

Jan. 16, 1956

Confidential

COUNCIL FOR THE STUDY OF HIGHER EDUCATION IN FLORIDA
RECOMMENDATIONS
By Lloyd Morey

I. Relations with State Agencies

1. Consideration should be given to removing the statutory requirements that the Board of Control operate under the control and supervision of the State Board of Education.
2. Remove the Board of Control from the supervision of the Board of Commissioners of State Institutions, by reverting to the procedure followed prior to 1953 of making appropriations for capital improvement directly to the Board of Control for the several universities and agencies under its supervision.
3. A material simplification is needed in the system of budget preparation, presentation, and operation.
4. The recent statutory requirement that "incidental" income, from tuition, agricultural experiment stations, and other sources, in excess of the budget estimate, shall revert into the General Revenue Fund, should be rescinded.
5. The statutory requirement of approval of any salary paid from two different "funds" be approved specifically by the Budget Commission should be modified to limit it to salaries paid from "funds of two different agencies."
6. The restriction against use of salary appropriations for any purpose other than personal services should be liberalized.
7. The statutory provision that the purchase of all passenger automobiles be especially approved by the Budget Commission should be rescinded as to the universities.
8. The procedure for making allotments should be simplified and expedited.
9. The requirements relating to minor remodeling, alterations and improvements should be liberalized.
10. Reduce the number of accounts maintained in the State Comptroller's Office.
11. The restrictions against travel advances to members

of the staffs of the universities and their several agencies on state business should be removed.

12. The handling of contracts should be expedited by providing for more prompt review by or on behalf of the Attorney General, and by waiving the approval of that office on contracts which are identical in form to that previously approved by that office.
13. The provisions of the Act relating to securing bids on purchases should be modified as to the educational institutions.

RECOMMENDATIONS

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II. Relations between The Board of Control and The Institutions.

1. The preliminary detailed Biennial Budget for consideration of the Board of Control in advance of submittal to the Budget Commission should be replaced by a much more condensed presentation.
2. The arrangement of the Annual Operating Budget can be improved in certain respects and the detail reduced.
3. Materially greater final and complete authority for both academic and nonacademic appointments should be delegated to the presidents of the various institutions.
4. The authority of institutions to conclude purchases should be broadened.
5. One or more officers of University of Florida and possibly Florida State University should be given authority to execute minor contracts and contracts which are repetitive, and which represent a renewal or continuation of projects already approved.
6. Expenditure vouchers of the various institutions should be transmitted directly from institutional offices to the State Comptroller with copies concurrently to the Board of Control office.
7. Provision for signature of President and Vice President on checks against accounts in local banks (agency, clearance, and revolving funds) should be revised.
8. Larger discretion should be given to institutional officers in the handling of accounts receivable.
9. Consideration should be given to simplification of institutional reports submitted to the Board of Control.
10. Working capital and revolving funds from non-returnable sources should be built up as rapidly as feasible.
11. Consideration should be given as to whether further advantage should be taken of the authority granted by statute for institutions to retain in their own control outside the state treasury, funds from gifts, grants, research contracts, bequests or donations.

Mr. Lee

BUSINESS OPERATIONS

OF

FLORIDA A. AND M. UNIVERSITY

A REPORT

by

LLOYD MOREY

to

THE COUNCIL FOR THE STUDY OF HIGHER EDUCATION IN FLORIDA

February 20, 1956

BUSINESS OPERATIONS
OF
FLORIDA A. AND M. UNIVERSITY

Lloyd Morey
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1. The general business organization of the University on the whole is generally well designed and although weak in some spots has a considerable amount of strength. Weaknesses are recognized by the administration and there is evidence of a healthy effort to improve the organization and eliminate deficiencies in procedure as rapidly as possible. This will require at certain points stronger supervisory personnel, and at others better and additional subordinate personnel.

2. Accounting is in charge of a competent and energetic Comptroller, who has shown intelligent initiative in strengthening the accounting system. As a result a good central IBM system is in operation, producing good general and budgetary accounting. It is capable of expansion to cover all or the major part of all needed accounts.

