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NEWS RELEASE

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FOR RELEASE _____ October 3, 2017 _____

Auditor of State Mary Mosiman today released a report on a review of the University of Northern Iowa (University), Camp Adventure Youth Services Program (Program) for the period July 1, 2010 through June 30, 2016. The review was requested by University of Northern Iowa officials. We reviewed the Program to determine if its administration complies with University policies and procedures and if it is operating efficiently.

The Program was founded at the University of Oregon in 1985 and moved to the University of Northern Iowa in 1991. Susan Edginton, is the Director of Camp Adventure. Various branches of the United States military, embassies, and corporate clubs located around the world contract with the Program to provide a variety of programs for children of families. The Program is funded by revenue received from the various contracts and the tuition and fees charged to the students enrolled in the Program.

Program staff recruit and train college students from around the United States who provide services established by the contracts. New undergraduate students registering for the Program must enroll in 3 classes totaling 12 credit hours. Students returning to the Program may enroll in up to 3 classes for a total of 12 credit hours. Graduate students may enroll in up to 4 graduate classes for a total of 12 credit hours.

Mosiman reported students are charged the full tuition rate set by the University for the number of credits for which they register. However, adjustments are then applied to the students' accounts to bring the tuition to a net amount established by Program staff. The adjustments are considered unfunded scholarships. University officials stated the scholarships recorded by the Program are the only unfunded scholarships at the University.

The tuition charged is intended to cover the Program's costs not covered by the contract revenue. Proceeds from the contracts cover costs of travel, food, and other expenses incurred by students while at the various locations.

Mosiman reported the Program consistently operated in a deficit position for the period of the review. The deficit is caused by the Program paying all expenses and not receiving reimbursements from contracting entities until the contracts were completed. In some cases, it has taken up to a year after services were provided for the University to receive full reimbursement for the expenses of the Program due to contractor delays in remitting the reimbursements to the University. As a result, the University used general unrestricted funds to cover all expenses of the Program until reimbursement was received from the contracting entities. Using general unrestricted funds to support the Program's operations does not allow the resources to be used for other University needs.

Mosiman also reported Program and University officials are unable to provide documentation to show rates charged by the service contracts and the tuition and fees charged to the students are sufficient to cover the direct and indirect costs of administering the Program. Program staff were unable to provide support for the per diem rates included in service contracts and the tuition charged to students who participate in the Program. In addition, the University charged the Program a lower indirect cost rate of 10% instead of the 33.8% charged to other University programs and grants. The University is working with the Program to increase the indirect cost rate charged.

In addition, Mosiman identified several concerns related to the security of student records, use of storage units, and use of email and database programs not supported by the University.

Mosiman recommended Program staff prepare a cost analysis of the Program to ensure all costs are recovered and implement procedures to ensure the Program is self-sufficient. Mosiman also recommended Program and University officials review the reimbursement terms of the contracts established by staff in order to decrease the amount of time University general unrestricted funds are committed to the Program for cash flow.

A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1461-8030-BE00>.

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**REPORT ON A REVIEW OF THE
UNIVERSITY OF NORTHERN IOWA
CAMP ADVENTURE YOUTH SERVICES**

**FOR THE PERIOD
JULY 1, 2010 THROUGH JUNE 30, 2016**

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Auditor of State's Report

To the Members of the Board of Regents and
Mark Nook, President of the University of Northern Iowa


In conjunction with our audit of the financial statements of the State of Iowa, in accordance with Chapter 11 of the *Code of Iowa*, and at the request of University of Northern Iowa (University) officials, we conducted a review of Camp Adventure Youth Services Program (Program). We reviewed the Program to determine if its administration complies with University policies and procedures and if it is operating efficiently. As part of the review we performed the following procedures:

- (1) Obtained an understanding of concerns identified by University officials regarding the tuition rates charged for the Program, contract management, controls over student information, and overall operations of the Program.
- (2) Interviewed Program staff to gain an understanding of the Program's operations.
- (3) Evaluated internal controls used by Program staff to bill students and contracting entities and issue disbursements to determine whether adequate policies and procedures were in place and operating effectively.
- (4) Reviewed purchases made with the Program's procurement cards and certain other travel-related purchases made by Program staff. We also interviewed Program staff to obtain an understanding of the purchases.
- (5) Reviewed invoices or other supporting documentation for purchases made by Program staff members to determine if they were for appropriate purposes, properly supported, and properly approved.
- (6) Reviewed contracting procedures to determine compliance with University policies and procedures.
- (7) Reviewed the process for setting tuition and rates charged for the services provided by the Program to determine amounts were properly supported, properly calculated, covered the costs of the Program, and complied with University policies and procedures and Board of Regent directives.
- (8) Reviewed reimbursements provided by contracts to determine if they were received in a timely manner to limit the amount of general unrestricted funds used to support the Program.

The procedures identified concerns with the administration of the Program including operating in a deficit position, timeliness of reimbursements from contracts, support for tuition and other rates charged for the Program, indirect cost recovery, and data security issues.

In addition, we have developed certain recommendations and other relevant information we believe should be considered by the Iowa Board of Regents and officials of the University of Northern Iowa.

We extend our appreciation to University of Northern Iowa and Program staff for the courtesy, cooperation, and assistance provided to us during our review.


MARY MOSIMAN, CPA
Auditor of State

June 2, 2017

Report on a Review of the
University of Northern Iowa
Camp Adventure Youth Services

Background Information

Camp Adventure Youth Services Program (Program) was founded at the University of Oregon in 1985 and moved to the University of Northern Iowa (University) in 1991 when the founder, Dr. Christopher Edginton, became the Director of the University's School of Health, Physical Education and Leisure Services (HPELS). HPELS was renamed the School of Kinesiology, Allied Health and Human Services (School) on May 1, 2016. The Program is considered a center at the University which reports to the School. A center typically is comprised of faculty and staff from one or more departments engaged in a dedicated research, educational or service activity. The Program provides students the opportunity to participate in a service activity which enhances their educational experience.

Dr. Edginton's wife, Susan Edginton, is the Director of the Program. According to its website, "*Camp Adventure™ Youth Services* mission is committed to enriching and enhancing the well-being of children and youth. Our theme, Catch the Magic, suggests zeal, energy and enthusiasm. We will reach out with warmth, sincerity and genuine interest to those we serve." In addition, the website includes the following:

- *Camp Adventure Youth Services* is a service-learning program focused on providing high-quality, high-impact services for children and youth worldwide. Blending practice with theory, *Camp Adventure Youth Services* offers you an opportunity to plan and implement child development programs, school -age services and activities for middle-schoolers and teens. *Camp Adventure Youth Services* affords you the opportunity to develop leadership and management skills, enhance your global awareness and promote greater cultural sensitivity.
- Provides youth services to children in over 20 countries world-wide including Japan, South Korea, Hong Kong, Germany, Belgium, England, Italy, Russia, and the United States.
- Staff development programs are offered to students at California State University-Chico, Florida A & M University, Iowa State University, University of Iowa, University of Northern Iowa, University of Oregon, Oregon State University, University of San Diego, University of Toledo, and Washington State University.

The Program focuses primarily on providing services to United States military installations, embassies and corporate clubs, and organizations world-wide. According to the Program's website, "the program has been offered at more than 150 sites in Asia, Europe, and the United States, and has served as many as 750,000 children and youth annually, based on daily participation rates." Programs provided include:

- Early Childhood and/or School-Age Internships - Interns provide a wide range of support to existing programs to meet age and developmentally appropriate objectives in Early Childhood, School-Age and/or Youth programs.
- Day Camps - Programs provide a wide range of summer adventures for children and youth. Programs are structured to serve students only during daylight hours and offer individuals an opportunity to experience camp life in a convenient format for both children and parents.
- Sports Camps – Camps are focused on helping children and youth learn sport skills, develop fitness, sportsmanship, and self-confidence.

- Adventure Plus - This program is geared for youth 10-14 years of age. The program is designed to help individuals become more confident, self-reliant, positive, and independently functioning young adults.

According to Program staff, they track program participation based on “daily participation rates” because a child will not necessarily participate continuously for the period of the camp and it is more representative of participation. The contracts include a supervisor to student ratio depending on the location. According to Program staff, during the 2015/16 Program year the ratio was approximately 1 supervisor for every 12 children.

The Program provides services during the fall, winter, spring, and summer months. The majority of services are provided during a 10-12 week period during the summer months when children are not in school. In addition, services are provided to various military bases during fall, winter, and spring breaks of the academic year.

Staffing

Administrative Staff – During fiscal year 2016, the Program employed 49 full and part-time staff. **Appendix A** includes a list of the employees for fiscal years 2015 and 2016 and their “Full Time Equivalent” (FTE) percentage. As illustrated by the **Appendix**, 9 of the 49 employees are considered full time. Employees, who are less than 1 FTE may still be full time employees of the University, but their time is split between multiple programs or departments. **Table 1** summarizes the number of employees by state and appointment type for fiscal year 2016.

Table 1

State	Professional & Scientific	Temporary Professional & Scientific	Merit	Student/ Graduate Assistant	Faculty	Total
Iowa	12	1	5	10	-	28
California	6	-	2	-	-	8
Oregon	3	-	1	-	-	4
Georgia	-	2	-	-	-	2
Washington	2	-	-	-	1	3
Florida	-	-	2	-	-	2
Illinois	-	1	-	-	-	1
Arizona	-	-	1	-	-	1
Total	23	4	11	10	1	49

According to Program staff, staff located outside of Iowa primarily recruit and train students from colleges/universities in their geographical area or provide accounting and administrative support. Of the 21 employees who work in other states, 14 are employed at colleges/universities, 2 are current employees and 1 is a former employee of US Military Child and Youth Services, 3 are employed by school districts, and 1 works for a private business. The Program employees, who also work(ed) full time for US Military and Youth Services, provide training to Program supervisory staff on military protocol and working with children and youth of military families. The training occurs from January through April each year. The Program supervisors who receive the training then provide the information to the students enrolled in the program during subsequent training sessions.

University employees who work outside of Cedar Falls are considered telework employees. Under the University’s Telework policy, arrangements can be made when it is mutually beneficial for both the University and the employee for staff to work off campus. Under the policy, an agreement must be approved by the division Vice President after consulting with Information Technology Services to ensure data security and other technology matters are addressed. The

Human Resource Services Director reviews and has final approval of the agreement. The agreement must be in place prior to the employee working off campus. The agreement must include:

- the employee’s regularly scheduled work hours,
- a requirement the teleworker maintain a dedicated workspace,
- a list of equipment and software provided by the University which is exclusively used for the purpose of conducting University business,
- requirements for security and confidentiality of all data must be maintained,
- requirements to follow University record retention schedules must be followed, and
- a requirement for all requests for reimbursement for supplies, phone and network services, travel and other incidental cost be supported by adequate supporting documentation and submitted with the request for reimbursement.

