QUASI-PUBLIC CORPORATIONS, AUTHORITIES, COMMISSIONS, BOARDS AND SELECTED STATE AGENCIES

Report on Results of Business Practices Survey

February 2000

DEPARTMENT OF ADMINISTRATION
BUREAU OF AUDITS
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PROVIDENCE, RI 02908-5889

QUASI-PUBLIC CORPORATIONS, AUTHORITIES, COMMISSIONS, BOARDS, AND SELECTED STATE AGENCIES
Report on Results of Business Practices Survey
February 2000

TABLE OF CONTENTS

Page

TRANSMITTAL LETTER 1

INTRODUCTION
Objectives, Scope, and Methodology 2
Background 2

AUDITORS' COMMENTARY 3

COMPILATION OF SURVEY RESULTS
Universe of Quasi-Public Agencies 4
Survey Results 5

AUDITORS' OBSERVATIONS ON SURVEY RESULTS BY CATEGORY
Credit Cards 6
Alcoholic Beverages 7
Travel and Entertainment 8
Moving Expenses 9
Food and Beverages 10
Employer-Provided Vehicles 11
Membership Dues 11
Financial Integrity Report 12
Schedule of Travel and Entertainment Expenses 12
Telephone or Cellular Phones 13

AUDITORS' OBSERVATIONS ON SURVEY RESULTS BY ORGANIZATION
Board of Governors for Higher Education 14
Community College of Rhode Island 14
Rhode Island College 15
University of Rhode Island 15
Board of Regents for Elementary and Secondary Education 16
Central Falls School District 16
Capital Center Commission 16
Narragansett Bay Commission 17
Rhode Island Children's Crusade for Higher Education 17
Rhode Island Clean Water Financing Agency 18
Rhode Island Convention Center Authority 18
Rhode Island Depositors Economic Protection Corporation 19

QUASI-PUBLIC CORPORATIONS, AUTHORITIES, COMMISSIONS, BOARDS, AND SELECTED STATE AGENCIES
Report on Results of Business Practices Survey
February 2000

TABLE OF CONTENTS - (Cont'd)

Page

Rhode Island Economic Development Corporation 19
Rhode Island Industrial Facilities Corporation 20
Rhode Island Industrial Recreation Building Authority 20
Rhode Island Airport Corporation 20
Rhode Island Health and Education Building Corporation 21
Rhode Island Higher Education Assistance Authority 21
Rhode Island Housing and Mortgage Finance Corporation 22
Rhode Island Lottery Commission 23
Rhode Island Public Telecommunications Authority 23
Rhode Island Public Transit Authority 23
Rhode Island Refunding Bond Authority 24
Rhode Island Resource Recovery Corporation 25
Rhode Island Student Loan Authority 26
Rhode Island Turnpike and Bridge Authority 26
Rhode Island Underground Storage Tank Financial Responsibility Review Board 27
Rhode Island Water Resources Board Corporate 27

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February 9, 2000

Robert L. Carl, Jr., Ph.D., Director
Department of Administration
One Capitol Hill
Providence, RI 02908

Dear Dr. Carl:

We have completed a compilation and evaluation of the business practices survey submitted by various Quasi Public Corporations, Authorities, Commissions, Boards, and Selected State Agencies.

The topics surveyed included Credit Cards, Alcoholic Beverages, Travel and Entertainment, Moving Expenses, Food and Beverages, Employer-Provided Vehicles, Membership Dues, Financial Integrity Report, Schedule of Travel and Entertainment Expenses, and Telephone and Cellular Phones.

The results of our compilation are presented in this report by category and by organization. In addition, we also identified any noteworthy strengths and weaknesses in Quasi-Public Organizations policies and procedures submitted as part of this survey.

The accompanying assertions provided by management as part of the Business Practices Survey were not audited by us and accordingly, we do not express an opinion as to the accuracy of the factual information delineated in this report.

We appreciate the prompt response from the organizations participating in this survey.

Sincerely,

Stephen M. Cooper, CFE, CGFM
Chief, Bureau of Audits

SMC:pb

QUASI-PUBLIC CORPORATIONS, AUTHORITIES, COMMISSIONS, BOARDS, AND SELECTED STATE AGENCIES
Report on Results of Business Practices Survey
February 2000

INTRODUCTION

Objectives, Scope, and Methodology

Pursuant to Section 35-7-5 of the Rhode Island General Laws, Governor Lincoln Almond requested the Director of Administration to survey all Quasi-Public Organizations. The Director of Administration further requested that the Bureau of Audits compile and evaluate each organization's business practices.

The first step in this survey was to determine the universe of organizations. We referred to Section 35-7-20(4) of the Rhode Island General Laws for the definition and the listing provided by the Senate Fiscal Staff.

The Bureau of Audits consulted with the Office of Accounts and Control and the Budget Office to develop specific questions regarding current business practices. The responses, including the relevant policies and procedures, were reviewed and summarized in a format that will allow a foundation for statewide policy.

The accompanying assertions provided by management as part of the Business Practices Survey were not audited by us and accordingly, we do not express an opinion as to the accuracy of the factual information delineated in this report.

Background

Quasi-public organizations are public corporations, authorities, commissions, boards, and selected state agencies that are independent and specialized bodies, created by the general assembly and set forth in statute, existing outside of state government. Accordingly, the accounting and oversight functions are not subject to the policies and procedures established by the State Controller.

Certain public organizations are subject to the general principle, policies and practices contained Chapter 37-2, "State Purchases", of the Rhode Island General Laws. In addition, Section 37-2-17.2 of the R.I. General Laws requires that all public agencies utilize the Rhode Island Vendor Information Program (RIVIP) for all state contracts and purchases.

The Director of Administration and the Auditor General approve the selection of the independent accountants and the auditors' results are reported as component units of the State of Rhode Island's General-Purpose Financial Statements. Chapter 35-20 of the R.I. General Laws entitled "Public Corporation Financial Integrity and Accountability" requires annual management reports.

Our evaluation is presented in this report in two formats. First, is an evaluation by specific business practices; and, second by each organization.

QUASI-PUBLIC CORPORATIONS, AUTHORITIES, COMMISSIONS, BOARDS, AND SELECTED STATE AGENCIES
Report on Results of Business Practices Survey
February 2000

AUDITORS' COMMENTARY

The Quasi-Public Corporations, Authorities, Commissions, Boards and Selected State Agencies reviewed have varied purposes, business risks, and internal and external expectations. The foundation of all these organizations must include a process of internal controls that will provide the achievement of its goals and objectives and address the effectiveness and efficiency of operations, reliability of financial information, and compliance with applicable laws and regulations.

In reviewing the policies and procedures we found that many were not in a written format, were too subjective to determine compliance and often appeared to be inconsistent. All Quasi-Public Corporations, Authorities, Commission, Boards and Selected State Agencies should develop policies and procedures for the each topic area of this report. It was interesting to note that some of the survey responses indicated that the organization follows those regulations established by the Department of Administration.

In our opinion, the State in conjunction with the Quasi-Public Corporations, Authorities, Commissions, Boards and Selected State Agencies should adopt standard policies and procedures based on the "best practices" of the organization and the Department of Administration's Procedural Handbook. This would establish standard criteria, compliance with governmental regulators, decrease conflicts with public detractors and allow managers time to focus on accomplishing organizational goals. Both the Director of Administration and the Auditor General could formally modify the standard policies and procedures if deemed to be in the best interest of the State of Rhode Island.