At present the system operates entirely on a code basis of account identification, making the reports difficult for persons outside the Business Office to interpret. Additional equipment would make it possible to use account titles which would be desirable.

The General Ledger as now kept produces a rather cumbersome balance sheet. Summarization of certain entries would simplify the statement and make it more useful. The ultimate goal might well be to make possible the production mechanically of all or most of the financial statements needed, instead of by separate typing.

Latest available financial reports (Nov. 30, 1955) are in good form so far as budgeted funds are concerned but very incomplete as to auxiliaries (see later comments).

The Office of the Board of Control sent notice of a change in form of the monthly financial report making it necessary to draw up the report specially instead of being able to use IBM procedures which had been set up for the previous form covering the same information but differently arranged. (Closer consideration of conditions in institutional offices by the Board Office would help to eliminate such extra work loads, and give the institution time to readjust its procedures.)

3. Accounting and reporting in the various auxiliaries varies greatly, as will be seen from individual comments in later paragraphs. In the past the responsibility for such accounting has been largely left to the auxiliaries, working under the general direction of the Assistant to the Business Manager for Auxiliaries. With few exceptions this arrangement has not produced continuous, complete, or accurate reports. Responsibility for all auxiliary accounting has now been placed under the Comptroller, and it is intended that the accounts be maintained through the IBM general accounting system, but in such form as to produce financial information in the form needed for these activities. At present three auxiliaries are being so handled and, as shown below, these are in current condition and are in satisfactory form. While this plan of procedure differs from that followed in the other two universities, where auxiliary accounting generally is handled in the office of the auxiliary but under supervision of the central accounting office, it appears that the plan is probably the best for this situation.

4. The accounts of the Dining Hall are maintained in the Comptroller's Office. The latest report available was as of November 30, 1955. Its form was good and a favorable financial situation was indicated for the current year's operations. A sizeable deficit from prior periods is being carried, arising

largely from the absorption of a liability of the old F. A. & M. Farm. Depreciation on equipment has been and is being currently charged, but no reserve fund for replacement has been set up. (The new manager of the Dining Hall shows evidence of a competent approach to the problems, and is working in good cooperation with the other divisions of the business organization.)

5. The accounts of the University Laundry also are maintained in the Comptroller's Office. The latest available report was as of Nov. 30, 1955. Its form was good and while a substantial surplus has accumulated from past operations, results for the current period are doubtful, and suggest attention. Depreciation on equipment has been and is being currently charged, but no reserve for replacement has been funded as should be done.

6. Lucy Moten Lunchroom accounts are handled by the Comptroller. Last financial statement is on November 30, 1955, the form of which is good. This activity is a part of the educational operations of the School of Education, and the financial situation considering this fact is satisfactory. (It is understood that as soon as feasible the responsibility for this activity will be placed under the University Food Service Manager, which is a desirable step.)

7. Responsibility for accounting and reporting of the University Inn still rests with the manager. Last report was as of June 30, 1955, and its form was good, and financial position good. However, the report was unaudited and not reconciled with the general accounts.

A new Student Union is now being erected, to which this activity will be transferred. Responsibility for food service will be taken over by the University Food Service Manager. An improved system of accounts under the Comptroller is then contemplated.

8. The Bookstore is being operated on a limited scale and in non-permanent quarters. It also will be moved to the new Student Union building being erected. Up to date the manager has been depended on for financial statements, the last one available being June 30, 1955. Its form was reasonably good, and it indicated a good financial position, but again it had not been audited nor reconciled with the general accounts. It is expected that as soon as feasible the Comptroller will assume responsibility for the Bookstore accounts.

9. The last report of the Beauty Shop was on June 30, 1955; also unaudited and unreconciled; form satisfactory; financial position as reported was good.