In addition, the Program contracted with 7 individuals during Program year 15 and 4 individuals during Program year 16 to provide training and present lectures related to the Program. These contract employees received payments ranging from \$250.00 to \$3,000.00 for their services.

Students - Program staff recruit students from around the country to provide services at various military bases and other locations. Students who participate in the Program pay tuition and fees for clothing, insurance, and health care. The students are provided training by Program staff at various locations throughout the country. Once the students complete training, they are assigned to a camp location. Teachers and former students also participate in the Program.

Students who have previously participated in the Program and other individuals who have leadership experience are assigned as supervisors. The supervisors provide oversight for the students at each camp and, in some cases, a supervisor may oversee several camp locations. The supervisors help ensure the students at the camps are following the policies, procedures, and curriculum at each camp.

According to Program staff, between 600 and 700 college students participate in a given year. During the 2014/15 and 2015/16 school years, 170 and 219 students enrolled at Iowa colleges and universities participated in the Program, respectively. The remaining students were enrolled at colleges and universities outside of Iowa. **Table 2** summarizes the number of students who participated during the 2014/15 and 2015/16 school years.

College/University	Number of College Students	
	2014/2015	2015/2016
University of Northern Iowa	95	112
University of Iowa	36	57
Iowa State University	34	41
Other Iowa Colleges and Universities	5	9
Subtotal Iowa Colleges and Universities	170	219
Other State Colleges and Universities	337	287
Total	507	506

Based on the information in the **Table**, approximately half of the students attending an Iowa College/University are enrolled at the University of Northern Iowa (UNI), but UNI students make up only approximately 19% of the total number of students enrolled in the Program for 2014/15 and 22% of students for 2015/16.

According to Program staff, they recruit at out-of-state locations for diversity which is important to the Program and helps meet goals established under grants received from the US Army. Out-of-state training and recruiting locations include Florida A&M, Albany State University, and Fort Valley State University. The latter two are located in Georgia. As stated previously, the Program has also hired staff located in other states to help recruit and train students.

According to the participant handbook, the Program does not offer students a wage; however, students who participate in the Program receive a per diem to help cover their transportation, lodging, and living expenses. The per diem rate varies depending on the student's scope of supervision, level of the supervisor, number of students supervised, and other factors. In addition, the camp locations provide housing for the students and transportation to and from the site and while on site. In addition, students receive 12 hours of credit at a reduced cost. The total benefit package exceeds \$4,000.00 for every student annually.

Program staff make all travel arrangements for the students in the Program. Airfare is purchased using University procurement cards assigned to Program staff. The Program has a total of 3 procurement cards, 2 are assigned to the Director and 1 is assigned to a staff person in Arizona who provides administrative support. According to the Director, she uses 1 card for purchasing airfare for students who will be located in the U.S. and Asia and the other card for students who are assigned to camps outside of the U.S. and Asia. The card assigned to the staff person in Arizona is used for purchasing office supplies, uniforms, training/staff development food and supplies, background checks, room rentals, IT distance learning reservations, conference booth, and other services. The majority of the supplies and all the uniforms are shipped to various training locations. Some of the supplies are used by the employee in Arizona

Although procurement cards are used for the majority of disbursements such as airfare, supplies and clothing purchases, some vendors are paid with a check or through an electronic process. Program staff are paid through the normal University payroll process and may also submit reimbursement requests along with the supporting documentation for expenses related to the Program.

In addition to receiving experience working with school-age children, students receive up to 12 credits which may be used to fulfill graduation requirements depending on their university's/college's policies regarding transferring credits. The 12 credits are shown as "pass/no pass" on a student's transcript. However, Program staff will review course work and assign a grade if a student receives approval from his/her University/College to apply the credit hours toward their degree program. According to Program staff, most students participate for the experience gained in planning, coordinating, and supervising camp activities rather than applying the hours toward their degree program.

Funding Sources and Accounting

The Program is funded by tuition and fees collected from students and revenue received under the service contracts with various military bases. According to University officials, the Program is supposed to be self-sufficient and the revenue received from the service contracts and the tuition and fees should cover all the direct and indirect costs of the Program.

The University accounting system includes several funds to account for Program Activity. The funds include:

- Contract Funds - A new contract fund is created each year in the University accounting system to track the expenses related to the contracts entered into by the Program. The Program year starts in August and usually runs until the following September with most of the camps occurring in the summer months. The contract funds are closed after all the revenue has been received from the various contracts. The closeout of the fund may take several months after the camps have been completed.

- Reserve Fund - The reserve fund is used to account for excess funds when the contract fund is closed. If the fund is closed and the contract revenue exceeds the expenses, the excess funds are transferred to the reserve fund. If the contract revenue is not sufficient to cover the expenses of the contract, funds will be transferred from the reserve fund to the contract fund. In addition, the tuition fund may also be used to help cover a deficit in the contract fund.
- Tuition Fund – The tuition fund is used to account for the tuition and fees received from students. The tuition fund helps cover some of the administrative costs, training costs, students’ uniform costs, and other miscellaneous expenses.

Of the funds listed above, only the contract fund is closed out at the end of a contract period. The tuition and reserve fund will not be closed out until the Program ends. Funds may be transferred from the tuition and reserve funds to the contract funds to help cover costs.

Tuition and Fees - The Program is within the Continuing Education & Special Programs Department (Continuing Education) within the University. Program staff determines the tuition rate to be charged for students enrolling in the Program. This is similar to how tuition for continuing education courses is charged. The same rate is charged to both resident and non-resident students.

According to Continuing Education staff, they provided Program staff the following information related to tuition:

“In some cases where there is external funding, such as a grant, the university, through the Continuing Education Office, may charge a tuition rate different from the “posted” rate. In these cases, the external funding source often pays for things the university would otherwise have to pay for, such as instructor salaries, travel costs, room rent, supplies and materials, etc. Since the university’s costs are lower in these cases, it sometimes charges a lower tuition rate.”

According to Program staff, they justify charging a lower tuition rate based on the above statement and because the service contracts are intended to cover materials and supplies, travel, and lodging for the students. Since the direct costs and some indirect costs are covered by the contracts, the remaining administrative and indirect costs should be covered by the tuition and fees paid by the students enrolled in the Program.

During the Board of Regents’ meeting on February 18-19, 2004, University officials presented information related to the Program. The background provided to the Board of Regents included a reference to the Auditor of State’s report issued June 3, 2002, which included a recommendation “University and the Board of Regents review and determine the tuition and number of credit hours to be awarded for the program.” In an attachment to the minutes, University officials responded to the recommendation by stating *Camp Adventure*[™] contracts with the U.S. Military to fund the full cost of instruction of *Camp Adventure*[™] students (college credits, living arrangements, and expenses) and that the federal guidelines provide the waiver of tuition.” The information provided also noted the Board of Regents does not allow tuition waivers.

As a result of the finding and information presented, the University recommended and the Board of Regents passed the following motion.

“The Board requires that University charge the corresponding tuition rate for all credits awarded to students from the *Camp Adventure*[™] program and consider establishing a scholarship program to provide for the relevant tuition charges, effective with the 2005-06 academic year.”

According to University staff, students enrolled at UNI receive credit for the Program. As a result, when a student registers for the Program, the full approved tuition rate charged for a continuing education credit is applied and then an adjustment is made to reduce the amount to the rate established by the Program. The tuition rate is based on the continuing education tuition rate approved annually by the Board of Regents.

Because Program staff set a lower tuition rate for students enrolled in the Program, the difference between the corresponding approved tuition rate and the rate charged is considered an unfunded scholarship. As a result, the students' university bill will show the total tuition charged, an adjustment for the scholarship applied, and the amount to be paid by the student. All resident or non-resident students who enroll in the Program are charged the same rate.

There are 3 undergraduate courses, 2 are 5 credits each and 1 is a 2 credit course. There are also 4 graduate courses, 2 are 4 credits each and 2 are 2 credits each. New undergraduate students enrolling in the Program are required to register for all 3 courses. Returning and graduate students are required to be enrolled for course credit, but are not required to be enrolled for 12 credit hours.

According to University and Program staff, students are charged the full tuition rate with an unfunded scholarship applied to their account for a net tuition rate of \$576.00 for 12 credit hours or \$48.00 per credit hour. The net tuition of \$576.00 is the tuition rate established by Program staff. For example, during 2016/17 school year, a new student enrolled in the Program for 12 credit hours was charged total tuition of \$5,532.00. The corresponding tuition rate established by Program staff was \$576.00. As a result, the University's accounting system showed a reduction of the student's bill of \$4,956.00. The \$4,956.00 unfunded scholarship was intended to be covered by the amounts earned through the service contracts. According to University officials we spoke with, the scholarships recorded by the Program are the only unfunded scholarships at the University.

The current method of recording tuition and an adjustment to the actual amount paid by the students was started in January 2013. Prior to January 2013, the tuition amount established by Program staff was recorded in the system. As a result, Program staff did not follow the Board of Regents' directive prior to June 2013.

Schedule 1 shows the tuition rate and other fees paid by the students. As shown by the **Schedule**, the tuition has ranged from \$325.00 during the 2011/12 school year to \$576.00 during the 2014/15 school year for 12 credit hours. As previously stated, Program staff determine the tuition to be charged for the Program on a yearly basis.

In addition to the fees included in the **Schedule**, students are also responsible for their passport, health insurance, and any personal spending money. If a student does not have health insurance, they can sign up for insurance through a program offered through the University.

According to University officials in Continuing Education, it was their understanding the service contracts awarded to the Program were to cover the majority of the costs associated with the Program and the remaining costs would be covered by the tuition and fees charged to the students. However, Program staff have not performed a formal analysis of the costs to be charged under the service contracts to determine if all costs are covered by the contracts.

Continuing Education submits a proposal to the Board of Regents each year for changes in program specific and common fees to be charged. The executive summary submitted in October 2015 included "Students may pay one or more fees as presented in this memorandum for the direct costs associated with using additional miscellaneous services. These fees are: (1) separate from tuition and mandatory fees; (2) based on students' programs, interests, or needs; and (3) applied only if students use the listed services." According to Continuing Education officials, the Program would fall under this guidance. As a result, the fees accessed by the Program should cover the direct costs associated with using additional miscellaneous services provided by the University.