Due to the nature of the business practices reported by the R.I. Resource Recovery Corporation and due to the uniqueness and number of credit cards used by the University of Rhode Island, we suggest that the Director of Administration and the Joint Committee on Legislative Services request that the Bureau of Audits and the Office of the Auditor General review the transactions of these organizations.

QUASI-PUBLIC CORPORATIONS, AUTHORITIES, COMMISSIONS, BOARDS, AND SELECTED STATE AGENCIES

Report on Results of Business Practices Survey

February 2000

Universe of Quasi-Public Agencies

Board of Governors for Higher Education (A, B, D)
- Community College of Rhode Island (A, B)
- Rhode Island College (A, B)
- University of Rhode Island (A, B)

Board of Regents for Elementary and Secondary Education (A, B, D)
- Central Falls School District (A)

Capital Center Commission (A, B, D)
Housing Resources Commission (B, D)
Narragansett Bay Commission (A, B, D)
R.I. Children's Crusade for Higher Education (A, D)
R.I. Clean Water Finance Agency (A, B, D)
R.I. Convention Center Authority (A, B, D)
R.I. Depositors Protection Corporation (A, B, D)
R.I. Economic Development Corporation (A, B, D)
- R.I. Airport Corporation (A, B, D)
- R.I. Industrial Facilities Corporation (B, C, D)
- R.I. Industrial Recreation Building Authority (B, C, D)
- R.I. Partnership for Science and Technology (D)
- Quonset Point Management Authority (D)

R.I. Health and Education Building Corporation (A, B, D)
R.I. Higher Education Assistance Authority (A, B, D)
R.I. Housing and Mortgage Finance Corporation (A, B, D)
R.I. Lottery Commission (A, B, D)
R.I. Public Telecommunications Authority (A, B, D)
- Channel 36 Foundation (B, D)

R.I. Public Transit Authority (A, B, D)
R.I. Refunding Bond Authority (A, B, D)
R.I. Resource Recovery Corporation (A, B, D)
R.I. Student Loan Authority (A, B, D)
R.I. Turnpike and Bridge Authority (A, B, D)
R.I. Underground Storage Tank Financial Responsibility Fund Review Board (A, B, D)
R.I. Water Resources Board Corporate (A, B, D)

(A) Individual surveys were evaluated and reported on the Survey Results on page 6.

(B) Considered a state government entity or public agency under Chapter 37-2 of the R.I. General Laws entitled "State Purchases."

(C) Corporation indicated that it does not employ any personnel, does not make any reimbursement for the survey items, and the Rhode Island Economic Development Corporation provides staff.

(D) The Senate Select Commission on Quasi-Public Agencies identified this organization as being quasi public.

QUASI-PUBLIC CORPORATIONS, AUTHORITIES, COMMISSIONS, BOARDS, AND SELECTED STATE AGENCIES
Report on Results of Business Practices Survey
February 2000

SURVEY RESULTS

Organization: _____ **Date**_____

Address: _____

Prepared by and Title: _____

	YES	NO	N/A
1 Do employees have any credit cards, or access to credit cards, that resulted in expenditures to the organization or the state?	13	13	
a) If yes, does the organization have established policies and procedures relating to the use of credit cards? **Please provide a copy of policies and procedures with your response. (Identify total number of employees in organization_____; identify total number of credit cards in organization name 129 .)**			
b) Are card holders allowed to use credit cards to purchase personal items?	0	13	
c) Are procedures in place to ensure employee reimburses the organization for non-agency use?	6	7	
d) Has the organization identified instances of employee non-compliance with credit card policies and	4	9	
e) Has the organization considered the tax implications for employee personal expenses paid by the agency?	5	8	
2 Has the organization paid for alcoholic beverages?	10	16	
a) If yes, does the organization have established policies and procedures relating to alcohol purchases or reimbursements to employees? **Please provide a copy of policies and procedures with your response.**	5	5	
3 Does the organization have established policies and procedures relating to travel and entertainment expenses? **If yes, provide a copy of policies and procedures with your response.**	24	2	
a) Do policies and procedures identify per-diem rates paid to employees?	19	7	
b) Do policies and procedures identify the treatment of spouses or other invited guests accompanying employees on business-related out-of-state travel?	19	7	
c) Do policies and procedures identify the treatment of advances given to employees for business-related travel and the ultimate accountability of such funds?	17	9	
4 Does the organization have established policies and procedures relating to employee moving expenses? **If yes, provide a copy of policies and procedures with your response.**	12	14	
5 Does the organization have policies and procedures detailing the expenditure of funds for food and beverages for such activities as board meetings, working lunches, parties, employee retirement gatherings, etc.? **If yes, provide a copy of policies and procedures with your response.**	15	11	
6 Does the organization have established policies and procedures relating to the use of employer-provided vehicles? **If yes, provide a copy of policies and procedures with your response.**	14		12
a) Has the organization considered the tax implications for employer-provided vehicles?	14	0	
7 Does the organization have established policies and procedures relating to the expenditure of organizational funds for membership dues? **If yes, provide a copy of policies and procedures with your response.**	13	13	
a) Do employees have to certify that membership benefits the organization or the individual?	12	1	
b) Please provide a list of all employee memberships paid by the organization, include name, organization, and amount.	17	9	
8 Has the organization submitted the Financial Integrity Report as required by Title 35, Chapter 14 of the RI General Laws for fiscal year ended June 30, 1999? **(NOTE: Report due February 28, 2000)**	12	14	
a) Are there strategic risk issues relating to policies and procedures identified in the Financial Integrity Report?	0	12	
9 Has the Schedule of Travel and Entertainment, as prepared in accordance RI General Law 35-7-14, been subject to audit by the organization's independent public accountant?	19	4	3
a) **Please provide a copy of your latest management letter as prepared by the organization's independent accountants.**	18	6	2
10 Does the organization have established policies and procedures relating to the reimbursement for personal use of telephone or cellular phones? **If yes, provide a copy of policies and procedures with your response. (Identify the number of cellular the organization has 276 .)**	14	12	

_____ _____
Agency Director **Telephone Number**

_____ _____
E-mail Address **Fax Number**

QUASI-PUBLIC CORPORATIONS, AUTHORITIES, COMMISSIONS, BOARDS, AND SELECTED STATE AGENCIES
Report on Results of Business Practices Survey
February 2000

AUDITORS' OBSERVATIONS ON SURVEY RESULTS BY CATEGORY

Credit Cards

Results: The following 13 organizations utilize 129 credit cards that resulted in expenditures to the organization or the state:

- × Community College of Rhode Island (1)
- × Rhode Island College (1)
- ✓ University of Rhode Island (85)
- × Capital Center Commission (1)
- × RI Children's Crusade for Higher Education (2)
- ✓ RI Clean Water Finance Agency (2)
- ✓ RI Economic Development Corporation (9 gas credit cards for Quonset Operations)
- × RI Airport Corporation (8)
- ✓ RI Higher Education Assistance Authority – Loan Division (9)
- × RI Public Transit Authority (2)
- × RI Resource Recovery Corporation (4)
- ✓ RI Student Loan Authority (1)
- ✓ RI Turnpike and Bridge Authority (4)

✓ Indicates organizations that have written policies and procedures detailing the use of credit cards.

× Indicates organizations that do not have written policies and procedures detailing the use of credit cards.

Policies and Procedures Followed by State Agencies: The Department of Administration's Procedural Handbook does not provide for State Departments and Agencies to use credit cards.

