



# Monthly Financial Update

Kentucky State University

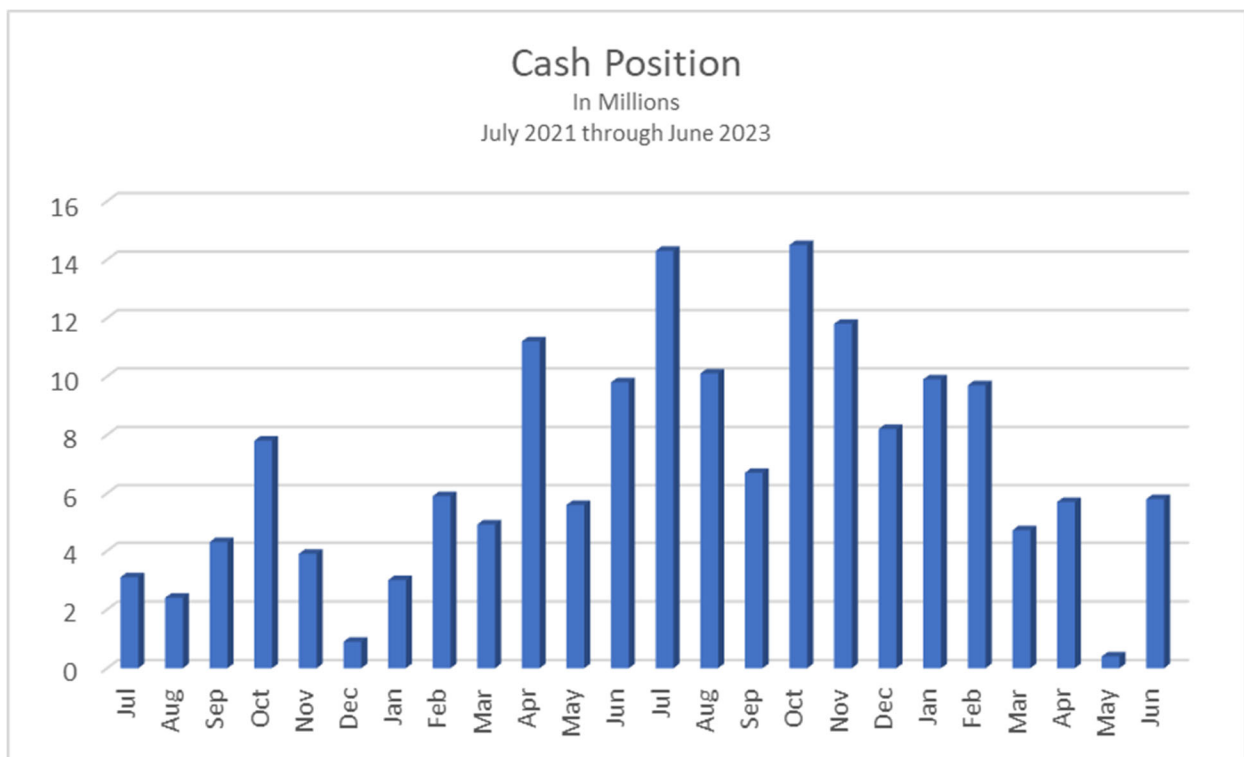
July 2023

HB 250, enacted in the 2022 Regular Session of the Kentucky General Assembly, directs the Kentucky Council on Postsecondary Education to provide a monthly financial update on Kentucky State University to the Legislative Research Commission and the Office of the Governor.