According to Continuing Education officials, they are only responsible for helping register students who enroll in the Program. Continuing Education receives 15% of the registration fees to help cover the cost of processing applications and enrolling the students in the Program. Students may also be charged an additional fee by the college/university they are enrolled in as a full time student.

Service Contracts – Each year various military branches, embassies and corporate clubs enter into service contracts with the Program to provide services for children and families at various locations. The primary contracts are with the U.S. Department of the Army and the Air Force. The Program is also considered part of the Air Force Smart Buy Program. The Smart Buy Program allows any military branch to execute a purchase order with the Program and use the rates negotiated by the Air Force under the Non-Appropriated Purchasing Agreement. Other entities, such as embassies, also enter into contracts with the Program for services during the summer. The contracts with the U.S. Department of the Army and the Air Force are for 1 year, with 4 option years included in the master contract. The contracts run on a calendar year basis. Entities who use the Air Force Smart Buy Program usually sign a 1 year contract. According to Program staff, the contracts cover the following costs:

- housing for students which, if charged, would be \$5,000-7,000 per person (the location covers the cost of housing directly),
- air and ground transportation for students and supervisors,
- the Program's administrative costs to recruit, screen, and train students at the 12 training locations in the U.S.,
- administrative costs to operate an office including phones, personnel, services and supplies,
- stipends and advances, and
- processing costs for the students' federal and state security checks, as well as "Installation Records Checks" (IRCs), and resident permits.

Of the items listed above, the Program initially pays for the transportation costs to send students to the various locations, advances the students their per diem rates, and their administrative costs (direct and indirect). Examples of direct costs of the Program include the salary of the staff, printing, equipment purchases, and other similar operating costs. Examples of indirect costs include the allocation of University services including financial and accounting services, security and safety, computing resources, and operations and maintenance. Once the contract is completed, they submit the required requests to be reimbursed for these expenses as specified in the contract.

During the final option year of the contract, the Program is notified of the opportunity to negotiate a new contract. In some cases, the notification is only several months prior to services being needed. According to Program staff, since these are routine contracts, they usually do not receive more than a few months' notice.

The request for services includes the service location, the number of participating children and youth, types of activities to be provided, the number of weeks the camp will be offered, and any requirements for staffing ratios. Once received, Program staff review the request and determine the number of interns, supervisors, and other staff which will be needed at each location.

Once the number of students needed is determined, Program staff review the costs associated with providing the Program and set a weekly rate for the various levels of staff required at each location. For example, a student would be billed at \$225.00 per week and a supervisor would be billed at \$275.00 per week.

In addition to the staffing costs, line items for transportation, administrative, and indirect costs of the Program are included in the contract. According to University and Program staff, the rates charged should ensure the costs of providing the Program are covered by the contract. In addition, some costs are paid for by the students participating in the Program, such as their uniforms and insurance. According to University officials, the Program should be self-sufficient and not require any subsidy from the University.

As each contract is completed, the Program submits a request for payment in accordance with the contract terms. Because the contracts are on a reimbursement basis, the University must provide the funds to cover the costs of the Program until each contract is completed and the funds received. The terms of the most recent contract with the Department of the Army require the Program to mail the request for reimbursement (invoice) and all supporting documents within 60 days of the semester completion. The summer semester invoice must be received by the Army by September 20 of each performance year.

According to information provided by University officials, the University is not reimbursed timely after the completion of the contracts. In some cases, it has taken up to a year to receive the funds requested under the contract. According to University officials, this happens because Program staff do not prepare the requests for reimbursement in a timely manner. According to Program staff, they prepare and submit the requests to the contractor within 60 days of completion of the camp as required by the contract. In addition, they stated the delay in receiving reimbursement from the contractors is due to the time it takes the contractor to review and process the request for payment.

During the fiscal year 2013 financial audit, we reviewed procedures for charging tuition and fees to students. As a result of these procedures, we identified concerns related to the tuition charged to the students, reductions in the tuition being charged, and the use of staff located outside the State of Iowa. During a meeting with members from the Office of Auditor of State in July 2014, University officials expressed additional concerns with the ability of the Program to cover the costs of the Program based on the revenue received under the contracts and tuition charged to the students.

As a result of the concerns identified, we performed the procedures listed in the Auditor of State's report for the period July 1, 2010 through June 30, 2016, to determine if the Program is in compliance with University and Board of Regents' policies and procedures and is operating efficiently.

Detailed Findings

We performed the procedures listed in the Auditor of State report in order to determine:

- if the Program complied with policies established by the Board of Regents and University regarding tuition,
- University policies and procedures for contract administration,
- if contract revenue, tuition, and
- if fees received cover the cost of administering and providing services, and review the overall operations of the Program.

The procedures identified concerns with the operations of the Program including tuition rates, contract reimbursement, compliance with policies regarding telework employees, and the funding of the Program using University general unrestricted funds. Our findings are discussed in detail in the following paragraphs.

Financial Condition

As previously stated, the Program is to be self-sufficient. In order to be self-sufficient, the revenue received from the service contracts and the tuition and fees charged to the students should not be less than the direct and indirect costs of the Program.

Also as previously stated, the majority of the direct expenses are for the students' travel and their per diems while at the camp locations. According to Program staff, airfare is purchased close to the date of the students' departure in order to avoid change fees in case a student withdraws or there is a change in the students' destination.

The per diems issued to the students and supervisors are to cover food, ground transportation, phone, gas, lodging (where applicable), visas, and resident permits. Program staff calculates the per diem needed to cover the entire time the student/supervisor is at the camp location. The per diem is deposited to the student's bank account prior to leaving for their assigned camp location.

University officials provided a cash balance report by Program year for the period August 31, 2010 through June 30, 2016. **Schedule 1** includes the ending cash balance per month for each Program year and the cash balance in the tuition and reserve funds. **Table 3** summarizes the cash balance as of June 30 for the fiscal years 2011 through 2016.

June 30,	Cash Balance
2011	\$ (3,122,758.99)
2012	(2,718,177.93)
2013	(3,318,228.77)
2014	(3,193,744.71)
2015	(2,985,935.24)
2016	7,832.51

The **Table** shows the Program has operated with a negative cash balance at June 30 of each year from 2011 until 2015. As shown by **Schedule 1**, the Program had a continuous negative cash balance from August 31, 2010 through April 30, 2016. As a result, the University has used general unrestricted funds to cover the costs of the Program.

As of June 30, 2016, the Program had a cash balance of \$7,832.51, which was primarily composed of the reserve fund's cash balance of \$1,294.34 and the tuition fund's cash balance of \$6,612.63 as illustrated by **Schedule 1**.

Schedule 1 is on a cash basis and revenue and expenses are recorded when they are received and not when the revenue is earned or expenses are incurred. In addition it does not include revenue and expenses incurred for the 2016/17 year. The balance also does not include expenses incurred under the 2015/16 contract which were not paid as of June 30, 2016.

Although information is available from the University for the 2016/17 contract, we did not include the information in the **Schedule** in order to have a clean cutoff of the Program and avoid timing issues with one contract ending and another beginning. When expenses are incurred for the 2016/17 Program, the Program will be in a deficit position and the University will be using general unrestricted funds to pay the cost of the Program until the service contracts are completed and reimbursements are received.

Service Contracts – As previously stated, the service contracts are on a reimbursement basis. As a result, the University provides the funds necessary to cover the Program's direct and indirect costs until funds are requested and received for the completed contract. The terms of the most recent military contracts include "the contractor (*Camp Adventure*) shall mail invoice and all supporting documents within 60 days of semester completion. The summer semester request for reimbursement must be received by September 20 of each performance year."

University officials we spoke with stated it can take several months and up to a year after the Program is complete for all the funds to be received. As a result, the University carries the Program financially for a year or more until the all contract funds are received. University officials provided 2 main reasons for the delay in receiving reimbursement from the contracts:

- Requests cannot be submitted until the final costs are itemized for each camp location at the end of the contract.
- The contracts include payment terms of “net 30.” However, it has been the practice and experience of the University “no one” holds the military to these terms. Payments from military organizations have always been long delayed for unknown reasons.

We asked staff from the Program and the Office of Research and Sponsored Programs (Sponsored Programs) if they considered the possibility of requesting reimbursements at specific points during the contract, such as after the airfare is purchased and students have arrived at their destination, in order to reduce the amount of time Program expenses are covered by the University.

According to Program staff, they have not considered the possibility of negotiating terms which would allow them to request reimbursements at various points during the contract term.

According to Sponsored Programs staff, they have never been involved in the review and negotiations of the contracts so they have not had the opportunity to help negotiate the terms of the contracts. Sponsored Programs staff have only been asked to sign the 5 year contracts “at the last minute.” However, other grants and contracts negotiated by Sponsored Programs have included a schedule for requesting reimbursement at various points in the contract. Sponsored Programs staff stated they will be involved in the review and negotiations of future Program contracts and will consider options to request reimbursement at specific points of the contract.

Tuition and fees – As previously stated, the Program’s direct costs and some indirect costs are covered by the service contracts, the remaining administrative and indirect costs are to be covered by the tuition and fees paid by the students enrolled in the Program. As shown by **Schedule 2**, the students pay a fee to cover the cost of their uniform, course materials, and liability insurance. Students are also required to show proof of health insurance or purchase it through the University.

As previously stated, when a student registers for the Program, the approved tuition rate is applied and an adjustment is made to reduce the tuition rate to the rate established by Program staff. The resulting adjustment is considered an unfunded scholarship.

Although a portion of the expenses are offset by the tuition and fees collected from students who enroll in the Program, the tuition and fees do not cover the majority of the direct and indirect costs of the Program. As a result, the University uses general funds to pay the direct and indirect costs of the Program until they request and receive the reimbursements allowed under the service contracts.

Schedule 3 summarizes the revenue and expenses for the Program by fiscal year. The summary includes the tuition and fees, reserve, and Program funds through June 30, 2016. The **Schedule** also shows the Program has transferred funds to cover the deficit in the Program. The transfers are usually made from the tuition and reserve funds. As previously stated, if a completed project receives funds which exceed the expenses in the project fund, the excess funds are transferred to the reserve fund. These excess funds can be used for future program years if the Program has a deficit balance in the project fund. In addition, for Program years 2011 through 2013, funds were also transferred in from the Extension Classes fund where tuition and fees for the Program were recorded prior to September 2013. In 2013, the University began recording the tuition and fees for the Program in a separate fund to accurately track revenues.

Because the Program is to cover all direct and indirect costs, we requested copies of any cost analysis done for the rates charged under the service contracts, an analysis of how the tuition and fees charged to students were determined, or an overall cost analysis of the Program. Program staff were not able to provide a calculation for the rates charged under the service contract, how the tuition rate is determined, or an overall cost analysis of the Program.