Weaknesses Contained in Policies and Procedures Submitted as Part of the Survey: All organizations need to review and, if necessary, revise credit card policies and procedures to ensure no personal expenses are made against these accounts. All expenditures should be reviewed on a continuing basis. Policies and procedures should be established to seek reimbursement for any unauthorized use.

Strengths Contained in Policies and Procedures Submitted as Part of the Survey: Only the University's American Express Corporate Credit Cards requires employees to sign an agreement whereby the card can be used for official business. Employees are directly billed by

American Express and are responsible for the payment and charges incurred. The University reimburses employees on a timely basis for charges allowable under policies and procedures upon submission of an accurate and complete expense voucher. The University can cancel any credit card at any time. The University's response indicated they only reimburse approved expenses and that there may be instances of non-university usage in violation of the policy; however the University is not liable for payment. The remaining entities have policies and procedures prohibiting the purchasing of personal items with credit cards in the organization's name.

Alcoholic Beverages

Results: The following 10 organizations have indicated that the organization has paid for alcoholic beverages.

- ✓ RI Convention Center Authority
- × RI Depositors Economic Protection Corporation
- × RI Economic Development Corporation
- × RI Airport Corporation
- ✓ RI Health and Education Building Corporation
- ✓ RI Higher Education Assistance Authority
- ✓ RI Housing and Mortgage Finance Corporation
- × RI Public Telecommunications Authority
- × RI Resource Recovery Corporation
- ✓ RI Student Loan Authority

✓ Indicates organizations that have written policies and procedures detailing the consumption of alcoholic beverages.

× Indicates organizations that do not have written policies and procedures detailing the consumption of alcoholic beverages.

Policies and Procedures Followed by State Agencies: The Department of Administration's Procedural Handbook Section A-36 provides no reimbursements will be made for alcoholic beverages.

Weaknesses Contained in Policies and Procedures Submitted as Part of the Survey: The Convention Center Authority indicated that it has paid for alcoholic beverages purchased and consumed as part of a reasonable business event or meeting with clients, prospective clients, or tenants; meetings are held in the Convention Center and the Westin Hotel. Beverage service or working meal is often provided by the host facility. Our concern is that charges for these items are handled via intercompany transfer and might not readily be identifiable in the Authority's accounting records.

Travel and Entertainment

Results: All organizations indicated they have policies and procedures for travel and entertainment expenses except for the Central Fall School District and the Capital Center Commission.

- ✓ 7 organizations indicated they follow the per diem established by the State Controller:
  - Board of Governors for Higher Education
  - Community College of Rhode Island
  - Rhode Island College
  - Board of Regents for Elementary and Secondary Education
  - RI Refunding Bonding Authority
  - RI Underground Storage Tank Financial Responsibility Fund Review Board
  - RI Water Resources Board
- ✓ 1 indicated they pay actual meal expenses up to the per-diem established by the State Controller:
  - RI Higher Education Assistance Authority
- ✓ 11 organizations indicated they use per diem ranging from $23 to $50:
  - University of Rhode Island (State Programs $29; Federal Programs $26 to $42)
  - Narragansett Bay Commission ($40)
  - RI Children's Crusade for Higher Education ($30 to $46)
  - RI Depositors Economic Protection Corporation ($40)
  - RI Housing and Mortgage Corporation ($50)
  - RI Lottery Commission ($30)
  - RI Public Telecommunications Authority ($23 maximum)
  - RI Public Transit Authority ($40)
  - RI Resource Recovery Corporation ($40)
  - RI Student Loan Authority ($24)
  - RI Turnpike and Bridge Authority ($50)
- ✓ 2 organizations indicated they pay actual expenses:
  - RI Economic Development Corporation
  - RI Airport Corporation
- ✓ 2 indicated no operating expenses are charged to the organization:
  - RI Industrial Facilities Corporation
  - RI Industrial Recreation Building Authority
- ✓ 2 organizations did not indicate whether they use per diem or not:
  - RI Convention Center Authority
  - RI Health and Education Building Authority
- ✓ 1 indicated a per diem will be established:
  - RI Clean Water Financing Agency

Policies and Procedures Followed by State Agencies: The Department of Administration's Procedural Handbook Section A-22, "Travel-Out of State," provides for the use of per diem ($20 – for legislators, $24 – for state employees, and $30 – for the general officers) and provides for the treatment of invited guests and advances.

Weaknesses Contained in Policies and Procedures Submitted as Part of the Survey: Some organizations are providing employees with different per-diem when claiming reimbursements; the allowable per diem are based in accordance with the source of funding. For example, employees traveling with state funds are limited to the rates established by the State Controller. Employees traveling with federal funds are allowed to use the rates established by US General Services Administration.

Strengths Contained in Policies and Procedures Submitted as Part of the Survey: Several of these organizations have indicated that they reimburse actual meals expenses up to a pre-established per diem. Several organizations indicated that reimbursement will be provided to only employees.

Moving Expenses

Results: The following 12 organizations either have policies and procedures for the payment of employee moving-related expenses or indicated these types of payments in the past with their respective Board of Directors approval.

- ✓ Board of Governors for Higher Education
  - ✓ Community College of Rhode Island
  - ✓ Rhode Island College
  - ✓ University of Rhode Island
- ✓ Board of Regents for Elementary and Secondary Education
- × RI Airport Corporation
- × RI Higher Education Assistance Authority – Loan Division
- × RI Housing and Mortgage Finance Corporation
- × RI Public Transit Authority
- ✓ RI Refunding Bond Authority
- ✓ RI Student Loan Authority
- ✓ RI Water Resources Board Corporate

✓ Indicates organizations that have policies and procedures for employee moving-related expenses.

× Indicates organizations that have paid for employee moving-related expenses in the past but have no policies and procedures in place.

Policies and Procedures Followed by State Agencies: The Directive issued by the State Controller on January 12, 1995 provides that the state will reimburse directors (only) of executive departments for moving expenses incurred from outside this state to within this state when the director is initially appointed. The state will reimburse a maximum amount of $3,500 for certain types of moving expenses.

Weaknesses Contained in Policies and Procedures Submitted as Part of the Survey: All Quasi-Public Corporations, Authorities, and Commissions indicated they have no policies

and procedures for reimbursing employees for moving expenses even though some organizations have incurred this expense with the approval of their respective Board of Directors.

Strengths Contained in Policies and Procedures Submitted as Part of the Survey: The Board of Governors for Higher Education only reimburses the Commissioner of Higher Education and the Presidents of the Colleges and University for their moving expenses.

Food and Beverages

Results: The following 15 organizations have policies and procedures for the purchased food and beverages in addition to snacks for board meetings or working lunches with a third party.

- ✓ Board of Governors for Higher Education
  - ✓ Community College of Rhode Island
  - ✓ Rhode Island College
  - ✓ University of Rhode Island
- ✓ Board of Regents for Elementary and Secondary Education
- ✓ Narragansett Bay Commission
- × RI Convention Center Authority
- × RI Higher Education Assistance Authority
- ✓ RI Housing and Mortgage Finance Corporation
- × RI Public Transit Authority
- ✓ RI Refunding Bond Authority
- × RI Student Loan Authority
- ✓ RI Turnpike and Bridge Authority
- ✓ RI Underground Storage Tank Financial Responsibility Fund Review Board
- ✓ RI Water Resources Board Corporate

✓ Indicates organizations that have policies and procedures for food and beverages.

× Indicates organizations that have purchased food and beverages that could be considered questionable.

Policies and Procedures Followed by State Agencies: The Department of Administration's Procedural Handbook Section A-36 provides the specific instances when the state will pay for food and beverages.