10. No reports could be found for student residence halls, which are under the supervision of the Director of Student Activities. This presents a serious situation, since these halls are depended on to a certain extent to finance outstanding debt obligations. The earliest possible attention should be given this situation, and an adequate accounting system set up by the Comptroller and means provided for keeping it current.

11. No reports could be found for Polkinghorne Village (family housing project) or the Movie.

12. The financial operations of Intercollegiate Athletics are scattered through several points in the general University financial statements, and are not brought together at any one point. This activity is included in the budget of the Department of Physical Education and Health in the School of Education. Income funds operations are handled through Agency funds. No report was available giving an analysis of these operations. A comprehensive and inclusive system of accounts and financial reports is needed.

The financial operations of Intercollegiate Athletics are under the supervision of the Assistant to the Business Manager for Auxiliaries. Possibly consideration

should be given to establishment of a position of Athletic Business Manager or Business Assistant under the Assistant to the Business Manager.

13. One of the more critical situations is that of the University Hospital. No reliable financial information appeared available for the year 1954-55. During recent months the situation has had active attention of the University Comptroller and the Office of the Board of Control. The Internal Auditor recently added to the Business Office has been assigned to the Hospital office temporarily to bring its records into balance and get them operating on a current basis. Active attention has been given to accounts receivable controls and collections. Certain financial statements have been compiled as a start toward a regular system of reporting.

The system of records seems adequate to produce all information needed for good financial reports if it is kept up to date. The accounting classification needs revision so as to produce information needed to present an adequate picture. (The classifications used by the University of Florida Infirmary are suggested for study.)

The general administration of the Hospital has not given adequate attention to business affairs. The writer in discussions with administrative officials suggested the great desirability of the addition of an administrator in some capacity who has had experience in hospital business management. It is understood steps are now being taken in that direction.

When competent and responsible administrative leadership are established, the President of the University should inform the professional staff of the Hospital that the business policies and procedures established by the Hospital administration with the approval of the University Business Manager are to be

respected and followed by the professional staff, and that matters respecting general policy concerning which the professional staff has question are to be taken up only through the hospital administration with the University administration. Failure to follow such channels in the past appears to have been the source of at least some of the difficulties.

There is need for a thorough review of the budgets and financing of the Health Service and Hospital, and the relation of the student Health and Hospital Fee (\$8.00 per semester) to the cost of the services rendered for this fee. Information concerning this fee (which is a part of the Registration fee) in the University Bulletin is incomplete, but it is understood to cover Health Service, reduced hospital per diem (75% of regular room rates), and medicines. In addition the student pays (a) all individual medical service required when in hospital, and (b) balance (25%) of room charge.

The general funds budget includes a substantial sum for the Hospital, which includes Health Service. It covers about 75% of the entire Hospital and Health Service staff. There is uncertainty as to how this budget is arrived at, or its relation to the student fee allocation. The financial reports do not reveal the disposition of the student fee. There is as yet no cost accounting of food services in the Hospital, to determine whether the per diem charges for students or other are adequate or otherwise.

14. In some cases it appears that some expenses of auxiliaries which would normally be paid out of their income, are being carried on general funds budgets. Time did not permit a complete inquiry into this subject, but the reports of the State Auditing Department will reveal where such cases exist. Such subsidies should be discontinued wherever possible. Where they are unavoidable, they should appear in the reports of the auxiliaries, at least by

reference. (Another method would be to incorporate them in the reports of the auxiliaries both as income and as expense.)

15. There is doubt that it is necessary to maintain encumbrance accounts of auxiliaries. As fast as dependable profit and loss accounting is established for the various activities, each situation should be reviewed to determine whether such records are useful and necessary.

16. Controls over accounts receivable are not believed to be adequate. Such accounts included items against faculty and students and also accounts against others. Detailed accounts are kept for these but an adequate general ledger control does not exist. It is uncertain whether there is an adequate policy and control over accounts that are under question as to being written off. (Hospital accounts receivable should be included in and controlled by the Hospital accounting system.)