The Program has been operating at the University since 1985. As a result, officials should be able to use historical data to prepare a cost analysis for the Program including calculating the necessary service contract rates and tuition and fees required to cover the costs of providing the Program.

Because the Program was unable to provide a cost analysis for the Program or support for how the service contract rates and tuition and fees charged to students were determined, we are unable to determine if all direct and indirect costs are being covered by the rates charged under the service contract or the tuitions and fees charged to the students. However, based on the cash balance, the Program runs in a deficit position until the contracts are completed.

Disbursements

Program staff use procurement cards for the majority of disbursements related to the Program. Some vendors are paid with a check or through an electronic process. Program staff are paid through the normal University payroll process and may also submit reimbursement requests along with the supporting documentation for expenses related to the Program. Because the majority of the disbursements for the Program are related to travel, per diems, and payroll, we reviewed these areas.

Procurement cards – As previously stated, 2 of the procurement cards are assigned to the Director and 1 is assigned to a staff person in Arizona. According to Program officials, supplies are ordered by staff at UNI and Arizona. The staff person located in Arizona also orders uniforms for the students enrolled in the Program. The staff person in Arizona also coordinates shipping uniforms and supplies to UNI and training sites throughout the country.

The monthly statements for the University's procurement cards are mailed directly to the Office of Business Operations (OBO). OBO sends copies of the statements to Program staff for review and approval. Once approved, OBO staff process the payments in a timely manner so finance charges are not incurred. The payment is then posted to the Program's clearing account and the charges recorded under the proper expenditure codes, such as travel and supplies.

Program staff are responsible for reviewing the statements to ensure accuracy and for matching individual purchases to supporting documentation for each charge. The copies and the original supporting documentation are to be filed with OBO by the 18th of the following month along with accounting information identifying the proper accounts to which the purchases are to be posted.

The majority of purchases charged on the procurement cards are for airfare and other travel costs for the students in the Program. Airfare is purchased using Humble Travel which is a University approved vendor. Humble Travel submits a list of the tickets purchased, including the name of the student and destination, to Program staff. In addition, Humble Travel charges a service fee for each ticket purchased. The actual tickets are mailed by Program staff to the student.

In addition to the charges for travel, we also identified charges at Office Max, Walmart, Amazon, Old Navy, and various food vendors. We reviewed selected transactions and support maintained in OBO and the Program's office. The support included a description of the items purchased and, in some cases, the purpose of the purchase and a location to which the items were sent. The support did not always include the purpose of the purchase. However, information included in the University accounting system provided an explanation for the purchase. Examples of the explanations provided included food for an event, such as training and dessert fest, office supplies, AZ (*Arizona*), shipping, summer uniforms, supplies for external site training, and storage fees.

According to Program officials, uniform items are purchased from Old Navy (shorts), Graphic Edge (t-shirts), Poco Loco (swimwear), and Shirt Shack (hats) for the students enrolled in the Program. As previously stated, the fees paid by the students cover the cost of the uniforms. Supplies for the various staff development locations in CA, WA, OH, IA, FL, and OR are usually purchased from Walmart, Discount School Supply, and Amazon. Supplies include poster materials, paint, poster board rolls, paper, pens, and other craft supplies. These supplies are then shipped to the various staff development locations.

Based on the supporting documentation, explanations included in the accounting system, and discussions with Program staff, the disbursements were reasonable for the operations of the Program. However, supporting documentation should include the purpose of the disbursement. In addition, it is not clear why a procurement card needs to be issued to an employee in Arizona. Supplies, equipment, and travel can be purchased using the 2 cards assigned to the Program Director or through vendors used by the University.

Per Diem – As previously stated, students and supervisors receive a per diem to cover food, ground transportation, phone, lodging, visas, and resident permits. The per diem is issued to cover the entire time period the student/supervisor is at the camp location. The per diem is issued in the form of a check or directly deposited to each student's/supervisor's bank account.

According to Program staff, the per diem rates are impacted by the cost of living, scope of supervision, level of the supervisor, number of students supervised and other factors. The following is additional information provided by Program staff to explain the differences in the per diem rate.

- Number of students supervised at a location. There will be more activity, supervision, and travel with larger numbers of students. Transportation and assistance for students includes airport pick up/drop off, medical runs, grocery runs, transportation to immigration offices for resident permits, and other transportation needs.
- Scope of supervision – Supervisors who provide supervision at multiple sites incur additional travel costs and higher per diem rates depending on the location. For example, providing supervision in geographically separated units such as Japan, and Europe involves extensive travel between camp locations. Supervisors who provide supervision in multiple countries also incur additional travel and per diem costs. For example, a supervisor may reside in Germany, but travel to supervise Program staff in Belgium and the Netherlands.
- Variable cost of living based on the camp location and rate of exchange.

Students have approximately 3 weeks after the camp is completed to submit support to OBO showing how the per diem was spent. If the student spends less than the per diem advanced to them, they are to include a check made payable to the University for the difference.

According to Program staff, field supervisors do not receive a salary. However, several UNI staff who have previous supervisory experience with the Program also travel to supervise staff at various camp locations. As a result, they also receive a per diem in addition to their salary.

We requested support for how the Program determines the per diem rates to be charged for the various students and supervisors. Program staff were unable to provide support showing how they calculate the per diems, other than the information provided above. Because the Program has been operating for many years, data should be available and tracked which would allow Program staff to determine the per diem rates based on the cost of living, transportation costs, and other costs associated with students working at various camp locations. The rate should be adjusted annually by any cost of living increase in the various countries.

Based on the information provided, it is also not clear why per diem rates fluctuate between various staff levels. The cost of providing additional supervision, such as vehicles, gas charges, lodging, and additional food related to traveling between sites should be able to be determined.

Scholarship and fellowship – As shown in **Schedule 3**, the total amount recorded as scholarship expense exceeds the amount of tuition recorded for fiscal years 2013 through 2015. Prior to 2013, the University recorded tuition at the rate set by Program staff. As a result, scholarship expenses for students enrolled in the Program prior to 2013 were not recorded and we are unable to determine the amount of the scholarships prior to 2013.

The tuition fund includes a line item for scholarship expenses. As previously stated, beginning in January 2013 students were charged the full continuing education tuition rate; however, the student's tuition bill was reduced to an amount established by Program staff. The difference between the tuition rate charged and the amount set by Program staff is recorded in the University's accounting system as scholarships. The scholarship amount related to this difference is recorded in the tuition fund.

As previously stated, the Board of Regents approved a resolution which included "establishing a scholarship program to provide for the relevant tuition charges." By recording the adjustment between the approved tuition rate and the tuition rate set by Program staff, the University records an unfunded scholarship. By recording an unfunded scholarship, the University is subsidizing the cost of the Program.

According to Program staff, in certain instances they pay the tuition and fees for some of their graduate student workers. Currently, they are paying tuition for 5 graduate students working on their master degrees in majors related to child and youth services. All 5 students work in the main Program office during the year and supervise students in the field during the summer Program.

In addition, each University contract fund in the accounting system includes a line item for scholarship expenses. According to Program and University staff, the per diem amounts advanced to the students are also recorded as a scholarship expense. University officials determined the per diem's should be recorded as scholarships based on Internal Revenue Service (IRS) rules. Because the per diem is considered a scholarship, UNI issues each student IRS form 1098-T showing the amount the student received. According to IRS guidelines, IRS form 1098-T is issued to any student who paid "qualified educational expenses" in the preceding tax year. Qualified expenses include tuition, any fees that are required for enrollment, and course materials the student was required to buy from the school. Based on IRS rules, UNI is properly recording the per diem's advanced to students as scholarship expense.

Teleworkers – As previously stated, the Program employs staff in other states to help coordinate training, recruiting, accounting, and administrative support. According to Program staff, they hire staff outside of Iowa to help coordinate and train students in other states. Several of the staff were employed by the Program prior to its moving to the University in 1991. All telework employees are paid through the normal University payroll process and are considered University employees.

In total, there were 19 agreements for the telework employees as of June 30, 2015. According to Program staff, the telework employees are part-time and work for other colleges and universities or various businesses. Under University policy "all staff are required to submit timesheets for the hours worked (or for the hours taken as vacation)." According to Program staff all staff outside of Iowa are hourly except for 1 person who is salaried.

We attempted to review the 19 telework agreements for the staff located in other states. Of the 19 agreements, 4 were outdated and 1 agreement could not be located by Program or University staff.

The 18 available agreements indicated the location of the employee's office and which college or university the staff person was assigned to for the Program. By reviewing the agreements, we determined the majority of staff help coordinate student applications and training at the respective colleges and universities. One of the agreements did not specify the college or

university the staff person was assigned. However, the staff members are located in cities where there is a college where students are recruited.

According to Program staff, it is cost beneficial to train students who live in other states closer to the college/university they attend instead of incurring travel, lodging, and food costs to have students attend training at the University. These telework employees are considered part-time employees of the University.

In addition to staff hired to help train and recruit students, the Program has several employees who provide administrative and accounting support. These employees include:

- Dr. Chiusano (California) – previously worked at UNI on contracts and is currently based at the University of San Diego. She is the contact/liaison for military contract partners, helps market the Program, acquires new contracts, and ensures the goals for the number of students required under the contracts are met. In addition, she provides budget information to prospective contractors, receives requests for services, and develops contracts as needed. She also trains students in the San Diego area.
- Dr. Montgomery (Washington) – was formerly an Associate Professor at UNI in the College of Education, Department of Teaching, serving as a Student Teaching Coordinator for 20 years. She is now a UNI adjunct professor who lives in the state of Washington. She previously served as a Project Director for Camp Adventure in Europe supervising student interns. Dr. Montgomery develops and reviews student intern course curriculum, updates course descriptions, and reviews and grades students' coursework for more than 5,000 credit hours (2016-2017).
- Ms. Njoo-Lau (California) – previously managed budget/accounting functions and staff for the Program at UNI for 12 years. She also ensured compliance with related UNI policies and procedures. Currently, she live in California and provides the following services to the Program:
 - provides budget/accounting functions using the UNI computer system and a virtual private network (VPN);
 - manages accounts payables and receivables;
 - manages travel expenditures;
 - ensures compliance with University policies and procedures;
 - supervises the distribution of payroll for student interns;
 - supervises credit card processing;
 - develops and maintains computer information systems related to financial management; and
 - ensures uninterrupted continuity of the accounting/budget functions, trains new/replacement staff as needed.
- Ms. Jay (Arizona) – coordinates course enrollments for student interns for more than 5,000 credit hours annually, purchases more than 6,500 uniform items in compliance with UNI marketing requirements, and distributes the uniforms, supplies and training materials to training locations in WA, OR, CA, OH, FL, and IA. She manages course enrollment issues, database records and supervises student assistants in Iowa. She also orders food and supplies for year-around training, recruiting and performance events.
- Ms. Maury (Florida) – ensures contract requirements are met as related to human resources records/documentation. The Program processes as many as 30,000 student paperwork items annually. She supervises part-time clerical personnel and students to scan, process, and maintain hard copy records and files. She reviews and enters

data into the Program database, verifies students have the required paperwork for the Program and ensures it is accurate and has not expired. She also tracks student progress through initial application, submission of required documentation, payment of required fees, security checks, flight itineraries, and other participation requirements.