Weaknesses Contained in Policies and Procedures Submitted as Part of the Survey: The Convention Center Authority indicated that it has paid for food and beverages purchased and consumed as part of a reasonable business event or meeting with clients, prospective clients, or tenants; meetings are held in the Convention Center and the Westin Hotel. Beverage service or working meal is often provided by the host facility. Our concern is that charges for these items are handled via intercompany transfer and might not readily identifiable in the Authority's records. The RI Higher Education Assistance Authority and RI Student Loan Authority co-

sponsor an annual event that includes the purchase of a light lunch for employees' year-end holiday party. The RI Public Transit Authority pays for an annual holiday gathering.

Employer-Provided Vehicles

Results: The following 14 organizations have indicated that consideration has been given to the tax implications for employer-provided vehicles.

- ✓ Board of Governors for Higher Education
  - ✓ Community College of Rhode Island
  - ✓ Rhode Island College
  - ✓ University of Rhode Island
- ✓ Board of Regents for Elementary and Secondary Education
- × Narragansett Bay Commission
- × RI Economic Development Corporation
- × RI Airport Corporation
- × RI Housing and Mortgage Finance Corporation
- ✓ RI Lottery Commission
- × RI Public Transit Authority
- ✓ RI Refunding Bond Authority
- × RI Resource Recovery Corporation
- × RI Turnpike and Bridge Authority

✓ Indicates organizations' where policies and procedures are in compliance with IRS Regulations and Chapter 42-11.3 of the R.I. General Laws.

× Indicates organizations' where policies and procedures are not in compliance with IRS Regulations and Chapter 42-11.3 of the R.I. General Laws.

Policies and Procedures Followed by State Agencies: The Department of Administration's Procedural Handbook Section A-51 provides the forms and instructions to State Departments and Agencies for compliance to IRS Regulations for Employer-Provided Vehicles and Chapter 42-11.3 of the R.I. General Laws.

Weaknesses Contained in Policies and Procedures Submitted as Part of the Survey: Most organizations do not fully comply with IRS Regulations and none of the organizations are complying with the requirements of Chapter 42-11.3 of the R.I. General Laws. All policies and procedures need to be revised to reflect the requirements of IRS Regulations and Chapter 42-11.3 of the R.I. General Laws. The Quasi-Public organizations need to be informed that because of the language in Chapter 42-11.3 of the R.I. General Laws employees are only allowed to use two of the three valuation methods as provided in IRS Regulations.

Membership Dues

Results: Approximately one-half of the organizations indicated there have no policies and procedures for the reimbursement of organizational dues to the employees.

Policies and Procedures Followed by State Agencies: The Directive issued by the State Controller on March 7, 1994 outlines the payroll procedures for professional/occupational dues/fees that are taxable fringe benefits to employees. The criterion used by the Internal Revenue Service to determine taxability is whether the payment of the fees (dues) benefits the employer or benefits the individual employee.

Weaknesses Contained in Policies and Procedures Submitted as Part of the Survey: The policies and procedures reviewed need to include similar certifications as required by the State Controller to ensure payments for professional/occupational dues/fees benefits the organization and not the employee.

Financial Integrity Report

Results: The State Controller issued instructions to Quasi Public Corporations for compliance to Chapter 35-20 of the R.I. General Laws concerning the Public Corporation Financial Integrity and Accountability Act of 1995. The instructions require the report to be filed in accordance with the law by February 28, 2000.

Policies and Procedures Followed by State Agencies: The Department of Administration's Procedural Handbook Section A-39 (Revised January 5, 2000) provides the instructions for State Departments and Agencies and Quasi-Public organizations to comply with Title 35, Chapter 14 and Chapter 20 of the R.I. General Laws.

Schedule of Travel and Entertainment Expenses

Results: All organizations indicated they prepared the Schedule of Travel and Entertainment Expenses in accordance with Section 35-7-14 of the R.I. General Laws.

Policies and Procedures Followed by State Agencies: All Executive State Departments and Agencies process expenditures through the Office of Accounts and Control and are subjected to the policies and procedures established by the State Controller. The Community College of Rhode Island and the University of Rhode Island process expenditures through their respective Controller's Office. These transactions are provided to the Office of Accounts and Control on computer disk for uploading into the state's accounting system. Rhode Island College, within the near future, will be processing transactions through their Controller's Office and will provide the Office of Accounts and Control with a computer disk for uploading to the state's accounting system. Once incorporated into the state's accounting system all transactions are subject to the post audit by the Office of the Auditor General.

Weaknesses Contained in Policies and Procedures Submitted as Part of the Survey: The RI Water Resources Board Corporate indicated that this Schedule was not prepared in accordance with the law. The Central Falls School District indicated that this question was not applicable. The RI Resource Recovery Corporation indicated some items that appeared to be

questionable. Please see the Auditors Observation on Survey Results by Organization section of this report for a further detailed explanation concerning the questionable transactions identified by the RI Resource Recovery Corporation.

Telephone or Cellular Phones

Results: The following 18 organizations indicated their employees utilize 276 cellular telephones and pagers that resulted in expenditures to the organization or the state:

- ✓ Board of Governors for Higher Education (3)
  - ✓ Community College of Rhode Island (6)
  - ✓ Rhode Island College (11)
  - ✓ University of Rhode Island (92)
- ✓ Board of Regents for Elementary and Secondary Education (3)
- × Central Falls School District (26)
- ✓ Narragansett Bay Commission (20)
- ✓ RI Convention Center (3)
- × RI Economic Development Corporation (40 – includes pagers)
- × RI Airport Corporation (16)
- × RI Health and Education Building Authority (1)
- ✓ RI Higher Education Assistance Authority – Loan Division (2)
- ✓ RI Housing and Mortgage and Finance Corporation (8)
- ✓ RI Lottery Commission (4)
- ✓ RI Public Transit Authority (18 restricted and 7 non-restricted)
- × RI Resource Recovery Corporation (12)
- ✓ RI Student Loan Authority (3)
- ✓ RI Turnpike and Bridge Authority (1)

- ✓ These organizations have policies and procedures in place for the personal use of cellular telephones.
- × These organizations that do not have policies and procedures in place for the personal use of cellular telephones.

Policies and Procedures Followed by State Agencies: The Directive issued by the State Controller on December 23, 1999 (Revised) provides the policies and procedures for implementing Executive Order 95-7, dated March 3, 1995, concerning the use and reimbursement for personal calls made on state-owned cellular phones.

Weaknesses Contained in Policies and Procedures Submitted as Part of the Survey: Many of the organizations did not address the personal use of telephones and cellular phones by employees in their policies and procedures.

QUASI-PUBLIC CORPORATIONS, AUTHORITIES, COMMISSIONS, BOARDS AND SELECTED STATE AGENCIES
Report on Results of Business Practices Survey
February 2000

AUDITORS' OBSERVATIONS ON SURVEY RESULTS BY ORGANIZATION

Board of Governors for Higher Education

- **Credit Cards:** None. In process of drafting a policy.
- **Alcoholic Beverages:** No
- **Travel and Entertainment:** Follows State policies and procedures
- **Moving Expenses:** The policies and procedures established by the Board of Governors does not reimburse new employees for moving-related expenses except for the Commissioner and the Presidents of the URI, RIC, and CCRI.
- **Food and Beverages:** Follows State policies and procedures
- **Employer-Provided Vehicles:** Follows State policies and procedures
- **Membership Dues:** Follows State policies and procedures
- **Financial Integrity Report:** Report is in process
- **Schedule of Travel and Entertainment Expenses:** Not applicable. All travel and entertainment expenses are processed through the state system.
- **Telephone or Cellular Phones:** 3 cellular phones; Follows State directive.

