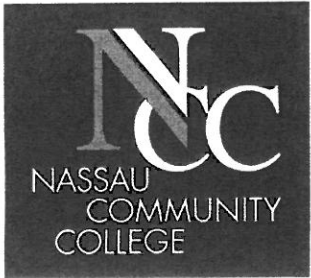
	Tuition	Fees	Total
Nassau	2,800	265	3,065
Suffolk	2,735	300	3,035
Kingsborough	2,400	227	2,627
Queensborough	2,400	204	2,604
Westchester	2,290	228	2,518



UNRESTRICTED FUND BALANCE

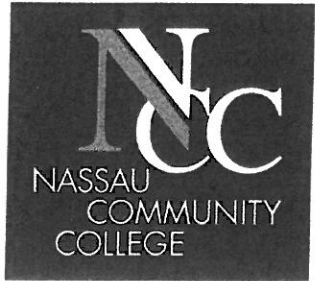
	Total Unrestricted Funds
Unrestricted Fund Balance 2019 - 8.31.2019	15,049,161
Projected Use of Fund Balance in 2020	(2,633,046)
Projected Unrestricted Fund Balance 2020 - 8.31.2020	12,416,115
2019 Operating Budget	209,821,998
Projected 2020 Unrestricted Fund Balance at 8/31/20 as a Percentage of 2019 Year Operating Budget	5.92%

Projected Use of Fund Balance in 2020 is \$2.6 million, vs. Budgeted use of \$6.5million due to less than budgeted decreases in enrollment and some salary savings due to non replacement of personnel.



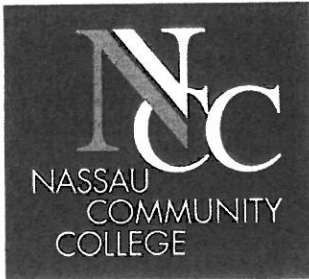
REVENUE GENERATING INITIATIVES

- Dual Enrollment
- Increase Marketing Efforts
- Guided Pathways Initiatives and Reallocation of Resources for Retention Efforts
 - Advising and Tutoring
 - Course Materials to Students
- Discussions with State and County Legislators for Increased Funding



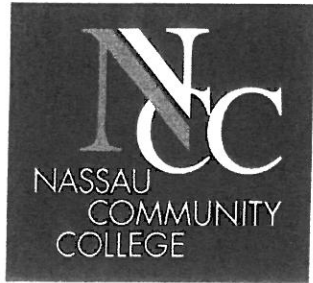
PRELIMINARY REVENUE ASSUMPTIONS

- Three different enrollment scenarios: No decrease in Enrollment, 4% decrease and 7.5% decrease
- No increase from County of Nassau funding
- State Funding
 - Floor Methodology Removed - \$4M Impact
- Preliminary \$0 increase in Tuition
- Preliminary \$0 use of Fund Balance



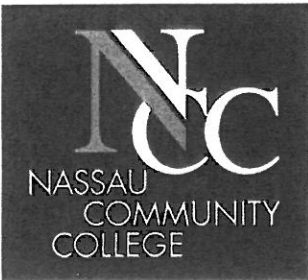
2021 PRELIMINARY REVENUES

	Adopted 2020 <u>Budget</u>	2020 <u>Projected</u>	0% Enrollment Drop 2021 <u>Budget Scenario 1</u>	4% Enrollment Drop 2021 <u>Budget Scenario 2</u>	7.5% Enrollment Drop 2021 <u>Budget Scenario 3</u>
OPERATING REVENUES:					
Investment Income	300,000	300,000	300,000	300,000	300,000
Rents & Recoveries	1,524,678	1,524,678	1,524,678	1,524,678	1,524,678
Revenue Offset to Expenses	4,623,559	4,623,559	4,623,559	4,623,559	4,623,559
Service Fees	7,274,586	7,371,452	7,371,452	7,076,594	6,818,593
Student Revenues	74,285,312	75,970,708	75,970,708	72,931,880	70,272,905
Revenue in Lieu of Spons Shar	14,472,733	14,665,448	14,665,448	14,078,830	13,565,539
State Aid (Includes Rental Aid)	42,928,062	42,928,062	38,895,917	38,895,917	38,895,917
Property Taxes	52,206,883	52,206,883	52,206,883	52,206,883	52,206,883
Fund Balance	6,500,000	2,633,046	0	0	0
Total Operating Revenue	204,115,813	202,223,836	195,558,645	191,638,341	188,208,075



EXPENSE %'S BY MAJOR CATEGORIES

Salaries & Fringes	87%
Utilities	4%
Plant Expenditures	4%
Technology & Equipment	2%
Debt Service	1%
Other	2%



PROJECTED OPERATING EXPENSES FY 2020

	FY 2020 Adopted Budget	FY 2020 Projected
<u>OPERATING EXPENSES</u>		
Salaries	119,117,667	118,406,916
Fringe Benefits	58,155,274	56,974,049
Equipment	1,917,470	1,917,470
General Expenses	8,469,226	8,469,226
Contractual	8,692,077	8,692,077
Utility Costs	4,072,300	4,072,300
Central Utility Plant Charges	2,551,354	2,551,354
Debt Service	1,085,445	1,085,445
Other	55,000	55,000
Total Operating Expenses	204,115,813	202,223,837