As previously stated, the Program also includes 2 staff who are employed full time by US Military and Youth Services. According to Program staff, these employees provide training to Program supervisors at various training sessions from January through April. It is not clear why it is necessary staff employed by the US Military and Youth Services also be employees of the Program.

As previously stated, all Program financial transactions are required to be recorded in the University accounting system. However, the Program also employs an individual in California who provides accounting services using the Quicken® software program to record the financial transactions. According to Program staff, they have used Quicken® for many years and the employee is very familiar with Quicken®. Program staff also stated Quicken® allows them to generate reports quickly and easily, they can access it from any computer, it is easier for them to use than the University accounting system, and some of the information is not as easily tracked using the University accounting system. All financial information is also recorded in the UNI Accounting system.

Quicken® is maintained on a computer in the Program office and can be accessed remotely from any computer with the proper software installed. The telework employee prepares a monthly reconciliation between the University accounting system and Quicken® which they use to generate reports internally. According to Program officials, they continue to use Quicken® because they are familiar with it; there are times they need to run reports for a specific camp to provide information on the costs, to request reimbursements and the information is not as easily tracked using the University accounting system. According to University officials, the University system has the functionality to track information in detail and University staff can work with Program staff to develop the necessary accounting information and reports needed. Program staff we spoke with also stated having the employee in California who provides accounting services provides continuity for the Program and is more cost beneficial than training other staff how to process and record the financial transaction of the Program.

Program staff were unable to provide an analysis showing the cost savings to the Program by employing staff in other states. It is not clear why the Program employs administrative staff outside of the University. The University has staff available to help provide accounting and administrative support, develop necessary reports needed from the University account system, and help with procurement of services. Staff hired to provide training and recruiting in other states should be considered contractors and not employees of the University.

Other Administrative Issues

Contracting Procedures – As previously stated, Sponsored Programs provides support to University Departments to help negotiate grants and contracts with outside agencies, including the Federal government. According to Sponsored Programs staff we spoke with, prior to 2014, the contracts entered into by the Program were not reviewed by their office prior to being signed by Program staff. According to Sponsored Programs staff, this was because the agreements had to be signed immediately because the Program was beginning for the next year.

Beginning with Program year 2014, Program staff were asked to provide copies of the proposed contracts to the Sponsored Programs to allow staff enough time to review the contract and suggest revisions if necessary. However, Sponsored Programs staff we spoke with indicated they have not been involved in direct negotiations for the umbrella contract. In addition, the contracts and purchase orders, which reference the umbrella contract, have not been provided in a timely manner and in some cases, costs had been incurred and students were already en route to a location without a signed contract.

According to Sponsored Programs staff, they still do not receive the contracts early enough in the process to review and make suggestions. Sponsored Programs staff provided an example of a timing issue which occurred with the 2016 umbrella contract. A complete copy of the timeline provided by University officials related to this example is included in **Appendix B**. Below is a summary of the issue identified in the timeline.

Camp Adventure officials presented an “Emergency” contract to Sponsored Programs staff. Approximately 5 months prior to the most recent umbrella contract issued in July 2016, Sponsored Programs was notified about a pending new 5 year contract. After the initial notification, Sponsored Programs received no information or communications from Camp Adventure regarding the contract until it was presented to be signed a week prior to the due date.

When Sponsored Programs staff asked about the contract, they were told non-refundable airfare for the students who were leaving the next day had already been purchased. After discussions with the Provost office and, as a result of expenses already being incurred for which the University would not be able to be reimbursed, the contract was signed.

Because Program staff, University officials, and the various contracting parties have not discussed the option of allowing the University to request reimbursement for expenses earlier in the contract period, University resources are used to fund the Program for an extended period of time.

Indirect Cost

All externally funded projects administered by Sponsored Programs, including federal grants and contracts, are charged the indirect cost rate unless prohibited by the terms of the federal grant or other limitations are placed on the award by the awarding agency. The current indirect cost rate for the University is 33.8%. The University also has a lower rate for state agency contracts of 8% when certain criteria are met. In addition, the University has a process allowing a department to request a lower indirect cost rate.

The procedure for requesting a reduction in the indirect cost rate requires the Program to complete a waiver form specifying why a reduction in the indirect cost rate is required. The form is reviewed and approved by the Director for Research and Sponsored Programs. If the request is denied, the normal University rate is applied. According to University officials, the Program has never filed a form requesting the rate be reduced.

Prior to program year 2016, the University charged the Program a 10% indirect cost. At the end of the fiscal year, the University transferred back 5% of the indirect costs charged to the Program. This rate is far below the current indirect cost rate of 33.8%. University officials we spoke with were unable to provide support for why the decision to charge a lower indirect cost rate was made. According to Program staff, the rate was established when the Program was first moved to the University and they were never informed, until recently, the rate charged was to be higher.

Table 4 compares the amount of indirect cost recovered by the University at the current 10% indirect cost rate with 5% being returned to the Program and the amount which would be recovered under the 33.8% rate.

Description	2015 Actual	2015 Projected
Revenue subject to indirect Cost	\$ 4,174,929.28	4,174,929.28
Less: tuition adjustment	-	24,150.00
Net Revenue	4,174,929.28	4,150,779.28
Indirect cost rate	10%	33.8%
Indirect cost allocated~	\$ 379,539.03	1,048,552.61
~ - (Total revenue/(1+the rate))*the rate.		

As shown by the **Table**, the University should have recovered \$1,048,552.61 if the full 33.8% rate had been applied. Based on the 10% rate, the University should have recovered \$379,539.03. However, according to the University accounting system, the Program was only charged indirect costs totaling \$198,806.02. According to University officials, approximately half of the indirect rate charged is returned to the Program. As a result, the University did not recover \$849,746.59 of indirect costs and is subsidizing some of the costs of the Program.

As shown by the **Table**, when the University calculates the indirect cost at the full indirect cost rate (33.8%), the revenue subject to the indirect cost rate is reduced by the tuition and fee expense recorded for the Program. The adjustment is made to avoid indirect costs being recovered on revenue paid by the University for students. The adjustment is only recorded when the University is charging the full indirect cost rate to a program. However, if the grant/contract includes a limitation on the amount of indirect cost which can be charged then the adjustment is not required.

Program staff stated the limited resources available to some of the contractors requesting Program services justifies a lower indirect cost rate and they do not want to place an undue burden on the various branches of service and the funds available for these programs.

Beginning in fiscal year 2018, the University will begin to increase the indirect cost rate charged to the Program in order to reach the 33.8% rate charged to other University programs. According to Sponsored Program staff, they are planning a minimum rate increase of 2% a year for fiscal year 2018, 2019, and 2020. After 2020, they hope to increase the rate more aggressively so it may be included in the Program's per item pricing in future contracts. The formalized rate increase schedule should be completed by the end of September.

Storage facilities – During our review of the Program, we were notified by University officials of a storage unit located in the Cedar Falls area which was being rented by the Program. According to University officials, they were unaware of this unit and other storage units Program officials had not disclosed to University officials.

The storage units were brought to the attention of University officials when staff in OBO noticed the rental payments. University officials were also made aware of the existence of 2 other storage facilities in Arizona and California. The main concern expressed was no one was sure what was in the units and if they contained sensitive data and documents. According to Program staff, they used the unit in Cedar Falls and in other states to store training materials, records, extra uniforms, and other items related to the prior camps.

We accompanied University officials to the unit in Cedar Falls. The unit was located in a climate controlled facility accessed by a locked outside door. The unit was locked with a padlock.

The storage unit included an inventory list of items attached to the inside wall. The list included the contents of each box and, in some cases, the year or period the records covered. The list included boxes from 1992 through 2007. Some of the boxes did not include a year or date range. The unit contained vertical file cabinets and boxes stacked in shelving units. The cabinets and boxes included student files, contracts, training materials, clothing, and other items related to the activities of the Program. The student files contained student names, addresses, and other sensitive information, such as social security numbers, which is required to be secured in accordance with University policies. After leaving the unit, University staff secured the unit with a University padlock.

Because the information included personally protected information, the University is at risk if the information were to be accessed by personnel other than University staff.

Computer Security – The Program maintains a database of students who have participated in the Program and other information, such as locations, statistical information, and financial information, related to providing services at various locations. As previously stated, they also maintain Quicken® on a computer located in the main University office. Because student information includes protected information such as social security numbers, we discussed computer security with University Information Technology (IT) staff.

According to University IT staff, they completed a report in December 2014 which included recommendations related to the Program's database program, email, and records retention. The main issues cited in the report were related to the Program using a database program that is not supported by the University and did not implement basic security configurations. The University considered the option of moving the database to a system supported by the University. However, based on the cost and time needed to migrate the database to one supported by the University, the University decided to enter into a contract with the University of Iowa to host the database on one of its secure servers which supported the database program used by the Program.

The report also noted the Program used a third-party provider for email and web hosting services. In order to ensure the security of the domain and emails, the University IT Department and Program staff agreed to move its email and web site domain to the University IT Department's control.

In addition to the database and email issues, the Program also maintained a file server that was outside the University's control. According to IT staff, the server was moved and is now under the University's control and security configurations.

IT staff also included recommendations to ensure computers used by Program staff off-site have the necessary security configurations required by the University to protect confidential information and access University IT resources including Quicken® which is installed on a University computer in the Program's Office. As of June 30 2017, an off-site computer has not been sent back to the University for service.

We also inquired of Program staff how the Program protects credit card information for students who pay tuition and fees using credit cards. According to Program staff we spoke with, students complete a PDF form and submit the form to a secured fax machine located in the secured server room in the Program office on the UNI campus. Program staff retrieves the fax from the server room and enter the required information into the UNI accounting system. Once the information is entered, the bottom part of the form, which includes the credit card number, is removed and shredded.

Recommended Control Procedures

As part of our review, we reviewed the procedures used by Camp Adventure Youth Services program and the University of Northern Iowa to administer and process financial transactions for the Program. An important aspect of internal control is to establish procedures that provide accountability for assets susceptible to loss from errors or irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be noted within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made to strengthen the Program and the University's internal controls.