Community College of Rhode Island

- **Credit Cards:** 1 gas credit card; the College did not indicate if they have policies and procedures.
- **Alcoholic Beverages:** No
- **Travel and Entertainment:** Follows State policies and procedures
- **Moving Expenses:** The policies and procedures established by the Board of Governors does not reimburse new employees for moving-related expenses except for the Commissioner and the Presidents of the URI, RIC, and CCRI.
- **Food and Beverages:** Follows State policies and procedures
- **Employer-Provided Vehicles:** Follows State policies and procedures.
- **Membership Dues:** Follows State policies and procedures.
- **Financial Integrity Report:** The College indicated this report has been filed and no strategic risks relating to policies and procedures were identified.
- **Schedule of Travel and Entertainment Expenses:** The College indicated this Schedule was prepared in accordance with the law.
- **Telephone or Cellular Phones:** 6 cellular phones. Follows State directive.

Rhode Island College

- **Credit Cards:** 1 credit card but did not indicate if they have policies and procedures in place. The credit card is not allowed for personal use and there were no instances of non-compliance.
- **Alcoholic Beverages:** No
- **Travel and Entertainment:** Follows State policies and procedures
- **Moving Expenses:** The policies and procedures established by the Board of Governors does not reimburse new employees for moving-related expenses except for the Commissioner and the Presidents of the URI, RIC, and CCRI.
- **Food and Beverages:** Follows State policies and procedures
- **Employer-Provided Vehicles:** Follows State policies and procedures
- **Membership Dues:** No policies and procedures; employees are required to certify the membership benefits the College.
- **Financial Integrity Report:** Report is filed through the Office of Higher Education.
- **Schedule of Travel and Entertainment Expenses:** The College indicated the State Controller tests travel.
- **Telephone or Cellular Phones:** 11 cellular phones. Follows State directive.

University of Rhode Island

- **Credit Cards:** 85 Credit Cards. However, those employees that have an American Express Corporate Credit Card - as opposed to any other type of card the University might have - are required to sign an agreement whereby the card can be used only for official business. Employees are directly billed by American Express and are responsible for the charges incurred. The University reimburses employees on a timely basis for charges allowable under policies and procedures upon submission of an accurate and complete expense voucher. The University can cancel any credit card at any time. The University's response indicated they only reimburse approved expenses and that there may be instances of non-university usage in violation of the policy, however the University is not liable for payment.
- **Alcoholic Beverages:** No
- **Travel and Entertainment:** The University has policies and procedures relating to travel and entertainment expenses. The University will not reimburse individuals for the cost of breakfast, lunch, or dinner in excess of the per diem. The State Per Diem is $29 and Federal Funds range from $26 to $42. Policies and procedures identify the treatment of non-university employees and the treatment of advances.
- **Moving Expenses:** The policies and procedures established by the Board of Governors does not reimburse new employees for moving-related expenses except for the Commissioner and the Presidents of the URI, RIC, and CCRI.
- **Food and Beverages:** Follows State policies and procedures.
- **Employer-Provided Vehicles:** Follows State policies and procedures
- **Membership Dues:** Follows State policies and procedures
- **Financial Integrity Report:** Report is filed through the Office of Higher Education

- **Schedule of Travel and Entertainment Expenses:** This Schedule has been audited in accordance with the law.
- **Telephone or Cellular Phones:** 92 cellular phones; Follows State directive.

Board of Regents for Elementary and Secondary Education

- **Credit Cards:** None.
- **Alcoholic Beverages:** No
- **Travel and Entertainment:** Follows State policies and procedures
- **Moving Expenses:** Follows State policies and procedures
- **Food and Beverages:** Follows State policies and procedures
- **Employer-Provided Vehicles:** Follows State policies and procedures
- **Membership Dues:** Follows State policies and procedures
- **Financial Integrity Report:** Report is in process
- **Schedule of Travel and Entertainment Expenses:** Not applicable. All travel and entertainment expenses are processed through the state system.
- **Telephone or Cellular Phones:** 3 cellular phones; Follows State directive.

Central Falls School District

- **Credit Cards:** None
- **Alcoholic Beverages:** No
- **Travel and Entertainment:** No policies and procedures
- **Moving Expenses:** No
- **Food and Beverages:** No policies and procedures
- **Employer-Provided Vehicles:** No policies and procedures
- **Membership Dues:** No policies and procedures.
- **Financial Integrity Report:** Not prepared.
- **Schedule of Travel and Entertainment Expenses:** Not applicable.
- **Telephone or Cellular Phones:** 26 cellular phones; no policies and procedures.

Capital Center Commission

- **Credit Cards:** 1 credit card for Staples; no policies and procedures; no instances of non-compliance.
- **Alcoholic Beverages:** No
- **Travel and Entertainment:** No policies and procedures.
- **Moving Expenses:** No policies and procedures.
- **Food and Beverages:** No policies and procedures.
- **Employer-Provided Vehicles:** None
- **Membership Dues:** No policies and procedures.
- **Financial Integrity Report:** Report is due February 28, 2000.
- **Schedule of Travel and Entertainment Expenses:** Prepared in accordance with the law.

- **Telephone or Cellular Phones:** No cellular phones; no policies and procedures.

Narragansett Bay Commission

- **Credit Cards:** None
- **Alcoholic Beverages:** No
- **Travel and Entertainment:** Policies and procedures in place: a $40 per diem. Reimbursement is allowed for only employee expenses. Travel advances must be settled within 10 business days.
- **Moving Expenses:** No
- **Food and Beverages:** Allowed for special situations similar to the State of Rhode Island's policies and procedures.
- **Employer-Provided Vehicles:** The Commission's policy on employer-provided vehicles places the responsibility on employees for fulfilling all obligations under federal and state tax laws. This policy is does not comply with IRS Regulations. It is the responsibility of the employer to report unreimbursed vehicle use as an employee fringe benefit as part of the employee's gross income. In addition, the policy does not address the requirements of Chapter 42-11.3 of the R.I. General Laws, whereby employees must reimburse the commission for commuting miles. The current policy must be revised to incorporate the requirements for IRS Regulations and the R.I. General Laws.
- **Membership Dues:** Yes; requires employees to certify that the membership benefits the organization.
- **Financial Integrity Report:** Report is due February 28, 2000.
- **Schedule of Travel and Entertainment Expenses:** Prepared in accordance with the law.
- **Telephone or Cellular Phones:** 20 cellular phones; policies and procedures are in place for reimbursement of personal use.

Rhode Island Children's Crusade for Higher Education

- **Credit Cards:** 2 credit cards; no policies and procedures; no instances of non-compliance.
- **Alcoholic Beverages:** No
- **Travel and Entertainment:** Policies and procedures; use per diem as established by the US Government-$30 to $46; reimbursement is only allowed for employee expenses; there are no travel advances.
- **Moving Expenses:** No
- **Food and Beverages:** No policies and procedures
- **Employer-Provided Vehicles:** No
- **Membership Dues:** No policies and procedures; employees are not required to certify the membership benefits the organization.
- **Financial Integrity Report:** Report is due February 28, 2000.
- **Schedule of Travel and Entertainment Expenses:** Not applicable
- **Telephone or Cellular Phones:** No cellular phones; no policies and procedures.

