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NU audit shows mismanagement of monies

by Mary Voboril

Bouncing checks, numerous overdrawn fund balances and unpaid student loans—some delinquent for

several years—taint NU administrative management records, according to the first outside public audit conducted for NU in its 104 year-history.



Committee to hold fees bill until 1974

by Steve Arvanette

The Legislature's Education Committee agreed Tuesday to hold for a year an amended version of Millard Sen. James Dickinson's LB362 which would prohibit the collection of most mandatory student fees.

The bill would permit the mandatory collection of fees only for medical services, repayment of bonds and when the fees expenditure is "directly related to a course of instruction."

Calloway Sen. J. James Waldron had moved to kill the bill prior to the agreement which now holds the bill for possible interim study.

Lincoln Sen. Steve Fowler asked Dickinson why health services would be retained rather than such programs as recreation and intramurals.

"I got more out of these areas than student health services," the former ASUN president said.

Dickinson acknowledged that mandatory fees for health services were retained in an attempt to get the bill passed. However, he said he would rather see health programs on a

voluntary basis.

Omaha Sen. George Syas, a committee member, said he could not support the amended bill.

"This goes too far," Syas said. "I'm for putting a clamp on speakers and maybe newspapers." Syas expressed concern that the revised bill would eliminate most athletic programs on the University of Nebraska at Omaha campus.

Grand Island Sen. Ralph Kelly said if a fees supported program can't be justified to 25 senators it shouldn't exist.

Sen. Maurice Kremer of Aurora told the committee: "We've alerted the University that there is wide disapproval (of student fees)." He urged that the bill be held until next year and that an interim study on fees be undertaken.

Dickinson said Monday that waiting until next year to act on the bill would just give "three or four \$25,000-a-year employees" another year to lobby against the bill.

He termed lobbying by members of a tax-supported entity a "little bit sad."

recommends that any decisions regarding the fee question be left in its hands.

He also offers the help of the University administration in the proposed fees study which the committee is planning to undertake.

Varner also said "student leadership on the campuses is making a responsible effort to have...student fees serve the best interests of the students on the campuses." However, he added, "students will err in their judgement from time to time."

Some senators have said they are opposed primarily to the controversial nature of some campus speakers which have been sponsored by student fees. In the letter, Varner says "it is unlikely controversy can be legislated out of existence."

The reason for the letter, Varner said, is to clear up "some confusion...about the position of the (University) administration regarding LB362."

Varner notes the Board of Regents has the primary responsibility for management of University affairs and

The audit, prepared by Peat, Marwick, Mitchell & Co., a national accounting firm with local offices in Lincoln, was released by State Auditor Ray A.C. Johnson last week.

The 19-page report, which cost about \$40,000, was requested by the University. The Legislature appropriated the money to Johnson's office. The audit was commissioned to aid Johnson in an examination of University statements for the two years which ended last June 30.

The report listed "significant problem areas" affecting UNL, the University of Nebraska at Omaha and the University of Nebraska Medical Center and offered recommendations.

The audit disclosed no misappropriation of funds on the part of University management. A major deficiency detailed in the audit, however, is University administration of student loan programs.

"We conducted tests on student loans administered by the University," the report said. "We noted loans dating back several years on which payments are not being received. The collection on some of these loans appears doubtful."

A complete review of the student loan administration was called for, including implementation of a system where prompt follow up and collection efforts would be made on all delinquent loans.

Jack Ritchie, assistant director of financial aids, said the University recently had conducted an extensive audit (not yet released) of his department and that a second review probably would not be needed.

Another sore spot uncovered by the audit involves students who write insufficient fund checks. For example, James A. Wickless, UNL bursar, reported about \$12,000 in bad checks had been returned to his office since Feb. 1. Of that amount, about \$2,000 has yet to be collected.

Wickless noted, however, that the volume of bad checks has been cut down since the University has allowed use of bank charge cards (Master Charge and BankAmericard).

Cases of overdrawn fund balances on the part of the University is "not so serious as it sounds," according to Glenn Smith, director of business and accounting systems.

An overdraft sometimes occurs, for example, in cases of grants given to persons within the University.

Another discrepancy concerning UNL involves computerized billing totals that could not be reconciled with tuition income calculated on the basis of student numbers and credit hours. The report indicated that billings do not reflect cash receipt adjustments in areas of scholarships, loans and course drop and add fees.

Smith said his office disagreed with the report in this respect.

"We might give a student a free credit hour now and then, but this is rare," he said. He indicated that expenses involved to perfectly balance tuition fees with student numbers, credit hours are more than the money they would save."

Reasons for accounting foulups are diverse, Smith said. A major problem involves changes in the way money's allocated to the University by the Legislature, he said.

"They used to give us a lump sum, and we could allocate it within the University as we saw fit. Now our requests have to be coded, specifying exactly what we want to use the money for," Smith said.

He also noted that enrollment doubled during the 1960s, which caused accounting problems. He said his staff is not sufficient to monitor and review expenditures and money received on a day-to-day basis.

The merger of the University of Omaha and the University of Nebraska also caused problems, he said.



Union Board initiates check cashing charge

A 25-cent fee will be charged for cashing personal checks in the Nebraska Union, beginning July 1. This action, approved at a March 22 Union Board meeting, is an attempt to help cover the administrative costs of the Union check cashing stations, according to Mary Cannon, Union Board President.

The action follows an earlier board decision to stop cashing "two-party" checks.

At the same meeting, Cannon

said UNL Day Care Center personnel have been "pressing for extension of the services now provided and for recognition of themselves as an organization sponsored by the Union."

The Board decided this question should be referred to the Council on Student Life. Board members also suggested that, while they support the idea of the day care center being within the University system, the Union is unable to house the center.