- (A) Financial Management – The University uses general unrestricted resources to fund the Program until they receive reimbursements under the various contracts. Because of delays in receiving funds from the contractors, it may take up to a year to close out a Program contract. As a result, the University is using general unrestricted funds which may be better utilized for other programs.

Recommendation – University officials should review the procedures used to request reimbursement of expenses under the Program contracts in order to determine if it is possible to request funds at various points (benchmarks) during the Program year to limit time general unrestricted resources are used by the University to cover the Program costs.

Response – The University concurs with the recommendation and has begun the process of requesting a more timely reimbursement of expenses with the goal of minimizing the use of unrestricted university resources.

Conclusion – Response accepted.

- (B) Cost Analysis – Program staff have not prepared a formal cost analysis of providing the Program including the rates charged for services provided under the contracts and the tuition and fees charged to students who enroll in Camp Adventure. As a result, the Program and the University are unable to determine if the Program is covering all direct and indirect costs of the Program.

Recommendation – University officials should implement procedures to ensure a cost analysis of the Program is prepared in order to determine if all costs are being covered and if the Program can be self-sufficient. The cost analysis should also determine the proper rates to be charged for services under the contract and the portion to be charged as tuition and fees to the student.

Response – The University concurs with the recommendation and staff from Camp Adventure and the Office of Business Operations will work together to complete a cost analysis to ensure proper rates are charged to cover program expenses.

Conclusion – Response accepted.

- (C) Disbursements – Purchases made with procurement cards did not always include a detailed description of the items purchased, the location of the purchase, or the purpose for the purchase. In addition, University policy requires receipts for all purchases for individuals receiving an advance. We identified students who received an advance but did not include receipts for fuel purchased with the advance. In addition, it is not clear why staff located in other states are assigned a University procurement card for the purchase of supplies and equipment.

Recommendation – All purchases should include the purpose for the purchases and be supported by adequate documentation to ensure amounts reimbursed or advanced are properly accounted for. The University should ensure procurement cards are issued only to staff who demonstrate a need for the cards.

Response – The Office of Business Operations will ensure proper documentation is provided and that detailed description of items purchased, location of purchase, and purpose are included. The implementation of ProTrav, subsequent to the scope of the audit, requires a business purpose and supporting documentation for all expenses. The University will verify procurement cards are only issued to staff with a documented need.

Conclusion – Response accepted.

- (D) Contracting – The Office of Research and Sponsored Programs is not involved in the initial contract negotiations for the service contracts entered into by the Program. In addition, the University has not negotiated contract terms which would allow the University to be reimbursed during the contract instead of at the completion of the contract.

Recommendation – The Office of Research and Sponsored Programs should be involved at the start of contract negotiations to ensure University policies and procedures are followed and to negotiate terms which allow the University to request reimbursement of expenses prior to the completion of the contract.

Response – The University concurs and the Office of Sponsored Programs and Camp Adventure will work together to negotiate contracts and ensure that University policies and procedures are followed; this includes negotiating terms to allow the University to request reimbursement prior to the completion of the contract.

Conclusion – Response accepted.

(E) Telework Employees – The Program employs staff outside of Iowa to recruit, train, and provide administrative services. According to Program staff, the staff employed outside of Iowa is cost beneficial and provides continuity to the Program. We identified the following related to the employees located outside of Iowa:

- We attempted to review telework agreements for 19 employees; however, 1 agreement could not be located and 4 agreements were outdated.
- 1 employee has not returned their University assigned laptop to be serviced (updates and encryption).
- The Program employs staff in other states to review and prepare contracts, prepare contract budgets, ensure compliance with contract terms, supervise staff, review and grade student work, help with enrollment issues, database and record keeping, procurement, accounting, and other administrative services.
- A number of the employees work for Universities/Colleges in their geographical area and provide recruiting and training services for the Program. It is unclear why these employees are considered employees of the University and not contract staff.
- Several staff supervise students located in Iowa and other states by email and phone contact.

It is unclear why services such as enrollment, contracting, accounting, procurement and other administrative services need to be handled by staff employed in other states. The University provides enrollment, accounting, contracting, recordkeeping, and other administrative services as part of its day to day operations.

Recommendation – University officials should review the reasons for employing accounting and administrative staff outside of the University. In addition, University officials should perform a cost analysis to determine if it is cost effective for the University to provide the required accounting and administrative support or to continue to employ staff in other states. University officials should also work with colleges/universities in other states and the US Military and Youth Services which provide recruiting and training services to determine the appropriate method to reimburse staff who are employed by the colleges/universities and US Military and Youth Services.

Response – Camp Adventure will work with Human Resource Services to ensure telework agreements are current and comply with University policies and procedures. Camp Adventure will also evaluate the current benefits of the existing remote employees, including diversity of staff, continuity of operations and participant recruitment to ensure they are cost effective to the University.

Conclusion – Response accepted.

(F) Record Keeping – Student and financial records are maintained in a storage unit in Cedar Falls and in units in other parts of the country. In addition, student information was maintained in a database program that was not supported by the University and did not implement basic security configurations. The information included in these files contains protected personal information.

Recommendation – University officials should implement procedures to ensure information is properly protected and secured. The University should work with Program staff to move the records stored in other units to a secure location under the University's control.

Response – The University concurs with this recommendation that records should be properly protected and secured. The program has begun the process of imaging documents, and securing appropriately, and shredding original paperwork. There are no documents stored in storage units outside of Cedar Falls.

Conclusion – Response accepted.

- (G) Indirect Costs – The Program is not being charged the current indirect cost rate for the University of 33.8%. The Program is being charged a 10% indirect cost rate, with 5% of the amount recovered being returned to the Program. The University could not provide an agreement for the decision to charge a lower indirect cost rate to the Program.

Recommendation – University officials should ensure the University indirect cost rate is consistently applied in accordance with University policy to all departments, centers and Programs.

Response – The University has implemented a process to increase the indirect cost rate for Camp Adventure and concurs that the appropriate policies should be followed in identifying the rate.

Conclusion – Response accepted.

- (H) Personal Confidential Information (PCI) – The Program receives Personal Confidential Information PCI via a secured fax. The information is used to input student information into the University registration and accounting system. Although this is an acceptable method of receiving PCI, the University also uses a secure website to receive PCI and payment information for other programs. It is unclear why the Program is not using the same secure website to process PCI.

Recommendation – University officials should review the method of receiving PCI to ensure compliance with University policies on protecting PCI. As part of the analysis, the University should consider if students should register and make payments in accordance with normal University policies and procedures, such as through a secure on-line portal.

Response – The University recently enhanced the PCI environment by implementing a new secure portal solution for the receipt of credit card payments. The Office of Business Operations and Camp Adventure will work together to utilize the portal for students to enter their PCI information for registrations and fees. Camp Adventure will no longer need to receive or store PCI information related to credit cards.

Conclusion – Response accepted.

**Report on a Review of the
University of Northern Iowa
Camp Adventure Youth Services**

Schedules

Report on a Review of the
University of Northern Iowa
Camp Adventure Youth Services

Schedule of Cash Balances
For the Period July 1, 2010 through June 30, 2016

Month Ending	Cash Balance				
	Camp Adventure Program Year Ended August				
	2012	2013	2014	2015	2016
08/31/10	(270,258.60)	-	-	-	-
09/30/10	(433,657.36)	-	-	-	-
10/31/10	(720,015.09)	-	-	-	-
11/30/10	(880,680.96)	-	-	-	-
12/31/10	(1,080,308.59)	-	-	-	-
01/31/11	(1,753,729.26)	-	-	-	-
02/28/11	(1,919,732.76)	-	-	-	-
03/31/11	(1,920,560.38)	-	-	-	-
04/30/11	(2,021,322.63)	-	-	-	-
05/31/11	(3,101,991.84)	-	-	-	-
06/30/11	(3,418,964.11)	-	-	-	-
07/31/11	(3,471,967.82)	-	-	-	-
08/31/11	(3,510,802.16)	(252,571.04)	-	-	-
09/30/11	(2,447,792.33)	(372,592.63)	-	-	-
10/31/11	(410,496.13)	(512,343.16)	-	-	-
11/30/11	(407,238.10)	(837,721.91)	-	-	-
12/31/11	(275,664.85)	(1,020,376.69)	-	-	-
01/31/12	(121,227.16)	(1,300,227.23)	-	-	-
02/29/12	(147,331.24)	(1,431,125.64)	-	-	-
03/31/12	(107,656.24)	(1,603,952.04)	-	-	-
04/30/12	(107,531.25)	(1,836,748.72)	-	-	-
05/31/12	(87,516.25)	(1,771,142.72)	-	-	-
06/30/12	(52,493.13)	(2,800,594.50)	-	-	-
07/31/12	-	(2,829,864.50)	-	-	-
08/31/12	-	(2,916,258.80)	(169,573.50)	-	-
09/30/12	-	(2,845,809.70)	(392,872.77)	-	-
10/31/12	-	(1,862,268.95)	(529,774.11)	-	-

Tuition Fund	Reserve Fund	Total Program Cash Balance
(6,616.98)	(180,102.99)	(456,978.57)
(12,223.96)	(213,991.05)	(659,872.37)
760,497.69	(250,006.02)	(209,523.42)
764,533.80	(277,485.51)	(393,632.67)
768,393.80	(245,931.87)	(557,846.66)
770,421.81	(58,085.31)	(1,041,392.76)
773,152.81	(9,474.53)	(1,156,054.48)
775,901.73	(42,578.24)	(1,187,236.89)
777,176.73	(92,286.88)	(1,336,432.78)
742,432.51	(165,397.73)	(2,524,957.06)
586,024.19	(289,819.07)	(3,122,758.99)
587,815.19	(308,527.77)	(3,192,680.40)
587,815.19	(300,927.40)	(3,476,485.41)
587,815.19	(318,431.35)	(2,551,001.12)
530,199.79	(296,311.61)	(688,951.11)
530,170.79	(261,939.64)	(976,728.86)
526,052.43	(224,345.83)	(994,334.94)
541,983.07	(178,769.66)	(1,058,240.98)
541,983.07	(84,874.22)	(1,121,348.03)
547,139.44	(212,150.72)	(1,376,619.56)
548,385.77	(218,364.05)	(1,614,258.25)
549,952.28	(273,354.18)	(1,582,060.87)
193,164.56	(58,254.86)	(2,718,177.93)
145,342.95	(84,088.32)	(2,768,609.87)
149,823.29	(247,650.16)	(3,183,659.17)
152,803.21	(244,326.41)	(3,330,205.67)
154,082.23	(245,597.62)	(2,483,558.45)