Rhode Island Clean Water Financing Agency

- **Credit Cards:** 2 credit cards; there are policies and procedures for credit card use; credit cards cannot be used to purchase personal use; procedures are in place for non-agency use; no instances of non-compliance.
- **Alcoholic Beverages:** No
- **Travel and Entertainment:** Policies and procedures; a per-diem rate will be established; policies and procedures treatment of invited guests; no travel advances.
- **Moving Expenses:** No
- **Food and Beverages:** No policies and procedure; follows the R.I. Ethics Commission Rules and Regulations.
- **Employer-Provided Vehicles:** No vehicles. However, there are policies and procedures in the event the Agency does obtain vehicles. These policies and procedures would have to be revised to include the impact of IRS Regulations for employer-provided vehicles and Chapter 42-11.3 of the R.I. General Laws.
- **Membership Dues:** No
- **Financial Integrity Report:** In an effort to comply, copies of the annual financial audit report and annual report are distributed statewide. The Agency has not submitted the Financial Integrity Report. According to the instructions issued by the State Controller this report is not due until February 28, 2000.
- **Schedule of Travel and Entertainment Expenses:** Prepared in accordance with the law.
- **Telephone or Cellular Phones:** No cellular phones; has policies and procedures.

Rhode Island Convention Center Authority

- **Credit Cards:** None
- **Alcoholic Beverages:** Has paid for alcoholic beverages, purchased and consumed as part of a reasonable business event or meeting with clients, prospective clients, or tenants.
- **Travel and Entertainment:** Has policies and procedures but do not provide for per diem, invited guests, or treatment of advances.
- **Moving Expenses:** No policies and procedures
- **Food and Beverages:** Has policies and procedures; **copies** of these policies and procedures **were not provided.** The Authority indicated that meetings are held in the Convention Center and the Westin Hotel. Beverage service or working meal is often provided by the host facility. Charges for these items are handled via intercompany transfer.
- **Employer-Provided Vehicles:** None
- **Membership Dues:** Has policies and procedures; **copies** of these policies and procedures **were not provided.**
- **Financial Integrity Report:** Report is due February 28, 2000.
- **Schedule of Travel and Entertainment Expenses:** Prepared in accordance with the law.

- **Telephone or Cellular Phones:** 3 cellular phones; has policies and procedures; **copies** of these policies and procedures **were not provided.**

Rhode Island Depositors Economic Protection Corporation

- **Credit Cards:** None
- **Alcoholic Beverages:** The Corporation has paid for alcoholic beverages when it was incidental to a meal. Occurred 4 times in 8 years.
- **Travel and Entertainment:** Policies and procedures $40 per diem. Only reimburses employee expenses. Travel advances must be cleared within the month of the advance.
- **Moving Expenses:** No
- **Food and Beverages:** No policies and procedures; The Corporation indicated that food and beverages would be discussed with the Board of Directors.
- **Employer-Provided Vehicles:** None
- **Membership Dues:** No policies and procedures. The Corporation indicated this not applicable to the organization.
- **Financial Integrity Report:** The Corporation indicated the report was submitted in accordance with the law. However, the report has not been filed and the Corporation should have responded NO to the question. According to the instructions issued by the State Controller this report is not due until February 28, 2000.
- **Schedule of Travel and Entertainment Expenses:** Prepared in accordance with the law.
- **Telephone or Cellular Phones:** 1 cellular phone; no policies and procedures; reimbursement for personal use is made on a monthly basis.

Rhode Island Economic Development Corporation

- **Credit Cards:** 9 gasoline credit cards for delivery and Quonset vehicles as of January 14, 2000; cardholders are not allowed to purchase personal items; procedures are in place for reimbursement; instances of non-compliance has been identified in the past; and the organization has not considered the tax implications.
- **Alcoholic Beverages:** Has paid for alcoholic beverages; no policies and procedures.
- **Travel and Entertainment:** Has policies and procedures; policies and procedures do not identify use of per diem (Actuals are paid); policies and procedures do not identify the treatment of invited guests; policies and procedures identify the treatment of advances.
- **Moving Expenses:** No policies and procedures.
- **Food and Beverages:** No policies and procedures.
- **Employer-Provided Vehicles:** The Corporation indicated they follow the IRS Regulations. However, the Corporation had indicated in the past that they charge employees $3 a day for the commuting miles and no reimbursement is made for commuting miles. It has not been brought to the Corporation's attention that the IRS Regulation for $3 a day cannot be applied to their vehicles because of the language in R.I. General Law 42-11.3-4(E).
- **Membership Dues:** No policies and procedures.

- **Financial Integrity Report:** Report is due February 28, 2000.
- **Schedule of Travel and Entertainment Expenses:** Prepared in accordance with the law.
- **Telephone or Cellular Phones:** 40 cellular phones and pagers; no policies and procedures.

Rhode Island Industrial Facilities Corporation – The Corporation indicated that it does not employ any personnel, does not make any reimbursement for the survey items, and staff is provided by Rhode Island Economic Development Corporation.

Rhode Island Industrial Recreation Building Authority – The Authority indicated that it does not employ any personnel, does not make any reimbursement for the survey items, and staff is provided by Rhode Island Economic Development Corporation.

Rhode Island Airport Corporation – The Corporation is a subsidiary of the Rhode Island Economic Development Corporation.

- **Credit Cards:** 8 credit cards; 6 are assigned to the Aeronautics Inspectors (pilots) and 1 is assigned to the Executive Director and 1 to the Deputy Executive Director. No policies and procedures have been developed; cardholders are not allowed to purchase personal items; the Corporation has not indicated if there have been instances of non-compliance.
- **Alcoholic Beverages:** The Corporation has indicated the purchase of alcoholic beverages on a few occasions as part of a certain marking opportunities.
- **Travel and Entertainment:** Has policies and procedures but they do not identify the use of per diem (the Corporation reimburses for all reasonable meals and tips); policies and procedures identify the treatment of invited guests and employee advances.
- **Moving Expenses:** No policies and procedures. The Corporation indicated they have paid reasonable moving expenses for 4 employees.
- **Food and Beverages:** No policies and procedures. Although they have paid for working lunches when the Corporation is conducting meetings with professionals, such as, consultants, bond underwriters and underwriters' counsels, and board meetings.
- **Employer-Provided Vehicles:** The Corporation's Non-Cash Benefit Section of their Vehicle Policy should be modified to <u>require</u> that employees meet annually with the Human Resources Department to ensure that the Non-Cash Benefit is appropriately calculated for payroll purposes. The Corporation must also incorporate and implement Chapter 42-11.3 of the R.I. General Laws, which requires employees to reimburse the Corporation on a monthly basis for commuting mileage. Any unreimbursed portion would then be an employee fringe benefit subject to taxation under IRS Regulations.
- **Membership Dues:** No policies and procedures. However, justification, nature, reason, and cost is required. The Corporation does not require employees to certify the membership benefits the organization. Membership must be related to an individual's profession and responsibility at the Corporation.
- **Financial Integrity Report:** Report is due February 28, 2000.

- **Schedule of Travel and Entertainment Expenses:** Prepared in accordance with the law.
- **Telephone or Cellular Phones:** 16 cellular phones. The Corporation indicated that it has policies and procedures for telephones. However, these policies and procedures do not address reimbursements for personal use of either the telephones or cellular phones.