17. The foregoing comments (No. 16) also apply to student loans. In addition it is pointed out that the Business Office should participate in decisions on granting loans. This office becomes responsible for collection of loans after they are made, and its experience in this respect makes it desirable and advantageous that it should enter into the consideration and decision of the granting of new loans.

It would appear that student loan funds might be used to a greater extent on either a short time or a longer term basis, to take care of board and room accounts that students have difficulty in meeting, in lieu of carrying those charges as accounts receivable.

18. Substantial and generally satisfactory progress on unification of purchasing is being made under the Purchasing Agent. Support by the central administration is needed of the principle of centralized purchasing and the handling of purchasing contacts by that officer, unless otherwise agreed upon by him.

Cooperative relationships such as recently worked out between the Food Service Manager and the Purchasing Agent are advantageous.

19. The internal audit program needs development. A competent person has now been engaged to head this work, but her time thus far has been required for other matters. These undoubtedly are important and pressing (as in the Hospital where she is now temporarily assigned), but the needs of internal check and audit should not be neglected. Too great reliance is now being placed in the State Auditing Department. Good as the work of this division is, it should be supplemented and aided by more constant internal check.

The internal auditor should be administratively responsible and should report to the Business Manager, although working in close liaison with the Comptroller. Accounts and operations of the Comptroller should be just as much a subject of check by the Internal Auditor as those of other divisions.

20. The nonacademic personnel organization and procedure need strengthening. A director is needed for this activity, who may be made responsible to the Business Manager. It should exercise general supervision over all non-academic employment, but may also serve as a record and information centre for academic staff. It is understood that a job analysis of all nonacademic positions is already under way, which would be an important part of the work of such an office.

In the present Student Welfare budget there is a position with the title of "Personnel Director." Inquiry indicates that this position deals entirely with student personnel matters. If a new position of Personnel Director for nonacademic personnel and other services is created there would be conflict between the two titles. It is suggested that the present position be changed as soon as feasible to "Student Personnel Director."

21. The Maintenance Department appears to be rendering good service. The control over and methods of operation of the stock of supplies appear good. The job system is only partially complete. There is no method of charging departments for services rendered, except where special funds are involved.

It is suggested that the assistance of the State Auditing Department be secured concerning (a) the creation of a Working Capital Fund similar to that now used by the other two universities; (b) the development of a full-fledged job order system.

It is suggested that the name of this department be changed to "Physical Plant" in keeping with a suggestion made to the other two universities, and in keeping with the most common current practice over the country. Its general funds budget would be known as "Physical Plant Operation and Maintenance."

22. A good detailed record of property has been developed by the Property Supervisor. There is evidence of good control over property, and good accounting for lost or surplus property. However, there is a lack of general ledger control over the detailed property accounts. This is needed, and it is understood it is being developed.

23. The locations of the various divisions of the Business Office as well as some other administrative offices are in several instances not such as to enable them to function with greatest effectiveness or efficiency. Divisions of the Business office which should be closely connected are more or less widely separated. Accounting, all of which is supervised by the Comptroller who is located on the third floor, is partly on the first and partly on the third floor. The Business Manager, who has rather little contact with students, is on the first floor, while the Registrar and the Director of Student Activities, who deal almost entirely with students, are on the second and third floors respectively. The Dean of Administration and the Business Manager probably have the

most constant contacts with the President, who is well located on the second floor, yet they are on the first and third floors respectively. The Purchasing Agent, who works very closely with the Business Manager and other divisions of the Business Office, is in the Plant Building some distance from the Administration Building.

A thorough study of these arrangements is strongly urged, looking toward a general revision and relocation. As general principles, the following are suggested:

1- Those offices and divisions which deal most continually with students or the general public, should be on the first floor: such as, Registrar, Director of Student Activities, Cashier, Purchasing Agent, Dean of Religious Activities.

2- Major administrative officers should be on the second floor: such as, President, Dean of Administration, Business Manager. The Internal Auditor should be with the Business Manager, and if feasible the Comptroller should be close to the Business Manager; at least all activities of the Comptroller, except Cashier, should be together and, if necessary, may be on the third floor.