Report on a Review of the
University of Northern Iowa
Camp Adventure Youth Services

Schedule of Cash Balances
For the Period July 1, 2010 through June 30, 2016

Month Ending	Cash Balance				
	Camp Adventure Program Year Ended August				
	2012	2013	2014	2015	2016
11/30/12	-	(1,275,879.29)	(638,270.54)	-	-
12/31/12	(128.09)	(290,230.94)	(989,495.43)	-	-
01/31/13	(128.09)	(211,214.35)	(1,567,708.25)	-	-
02/28/13	(128.09)	(211,446.36)	(1,759,381.26)	-	-
03/31/13	(128.09)	(210,193.25)	(1,843,755.31)	-	-
04/30/13	-	(235,099.74)	(1,974,451.03)	-	-
05/31/13	-	(232,186.35)	(2,850,114.16)	-	-
06/30/13	-	111.40	(3,268,464.29)	-	-
07/31/13	-	-	(3,409,622.10)	(31,900.00)	-
08/31/13	-	-	(3,047,668.93)	(302,144.92)	-
09/30/13	-	-	(2,700,945.12)	(614,283.24)	-
10/31/13	-	386,010.00	(1,508,366.06)	(743,326.33)	-
11/30/13	-	386,010.00	(1,537,173.35)	(890,508.16)	-
12/31/13	-	386,010.00	(1,537,215.26)	(366,165.33)	-
01/31/14	-	-	(8,363.06)	(1,523,517.71)	-
02/28/14	-	-	(11,912.91)	(1,847,592.09)	-
03/31/14	-	-	(11,962.29)	(2,033,286.36)	-
04/30/14	-	-	(1,731.10)	(1,496,225.92)	-
05/31/14	-	-	(1,731.10)	(2,225,719.76)	-
06/30/14	-	-	(0.00)	(3,261,604.48)	-
07/31/14	-	-	-	(3,379,622.00)	-
08/31/14	-	-	-	(3,428,460.86)	(224,040.00)
09/30/14	-	-	-	(3,472,722.17)	(369,163.74)
10/31/14	-	-	-	(1,161,233.66)	(377,449.78)
11/30/14	-	-	(405.00)	(570,056.01)	(643,831.18)
12/31/14	-	-	-	(570,056.01)	(733,933.25)
01/31/15	-	-	-	(388,365.36)	(1,094,947.31)

Tuition Fund	Reserve Fund	Total Program Cash Balance
159,496.23	(81,381.67)	(1,836,035.27)
160,146.23	(105,245.06)	(1,224,953.29)
163,713.03	(74,767.07)	(1,690,104.73)
165,884.03	(33,593.18)	(1,838,664.86)
165,269.45	6,916.86	(1,881,890.34)
167,399.79	(25,328.43)	(2,067,479.41)
167,399.79	(307,277.69)	(3,222,178.41)
(4,753.94)	(45,121.94)	(3,318,228.77)
(4,703.94)	(48,612.25)	(3,494,838.29)
(1,678.94)	(46,593.94)	(3,398,086.73)
1,876.06	(55,862.49)	(3,369,214.79)
509.06	(48,320.55)	(1,913,493.88)
5,463.77	(59,386.70)	(2,095,594.44)
7,543.48	(42,446.65)	(1,552,273.76)
11,363.22	(10,214.76)	(1,530,732.31)
12,206.47	60,735.39	(1,786,563.14)
10,417.18	49,870.61	(1,984,960.86)
3,785.79	24,396.12	(1,469,775.11)
3,840.50	151,113.23	(2,072,497.13)
2,643.48	65,216.29	(3,193,744.71)
1,755.19	63,037.92	(3,314,828.89)
4,243.96	68,111.52	(3,580,145.38)
7,613.66	64,989.33	(3,769,282.92)
7,613.92	78,850.71	(1,452,218.81)
7,613.92	70,943.18	(1,135,735.09)
7,208.92	85,833.56	(1,210,946.78)
7,208.92	103,601.09	(1,372,502.66)

Report on a Review of the
University of Northern Iowa
Camp Adventure Youth Services

Schedule of Cash Balances
For the Period July 1, 2010 through June 30, 2016

Month Ending	Cash Balance				
	Camp Adventure Program Year Ended August				
	2012	2013	2014	2015	2016
02/28/15	-	-	-	(388,365.36)	(1,266,047.02)
03/31/15	-	-	-	-	(1,231,430.11)
04/30/15	-	-	-	-	(1,390,967.05)
05/31/15	-	-	-	-	(1,977,298.36)
06/30/15	-	-	-	-	(3,002,453.74)
07/31/15	-	-	-	-	(2,966,579.09)
08/31/15	-	-	-	-	(2,996,281.00)
09/30/15	-	-	-	-	(2,990,272.40)
10/31/15	-	18.00	-	-	(1,788,900.04)
11/30/15	-	-	-	-	(959,439.29)
12/31/15	-	21.00	-	-	(353,995.28)
01/31/16	-	-	-	-	(252,984.78)
02/29/16	-	-	55.90	-	(226,596.78)
03/31/16	-	-	-	-	(99,028.88)
04/30/16	-	-	-	-	1.89
05/31/16	-	-	-	-	(74.46)
06/30/16	-	-	-	-	(74.46)

Tuition Fund	Reserve Fund	Total Program Cash Balance
7,208.92	141,341.22	(1,505,862.24)
(211,287.32)	152,573.03	(1,290,144.40)
(211,237.82)	149,698.21	(1,452,506.66)
(211,188.32)	298,614.23	(1,889,872.45)
0.00	16,518.50	(2,985,935.24)
99.50	13,495.73	(2,952,983.86)
199.00	(445.98)	(2,996,527.98)
348.50	(10,869.67)	(3,000,793.57)
1,894.95	(17,868.35)	(1,804,855.44)
5,568.50	(23,815.18)	(977,685.97)
4,994.10	(23,261.55)	(372,241.73)
5,340.10	(31,452.06)	(279,096.74)
5,489.60	3,354.61	(217,696.67)
6,799.10	63,391.11	(28,838.67)
(86,825.81)	52,311.36	(34,512.56)
(84,578.73)	169,143.43	84,490.24
1,294.34	6,612.63	7,832.51

Report on a Review of the
University of Northern Iowa
Camp Adventure Youth Services

Schedule of Tuition and Fees
For the Period July 1, 2010 through June 30, 2016

Academic Year Fee	2010 - 2011		2011 - 2012	
	Fall	Summer[^]	Fall	Summer[^]
12 credit hours	\$ 325.00	325.00	325.00	325.00
Uniform *	125.00	95.00	125.00	95.00
Remaining uniform *	-	-	-	100.00
Course materials *	-	89.00	-	89.00
Liability	135.00	135.00	135.00	135.00
Total	<u>\$ 585.00</u>	<u>644.00</u>	<u>585.00</u>	<u>744.00</u>

* - For returning students (veterans), the uniform fee is \$95 regardless of the term.

In addition, there is no remaining uniform fee or course material fee for returning students.

[^] - Summer sessions include fees for uniforms and course materials, since the courses are over a longer period of time.

2012 - 2013		2013 - 2014		2014 - 2015	
Fall	Summer^	Fall	Summer^	Fall	Summer^
456.00	456.00	456.00	456.00	576.00	576.00
125.00	95.00	125.00	95.00	125.00	125.00
-	100.00	-	125.00	-	150.00
-	89.00	-	120.00	-	135.00
135.00	135.00	135.00	135.00	145.00	145.00
716.00	875.00	716.00	931.00	846.00	1,131.00

Report on a Review of the
University of Northern Iowa
Camp Adventure Youth Services

Schedule of Program Revenue and Expenses
For the Period July 1, 2010 through June 30, 2016

	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
Revenue				
Tuition and fees	\$ 5,879.35	171,645.82	982,024.64	1,416,038.53
Other revenue	3,713,785.62	4,751,946.22	4,585,226.84	4,995,687.89
Total Revenue	3,719,664.97	4,923,592.04	5,567,251.48	6,411,726.42
Expense				
Salaries and benefits	1,016,909.00	1,145,650.96	1,145,133.59	1,243,752.39
Supplies and services	944,666.56	879,610.85	741,780.22	744,334.70
Travel	1,942,627.22	3,054,427.75	2,916,050.46	2,529,672.37
Equipment	27,667.84	5,997.50	-	5,008.50
Scholarships	7,064.00	-	1,103,497.20	1,723,807.42
Fellowships	70,219.00	74,604.00	57,685.00	61,292.00
Total Expense	4,009,153.62	5,160,291.06	5,964,146.47	6,307,867.38
Increase/(decrease)	(289,488.65)	(236,699.02)	(396,894.99)	103,859.04
Transfers in/(out)	765,041.22	134,350.42	193,969.13	36,161.20
Change in Net Position increase/(decrease)	\$ 475,552.57	(102,348.60)	(202,925.86)	140,020.24

A - The net "transfers in" are a result of transfer in from contracts prior to FY11 and fund 1156.