Rhode Island Health and Education Building Corporation

- **Credit Cards:** None
- **Alcoholic Beverages:** The Corporation has indicated they paid for alcoholic beverages when it has hosted a reception, speaker dinner, or other function involving outside professionals. The policies and procedures do not address alcoholic beverages.
- **Travel and Entertainment:** Has policies and procedures but they do not identify the use of per diem and the treatment of invited guests or advances.
- **Moving Expenses:** No
- **Food and Beverages:** Policies and procedures do not address food and beverages.
- **Employer-Provided Vehicles:** None
- **Membership Dues:** Not applicable.
- **Financial Integrity Report:** Report is due February 28, 2000.
- **Schedule of Travel and Entertainment Expenses:** Prepared in accordance with the law.
- **Telephone or Cellular Phones:** 1 cellular phone; policies and procedures do not identify the reimbursement for personal.

Rhode Island Higher Education Assistance Authority – The Authority provided two responses to the survey; one for the Scholarship/Grant Division (State General Revenue Funds) and one for the Loan Division (No State General Revenue Funds – but in reality they are Federal Funds). It appears as though the Authority is operating the two divisions under different standards. The Scholarship/Grant Division adheres to all state policies and procedures with respect to purchasing, expenditures, and reimbursements for the expenditure of state general revenue funds. For purposes of identifying the categories below, we have addressed the response to the survey for the Loan Division (No State General Revenue Funds).

- **Credit Cards:** 9 credit cards; has policies and procedures; cardholders cannot use credit cards to purchase personal items; procedures are in place for reimbursements of employee non-compliance; and, there have been no instances of non-compliance.
- **Alcoholic Beverages:** Has paid for alcoholic beverages; policies and procedures do not encourage the consumption of alcoholic beverages by employees while conducting Authority business and, as of January 2000, the Authority will not reimburse for alcoholic beverages.
- **Travel and Entertainment:** No policies and procedures but will reimburse reasonable and actual meal expenses and up to the current State per-diem without receipts; policies and procedures address invited guests and the treatment of advances.
- **Moving Expenses:** The Authority does not normally reimburse employees for moving expenses.

- **Food and Beverages:** Has policies and procedures. The Authority provides light continental breakfast at public meetings and sandwiches and soft drinks for working lunches for employees and outside individuals assisting with various projects or programs. The Authority co-sponsors with RISLA an annual event for employees which includes the purchase of a light lunch for employees' year-end holiday party.
- **Employer-Provided Vehicles:** None
- **Membership Dues:** Has policies and procedures; **copies** of these policies and procedures **were not provided.**
- **Financial Integrity Report:** Report was filed.
- **Schedule of Travel and Entertainment Expenses:** Prepared in accordance with the law.
- **Telephone or Cellular Phones:** 2 cellular phones; has policies and procedures which identifies employee reimbursement for personal use.

Rhode Island Housing and Mortgage Finance Corporation

- **Credit Cards:** None
- **Alcoholic Beverages:** The Corporation indicated they have paid for alcoholic beverages they occasionally have been included with outside meal reimbursement requests within the context of business-related meals and only within the allowable per diem. Policies and procedures indicated the restriction of not reimbursing employees for alcoholic beverages.
- **Travel and Entertainment:** Has policies and procedures; use $50 per diem; reimbursements are for employees only and identify the treatment of advances.
- **Moving Expenses:** No policies and procedures. The Corporation indicated there has been only 1 instance of reimbursing the Executive Director for moving expenses.
- **Food and Beverages:** Has policies and procedures. The Corporation has paid for food and beverages on occasion where staff installed a new computer system after hours and for public hearings such as board functions. The Corporation has indicated the sharing of expenses with staff for such items as staff parties, gatherings, annual picnic, and holiday party.
- **Employer-Provided Vehicles:** Has policies and procedures. However, the policies and procedures do not appear to be consistent with IRS Regulations and does not address the requirements of Chapter 42-11.3 of the R.I. General Laws.
- **Membership Dues:** No policies and procedures and employees do not have to certify the membership benefits the organization. However, the practice has been that membership dues are reimbursed provided it's in connection with performance of employees' duties.
- **Financial Integrity Report:** Report is due February 28, 2000.
- **Schedule of Travel and Entertainment Expenses:** Prepared in accordance with the law.
- **Telephone or Cellular Phones:** 8 cellular phones. The policies and procedures do not identify the reimbursement for personal use.

Rhode Island Lottery Commission

- **Credit Cards:** None
- **Alcoholic Beverages:** The Commission does not pay for alcoholic beverages.
- **Travel and Entertainment:** Follows state's policies and procedures; allows a $30 per-diem; identifies the treatment of invited guests and does not allow advances.
- **Moving Expenses:** No
- **Food and Beverages:** No policies and procedures; soft drinks and coffee may be purchased from petty cash for monthly Commission Meetings.
- **Employer-Provided Vehicles:** Has policies and procedures and indicated the filing of the annual form required by State Controller and State Fleet Operations.
- **Membership Dues:** No
- **Financial Integrity Report:** Report was filed.
- **Schedule of Travel and Entertainment Expenses:** Prepared in accordance with the law and stated that the Auditor General audits the Rhode Island Lottery twice a year.
- **Telephone or Cellular Phones:** 4 cellular phones; policies and procedures provide for the reimbursement of personal use.

Rhode Island Public Telecommunications Authority

- **Credit Cards:** None
- **Alcoholic Beverages:** The Authority stated they have rarely (not more than once or twice a year) purchase alcoholic beverages for use at a fund-raising event. The Authority also indicated no state funds were used for these purchases.
- **Travel and Entertainment:** Travel and entertainment expenses are processed through the Channel 36 Foundation and are consistent with state policies; meals are reimbursed at a maximum of the per-diem rate ($23 per day); advances must be accounted for immediately following the trip.
- **Moving Expenses:** No
- **Food and Beverages:** No
- **Employer-Provided Vehicles:** None
- **Membership Dues:** No
- **Financial Integrity Report:** Report was filed.
- **Schedule of Travel and Entertainment Expenses:** Prepared in accordance with the law.
- **Telephone or Cellular Phones:** No cellular phones; no policies and procedures for personal use.

Rhode Island Public Transit Authority

- **Credit Cards:** 2 credit cards; no policies and procedures specifically detailing the use of credits cards, instead the Authority has a Travel Policy and General Expenditures Procedures; the credit cards are not allowed for personal use; procedures are in place for employee reimbursements to the authority for non-agency use; and, the Authority indicated that a total of less than $200 was identified as personal use. Therefore, in May

1999, the policy was revised to provide that personal items could not be purchased on Authority credit cards.

- **Alcoholic Beverages:** No
- **Travel and Entertainment:** The Authority's policies and procedures for travel and entertainment indicated the use of $40 per diem. Reimbursement is allowed for only employee expenses; policies and procedures identify the treatment of travel advances.
- **Moving Expenses:** It is the policy of the Authority that the Board of Directors must approve any such expenses and that a total account of the expenses be provided to the Board before approval is voted.
- **Food and Beverages:** It is the policy of the Authority that the Board of Directors must approve such expenses. The Board of Directors runs a daylong working session or retreats twice a year. It is customary that lunches (cold cuts and beverages) are brought in for participants. The Authority holds quarterly employee appreciation events. The Employees Activity Committee conducts these events.
    - Easter Egg Hunt - $200.00
    - RIPTA's Annual Bus Operator Roadeo Competition – $600.00
    - Annual Holiday Gathering – $3,500.00
- **Employer-Provided Vehicles:** The policies and procedures do not indicate the Authority's responsibility for complying with IRS Regulations concerning employer-provided vehicles and Chapter 42-11.3 of the R.I. General Laws. The Authority responded that they are reviewing the tax law to determine if employees have addition tax implications. In any event, the Authority's policies and procedures for employer-provided vehicles need to be revised to indicate the IRS Regulations and Chapter 42-11.3 of the R.I. General Laws.
- **Membership Dues:** Policies and procedures state that the Authority will sponsor individual memberships in professional, managerial and technical organizations for job-specific assignments provided it benefits the Authority. However, employees do not certify that the membership benefits the Authority. The Authority should consider requiring employee certifications.
- **Financial Integrity Report:** Report was filed.
- **Schedule of Travel and Entertainment Expenses:** Prepared in accordance with the law.
- **Telephone or Cellular Phones:** 18 restricted and 7 non-restricted cell phones. The restricted cell phones cannot receive incoming calls and can only call the dispatcher or 911 emergency. Any personal calls on the non-restricted cell phones have to be reimbursed or the phone will be shut off. Only personal long distance calls are permitted at the employee's expense.