3- Offices whose activities are more or less internal, may be on the third floor; such as, Director of Extension, Comptroller (to extent necessary), Assistant to Business Manager for Auxiliaries.

It is assumed that when the new Arts and Sciences building now being planned is erected, the Dean of that College will move to that building. This will somewhat relieve the congestion in the Administration Building. Other relief could be secured by moving the Director of Extension to that building. Otherwise, all offices now in the Administration Building are properly located there, and the Purchasing Agent should be moved there as soon as feasible.

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@ 1957

THE FOLLOWING IS MY APPRAISAL OF THE PRESENT BUSINESS OFFICE SITUATION AND ATTENDANT RECOMMENDATIONS:

1. The Business Manager seems unwilling to delegate the authority that goes with the responsibility that he delegates; thereby, rendering the Administrative Assistants ineffective.... Responsibility without the attendant authority is of no consequence.
2. The lines of responsibility and authority are not clearly drawn and defined so as to eliminate confusion among employees.
3. Established policy governing Business Office Personnel and all other personnel of the University, should be a definite record available to all whom it affects or concerns.
4. Functional organizational charts should be drawn up of the business office, showing the lines (both line and staff) leading from the president down to the lowest clerk. These charts should be interpreted to the employees in order that they may keep abreast of how they fit into the total organization. Each sub-division of the business should be drawn up in a more detail manner than the master chart.
5. Policy and procedural disputes involving Business office personnel are allowed to go unchecked. This leads to confusion, buck passing and ineffective work results. Positive interpretation and enforcement of established policy would eliminate this.
6. I am attaching the Organizational charts of the Accounting Department and the Auxiliaries Department of Florida State University. These departments are sub-divisions of the total business function, of which, the Business manager is the chief administrative officer.
7. At Florida A & M, there are six sub-divisions of the Business office, namely; Accounting, Purchasing, Properties, Physical Plant, Athletic Business Management, Auxiliaries. Authorities in Scientific Management agree that there is no one way to organize any organization, as long as, the lines of authority and responsibility are clearly drawn. However, for best results, responsibility for any given function should be centered in one person.

SPECIAL NOTE

It is feasible and practical for the Director of Food Services to have Line Authority (That is, all personnel should be directly responsible to him) over all food services except the Hospital food services, over which he should have only staff authority. (advisory) Reason. . . . There is so much therapeutics in hospital food services and the need for fine coordination of this service within the hospital is so keen, that if the food service were directed by any person other than the Administrator of the Hospital, there would be numerous conflicts and breaking down of service.

FLORIDA A. AND M. UNIVERSITY

DUTIES OF THE VICE-PRESIDENT

(As assigned July 15, 1957)

1. Assistant to the President
2. Supervisor of Capital Outlay Projects
 - (a) Make periodic reports to the President on building problems in connection with new buildings recently occupied --Science-Pharmacy, Agriculture-Home Economics, New Men's Dormitory, Classroom Building, Demonstration School, R. O. T. C., Faculty Duplex
 - (b) Make periodic reports to the President on capital outlay and buildings now under construction --Athletic Stadium, Women's Dormitory, second unit of Student Union Building, and campus utilities
 - (c) Coordinate the work of faculty committees in planning 1957 capital outlay projects
3. Make periodic reports to the President on State Road Department projects in cooperation with Mr. Dail
4. Investigate emergency campus problems
5. Serve as advisor to the President with respect to continuing campus development and maintenance
6. Serve as coordinator of the Florida and the Orange Blossom Classic Football programs.
7. Assist the President in working out plans with the new University Hospital Board for student health and clinical experiences for nursing education students

FLORIDA A. AND M. UNIVERSITY

DUTIES OF THE VICE-PRESIDENT

(As assigned July 15, 1957)