Note: Excludes fund 6184 for 2016/17 since it is not completed until 2017/18

Source: University Accounting System


2015	2016	Program Total
1,495,965.30	1,580,705.09	5,652,258.73
4,023,296.28	991,162.39	23,061,105.24
5,519,261.58	2,571,867.48	28,713,363.97
1,157,037.72	214,200.95	5,922,684.61
615,070.68	360,131.73	4,285,594.74
1,454,565.24	608,448.45	12,505,791.49
5,953.79	-	44,627.63
2,291,555.91	1,360,818.06	6,486,742.59
49,016.00	17,251.00	330,067.00
5,573,199.34	2,560,850.19	29,575,508.06
(53,937.76)	11,017.29	(862,144.09)
-	11,840.55	1,141,362.52 A
(53,937.76)	22,857.84	279,218.43

Report on a Review of the
University of Northern Iowa
Camp Adventure Youth Services

Staff

This review was conducted by:

Annette K. Campbell, CPA, Director
James S. Cunningham, CPA, Manager
Brandon Vogel, Senior Auditor II
Kelly Hilton, Senior Auditor


Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

Appendix AReport on a Review of the
University of Northern Iowa
Camp Adventure Youth ServicesListing of Program Employees
For the Period July 1, 2010 through June 30, 2016

Employee Name	FTE	Location	FY2015 Total Earnings	FY2016 Total Earnings
<u>Term P&S</u>				
Domino Chumrley	1.00	Iowa	\$ 47,200.08	51,448.08
Dr. Kasee Chiusano	1.00	California	65,037.65	70,102.80
Jazelle Johnson	1.00	Iowa	10,296.71	42,160.12
Erin Frahm	1.00	Iowa	32,067.06	46,136.57
Dr. Kristine Fleming	1.00	Iowa	42,000.00	50,843.26
Pavel Domnenko	1.00	Iowa	12,363.00	41,351.68
Shannon Betzer	1.00	Iowa	15,847.65	36,156.90
Melissa Petersen	0.95	Iowa	6,908.34	46,067.72
Susan Edginton	0.88	Iowa	81,373.08	81,915.80
Ashley Lekar	0.88	Iowa	162.00	19,895.79
Angela Burke	0.75	Iowa	38,751.49	44,745.70
DeVonne Sorel	0.50	Iowa	14,245.00	8,148.00
Yingyan (Mavis) Njoo-Lau	0.50	California	26,760.00	27,118.72
Allison Wienhold	0.45	Iowa	14,140.60	17,395.18
Heidi VanBeek	0.45	California	130.55	-
Megan Elliott Bossemeyer	0.45	California	9,849.00	13,176.50
Ann Scoles	0.45	California	7,370.00	8,788.54
Brian Schaffeld	0.45	Oregon	6,733.50	7,109.05
Carol Flinn (now Taylor)	0.38	Oregon	661.50	3,185.05
Rebecca Schaffeld	0.38	Oregon	6,298.00	18,017.32
Shannon Posey	0.38	Washington	5,427.00	10,956.96
Francie Cavanagh	0.01	Illinois	-	1,861.20
Dr. Wing Keung (Jason) Lau	0.38	California	12,704.04	17,644.50
Alison LaRoza	0.38	Washington	-	8,894.26
Kimber Bell	0.38	Georgia	9,600.00	16,674.63
Trevor Neeley	0.25	California	3,182.50	7,907.51
<u>Temporary P&S</u>				
Alyssa Dyall	1.00	Iowa	14,642.10	13,867.89
Sara Claman Madsen	0.45	Georgia	13,138.20	9,361.00
<u>Merit (Temporary/Clerical/Clerical Supervisory)</u>				
Jennifer Stevens - Merit Temporary	1.00	Iowa	3,894.63	7,536.00
Connie Jay - Merit Clerical	0.88	Arizona	30,243.85	35,977.80
Patrick Sedlacek - Merit Temporary	0.75	Iowa	-	12,674.86
Phillip Gillott - Merit Temporary	0.63	Iowa	3,104.69	7,405.99
Tammy Maury - Merit Clerical Supervisory	0.50	Florida	50,221.31	61,567.70
Alicia Hornfeck - Merit Temporary	0.50	Iowa	9.20	5,599.53
Brenda Whiteside - Merit Temporary	0.38	Iowa	6,443.71	7,223.43
Jason Morgan - Merit Temporary	0.25	California	1,717.00	3,848.00

Report on a Review of the
University of Northern Iowa
Camp Adventure Youth Services

Listing of Program Employees
For the Period July 1, 2010 through June 30, 2016

Employee Name	FTE	Location	FY2015 Total Earnings	FY2016 Total Earnings
Jessica Bevans-Polston - Merit Temporary	0.25	Oregon	-	3,545.50
Holley Maassen - Merit Temporary	0.25	California	-	1,974.40
Stephanie Benoit - Merit Temporary	0.25	Florida	-	2,134.82
<u>Student Assistants</u>				
Cara Relliy	0.50	Iowa	6,042.21	6,019.35
Rachel Patterson	0.50	Iowa	3,023.94	9,715.50
Jenna Mumm	0.50	Iowa	9,104.62	14,793.85
Alexandra Brookhart	0.50	Iowa	-	6,370.02
Anna Kircher	0.50	Iowa	-	7,132.73
Raegen Saunders	0.50	Iowa	-	4,478.40
Christina Mitchell	0.50	Iowa	-	3,460.80
Mollie Sorber	0.50	Iowa	-	1,187.58
Shannon Boseneiler	0.50	Iowa	2,854.26	3,661.28
<u>Graduate Assistants</u>				
Tracy Carey	0.50	Iowa	810.00	14,929.50
<u>Faculty</u>				
Dr. Janey Montgomery	0.58	Washington	23,865.00	25,520.00
Total			<u>\$ 638,223.47</u>	<u>967,687.77</u>

Report on a Review of the
University of Northern Iowa
Camp Adventure Youth Services

Contract Timeline Provided by the Office of Research and Sponsored Programs
For the Period July 1, 2010 through June 30, 2016

Memo

January 28, 2016

Background to Camp Adventure Contracting: Setting the stage for CA's program management and financial problems.

1. In July of 2015 the Dept. of the Army issued RFP # NAFIB1-15-R-0001 to solicit for a 5-year contract for services that are typical of those supplied by Camp Adventure.
2. Saturday, July 25, 2015: The RFP went to Susan on July 24, 2015 with a due date of August 2, 2015 because students were required to be on site by August 23 (a quick contract turnaround was going to be required, the RFP response would not authorize expenses, etc). Susan forwarded the solicitation packet to Tolif on Saturday July 25.
3. Monday, July 27: Tolif was out of the office on July 27 & 28 (M-T) and replied to Susan that he would review the solicitation on W/Th/F. Susan insisted that by EOB Wednesday the review had to be completed to give her Thurs as a contingency date to get it to them by Sunday. Tolif promised to provide the cover letter, data sheet, needed insurance statement, sign the RFP, and check all relevant DFAR clauses by end of Wednesday given the time line. Tolif told Susan to do the pricing and asked her to increase her prices and to share with Tolif prior to submission.
4. Wednesday, July 29: Tolif confirmed that he was preparing solicitation response paperwork, and directly requested that Susan increase her F&A from 10% to 33.8% and stated that the state of Iowa cannot continue to subsidize Camp Adventure's contracts. Susan did not reply. Tolif sent all requested documents but did not sign the RFP response.
5. I do not recall if I received a phone call or not from Susan or if I simply did not followup with her. Again, I did not sign the RFP response she sent and she never contacted me again until Aug. 4.
6. August 4: The next correspondence I received from Susan was on Tuesday, August 4th at 8 pm announcing that she had a "rush contract modification" extending the existing Army contract from an end date of 8/22/15 to 12/31/15 and that she hoped we could sign it that night and send it to her. This allowed for the students to be covered by contract.
7. August 5: Tolif called Susan prior to signing the extension modification and Susan told him that the Army suspended RFP # NAFIB1-15-R-0001 until December. Tolif signed the modification and sent it to Susan and told her not to expect RSP services at 8 pm unless prior arrangements were made.
8. Tuesday, November 30: Susan left several messages with Tolif alerting him that the Army had released a new RFP # NAFIB1-15-R-0022 to cover the same scope of work content as in July/Aug. Tolif was out of office on business and replied to her via email to send him the RFP.

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9. Thursday December 3: Susan sent Tolif the RFP and a summary of the new content that she picked out (new invoicing requirements, etc.) and she said that she'd check with Tolif on the next day. The deadline for responding was December 10, 2015.

10. Friday, December 4: Tolif sent the RFP response material to Susan but did not sign the RFP and again requested costing data to review and approve.

12. Tuesday, December 8: Susan sent Tolif an email with no mention of the costing and requested the information that Tolif had sent on Dec. 4th.

13. Wednesday, December 9: At 7 am Tolif responded with a repeated request for costing information and again told her that the F&A would have to increase and that she needed to include an escalation rate of 1.9%. At 11am Tolif send the cover sheet, etc. to Susan but did not sign the RFP and requested that she send him all submission materials prior to sending to Army contracting office.

14. Thursday, December 10 (8 am): Susan emailed Tolif to say she was done with submission and would be sending it over shortly. By 8:20 am Susan sent the submission materials with lump sum amounts but no detailed costing information to Tolif. Tolif immediately began reviewing the document. The deadline for submission was 9 am. Tolif noted the lump sum and no costing information and place a phone call to Susan and asked her explicitly "did you include the full cost of operations in this RFP?" to which Susan replied "Yes". Tolif signed the RFP without access to costing information but on Susan's word that she had included the full costs and emailed it to her with 15 minutes remaining until submission. Tolif's email message:

"Susan,

Attached is the signed copy of the RFP response. Given the fast approaching deadline I have signed this without knowing what went into your unit cost but per our phone conversation you told me that you did full cost accounting. I am not sure where you landed with the indirect cost recovery. Please share your unit costing data with me but, given that we have 15 minutes to transmit this, transmit first and let me know how you cost this out after.

Tolif"

15. December 21, 2015: Again Tolif asked Susan for her costing information and stated that he thought her pricing was too low. Susan again did not respond.

16. Friday, January 15, 2016: Susan sent the Notice of Award and 5-year Contract, dated 1/15/16, to Tolif at 1:20 pm and asked for an immediate turnaround. Tolif phoned Susan with concerns about the costing and the fact that she still had not provided him with that information and asked for clarification on the quick turnaround because normally a 27 page contract will require some time. Susan said she needed it ASAP but no later than 5 that day. Tolif began reviewing the contract. At 2:45 pm Susan emailed Tolif asking him to turn the contract around immediately because the Contracting Officer was waiting to sign it with a laptop. Tolif phoned Susan and asked if she had used the 33.8% and Susan replied "no". By 3:15 Tolif had visited with the Provost and with the Provost's support Tolif phoned Susan and refused to sign the contract. Susan stated that she had students on their way to Germany under the contract as of Saturday and \$50,000 in nonrefundable tickets on the line thus the contract had to be signed instantly. Via phone Tolif told Susan that those dollars could not be charged to the

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contract anyway because it required full execution prior to incurring expenses, again refused to sign the contract, and told her that she may want to prevent those students from starting their trip. Susan stated that she had prior authorization to incur the expenses from the Army and hung up and called the Provost. By 3:30 Susan called the Provost and the Provost called Tolif and reluctantly asked him to sign the contract given the financial considerations and asked Tolif to explicitly tell Susan that this was the last time this would happen and to send her a list of changes that would happen, including a change in the F&A rate, among many other issues (like contract negotiation). Tolif complied with the Provost's request, asked Susan to send him proof of prior authorization to incur expenses. Susan did provide proof. Tolif signed and emailed the contract to Susan by 4:00 pm. Tolif then followed up with an email outlining all of the structural and operating changes that were going to happen within the next 12 months to get Camp Adventure into compliance with University policy and procedures.

17. January 28, 2016: Tolif completed and circulated a memo detailing the first steps that would take place in bring Camp Adventure into compliance beginning with assessing the full 33.8% F&A rate and ending the 50% F&A recovered to Camp Adventure.