Rhode Island Refunding Bond Authority

- **Credit Cards:** None
- **Alcoholic Beverages:** No
- **Travel and Entertainment:** Follows State policies and procedures.
- **Moving Expenses:** Follows State policies and procedures.

- **Food and Beverages:** Follows State policies and procedures.
- **Employer-Provided Vehicles:** Follows State policies and procedures.
- **Membership Dues:** Follows State policies and procedures.
- **Financial Integrity Report:** Report is due February 28, 2000.
- **Schedule of Travel and Entertainment Expenses:** Follows State policies and procedures.
- **Telephone or Cellular Phones:** Follows State directive.

Rhode Island Resource Recovery Corporation

- **Credit Cards:** 4 credit cards. No policies and procedures have been developed; instead the Corporation uses a "prudent person" policy. The following items appear to be questionable:
    - Business Related Meals – $626.89
    - Commissioner Clothing – $316.36
    - Staff Holiday Gifts – $1,885.95
    - Reimbursed Charges – $259.21
    - Flowers for Secretaries (Secretary week) – $139.10
    - Gift Basket – $81.00
- **Alcoholic Beverages:** No policies and procedures. On occasion they purchased alcoholic beverages for either Corporate Officers and/or Commissioners at a business meeting. The Corporation indicated they follow the Ethics Regulation concerning "zero tolerance."
- **Travel and Entertainment:** Policies and procedures indicate the use of a $40 per diem; reimbursements for employee expenses would be made in accordance with policies and procedures; policies and procedures do not specifically address invited guests and advances.
- **Moving Expenses:** Has not paid moving expenses. The Corporation indicated they would follow the "prudent man" policy with respect to any activity for which a policy does not exist.
- **Food and Beverages:** No policies and procedures. The Corporation has provided snacks for board meetings and working luncheon with a third party.
- **Employer-Provided Vehicles:** The Corporation's policies and procedures for employer-vehicles need to be revised to incorporate the IRS Regulations and Chapter 42-11.3 of the R.I. General Laws.
- **Membership Dues:** No policies and procedures. The Corporation does pay for individual professional dues when the dues are assumed and/or represented to benefit the organization. Employees are not required to certify that the dues benefit the organization.
- **Financial Integrity Report:** Report is due February 28, 2000.
- **Schedule of Travel and Entertainment Expenses:** The following items appeared on the Schedule of Travel and Business Expenses for the Year Ended June 30, 1999 and appear to be questionable. At this time we are not sure if employees made any contributions to these parties.
    - Roman Deli - Food purchase for company cookout – $343.00

    - Capriccio – Appreciation lunch for Commissioner Clingham – $652.00
    - To Kalon Club – Commissioner's holiday party – $3,123.00
    - Club 44 Restaurant – Staff Christmas party – $2,343.00
- **Telephone or Cellular Phones:** 12 cellular phones; no policies and procedures for the reimbursement of personal use of telephones and the. However, phone bills are reviewed and employees reimburse the Corporation for personal calls.

Rhode Island Student Loan Authority

- **Credit Cards:** The Authority developed policies and procedures for the 1 credit card in January 2000. Cardholders are not allowed to use credit cards to purchase personal items; procedures are in place for non-agency use; no instances of non-compliance have been identified.
- **Alcoholic Beverages:** Has purchased alcoholic beverages. The Authority will not pay the direct cost of alcoholic beverages in accordance with state guidelines.
- **Travel and Entertainment:** Policies and procedures indicate the use of a $24 per diem; policies and procedures address employees and not invited guests; there are no travel advances.
- **Moving Expenses:** No
- **Food and Beverages:** Follow the State's policies and procedures however, they have provided food and beverages in the following instances:
    - Employees and outside individuals assisting on various projects - $122.00
    - Co-sponsored year-end holiday party with RIHEAA - $218.00
    - Co-sponsored Public Education Fund event - $222.00
    - Sponsored event with Woonsocket office of College Planning Center - $334.00
- **Employer-Provided Vehicles:** None
- **Membership Dues:** Follows State policies and procedures.
- **Financial Integrity Report:** Report was filed.
- **Schedule of Travel and Entertainment Expenses:** Prepared in accordance with the law.
- **Telephone or Cellular Phones:** 3 cellular phones; has policies and procedures for reimbursement of personal use of telephones.

Rhode Island Turnpike and Bridge Authority

- **Credit Cards:** 4 credit cards; has policies and procedures; cardholders are not allowed to purchase personal items; there have been no instances of non-compliance.
- **Alcoholic Beverages:** No
- **Travel and Entertainment:** Policies and indicate the use of a $50 per diem and the treatment of invited guests but not the treatment of advances.
- **Moving Expenses:** No
- **Food and Beverages:** Has policies and procedures.

- **Employer-Provided Vehicles:** The policies and procedures for employer-provided vehicles needs to be revise to ensure compliance with IRS Regulations and Chapter 42-11.3 of the R.I. General Laws.
- **Membership Dues:** Has policies and procedures but they do not indicate certification is required for the purpose of benefiting the organization.
- **Financial Integrity Report:** Report was filed.
- **Schedule of Travel and Entertainment Expenses:** Prepared in accordance with the law.
- **Telephone or Cellular Phones:** 1 cellular phone; has policies and procedures for reimbursement of personal use. However, the policy submitted only provided the form for reimbursement of personal calls on the cellular phone.

Rhode Island Underground Storage Tank Financial Responsibility Review Board

- **Credit Cards:** None
- **Alcoholic Beverages:** No
- **Travel and Entertainment:** Follows State policies and procedures.
- **Moving Expenses:** No
- **Food and Beverages:** Follows State policies and procedures.
- **Employer-Provided Vehicles:** None
- **Membership Dues** Follows State policies and procedures.
- **Financial Integrity Report:** Report is due February 28, 2000.
- **Schedule of Travel and Entertainment Expenses:** The Board indicated the Schedule was not prepared in accordance with the law.
- **Telephone or Cellular Phones:** No cellular phones; Follows State directive.

Rhode Island Water Resources Board Corporate

- **Credit Cards:** None
- **Alcoholic Beverages:** The Board does not pay for alcoholic beverages.
- **Travel and Entertainment:** Follows State policies and procedures.
- **Moving Expenses:** Follows State policies and procedures.
- **Food and Beverages:** Follows State policies and procedures.
- **Employer-Provided Vehicles:** None
- **Membership Dues** Follows State policies and procedures.
- **Financial Integrity Report:** Report is due February 28, 2000.
- **Schedule of Travel and Entertainment Expenses:** The Board indicated the Schedule was not prepared in accordance with the law.
- **Telephone or Cellular Phones:** No cellular phones; Follows State directive.