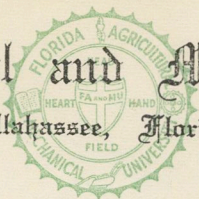
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Duties of Mr. Lee:

1. To serve as the key person to handle activities and problems incident to the Hospital and the Hospital Board.
2. To give consideration to the building priorities and the completion of the 1955 building program and the initiation of the 1957-59 building program.
3. To work on problems incident to the completion of the fourth floor of the New Classroom Building.
4. To work out contractual relationship with the hospital in connection with the School of Nursing and Student Health.
5. To give interpretation of Legislative acts of Congress, Florida Legislature, and regulations of the Board of Education and the Board of Control.

Florida Agricultural and Mechanical University

Tallahassee, Florida



GEORGE W. GORE, JR., PRESIDENT

SCHOOL OF EDUCATION

May 20, 1957

Return to Office of the
President

Dr. George W. Gore, Jr., President
Florida A. and M. University
Campus

Dear Dr. Gore:

We have completed our plans for the Coaching Clinic and have been able to line up some of the best men in the country. I am also having a bulletin made which carries pictures of the consultants.

Dr. Walker has kindly consented for us to use the Auditorium of the Agriculture Building for our sessions. This will give us an opportunity to show the visitors this lovely facility.

Last year, we were permitted to charge all above \$1,500 to the Athletic Budget and you advised me to precede as of last year. This year's clinic should be our best. I will send you a program just as soon as they are off the press.

The names of the consultants and the amounts to be paid are as follows:

Paul Bryant, Head Coach, Texas A. and M. College-----	\$435.00
Bobby Dodd, Head Coach, Georgia Tech.-----	100.00
Warren K. Giese, Head Coach, University of S. Carolina----	300.00
Bob Woodruff, Head Coach, University of Florida-----	49.50
Frank Broyles, Head Coach, University of Missouri-----	300.00
Gene Ellenson, Line Coach, University of Miami-----	250.00
A. M. Coleman, End Coach, Georgia Tech.-----	250.00
Gomer Jones, Line Coach, University of Oklahoma-----	350.00
Ray Graves, Line Coach, Georgia Tech.-----	100.00
Earl Jones, (Basketball) Kankakee Public Schools-----	250.00
Sam Lankford, Trainer, University of Florida-----	49.50
	<u>\$2,434.00</u>

Return to Office of the
President

2434.00
1500.00
934.00

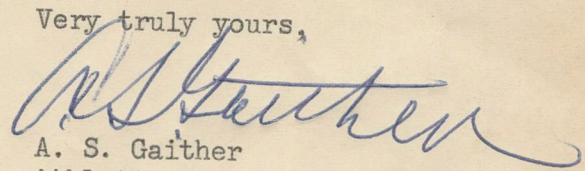
Dr. George W. Gore, Jr., President

(2)

May 20, 1957

The expenses are more this year because Coaches Dodd and Graves informed me at the last moment that they wanted to come and Coach Bryant is coming from Texas which causes more travel expenses.

Very truly yours,

A handwritten signature in blue ink, appearing to read "A. S. Gaither". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

A. S. Gaither
Athletic Director

ASG/a

Florida Agricultural and Mechanical University

Tallahassee, Florida

GEORGE W. GORE, JR., PRESIDENT

OFFICE OF THE BUSINESS MANAGER

May 24, 1957

Dr. G W Gore, Jr.
Florida A & M University

Dear Dr. Gore:

Reference is made to the attached. It is my understanding that \$934.00 is requested to be taken from the Athletic Fund and \$1,500.00 to be taken from the General Expenses, General Revenue. As of this date there is a cash balance of \$11,009.18 in the Athletic Fund, and \$2,778.63 cash balance in General Expenses, General Revenue Fund.

It appears that the honorariums requested could be paid from the above balances.

Yours very truly,

J. R. E. Lee, Jr.
Business Manager

JREL, Jr/gs

Enclosure

cc: G. R. E. Lee, Jr.
A. S. Gaither
5/28/57