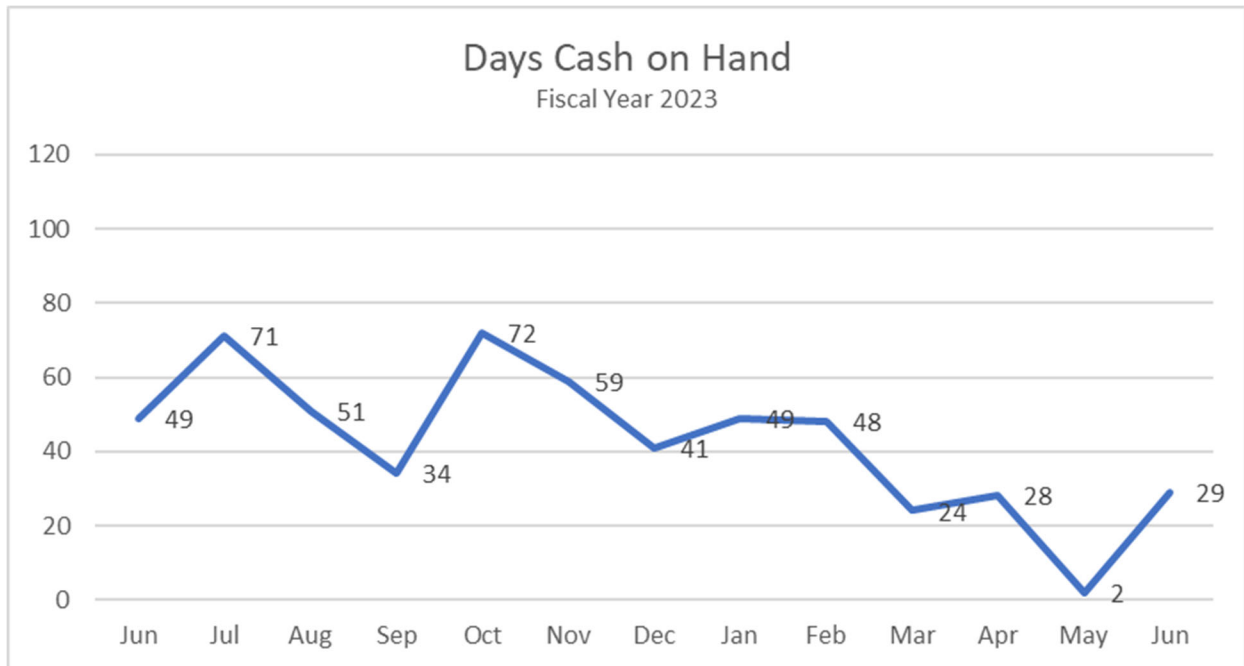
## Cash Position

The university's cash balance (unaudited) on June 30, 2023, was \$5,773,004. The June cash balance includes the following reserved items:

- \$2.0 million is reserved for asset preservation projects and is not available for general expenditure. This reserve is held by Kentucky State University (KSU) and represents the available balance of student fees collected for asset preservation projects.
- \$3.8 million is held by the state and reserved for various capital projects, including \$3.4 million of "Asset Preservation Pool" projects approved to be funded with state bonds in the 2022-2024 biennial budget.



Days cash on hand (DCOH) increased to 29 days as of June 30, 2023. However, the entirety of the cash on hand at the end of June is reserved for asset preservation and other capital projects. KSU received the first quarter allotment for fiscal year 2024 in July and has made recent cuts to personnel and other expenses; thus, is forecasting an increase in cash balances. Industry standards recommend maintaining 146 days or approximately five months of cash on hand to cover expected operating expenses.



## FY 2023 Financial Reporting

As shared in previous reports, CPE contracted with Moss Adams to provide independent verification of KSU's progress on the Management Improvement Plan. Verification work is now complete for the quarter March through May 2023 and Moss Adams' quarterly report is included as an addendum to this report, detailing KSU's progress on completing the following monthly deliverables:

- Master list of budgeted positions reconciled to departmental budgets
- Budget to actual reports for E&G, Auxiliaries, Land Grant Match and Asset Preservation
- Budget projections for E&G, Auxiliaries, Land Grant Match and Asset Preservation
- Clearing accounts reconciled within 14 days of end of each month
- Bank accounts reconciled within 14 days of end of each month
- Monthly closing entries posted within 14 days of end of each month
- Previous month's accounting ledger closed by the 15th day of each month
- Credit card account reconciliations
- Cash position report, cash forecast and other financial information

KSU demonstrated progress on the monthly deliverables; however, several items have not been implemented or were partially implemented. Some of the incompletions are likely due to the failure to provide the supporting documentation to Moss Adams in a timely manner and the Council on Postsecondary Education (CPE) is working with KSU and Moss Adams to improve the verification process. CPE is now providing the assistance of a project manager to assist with the verification of compliance and planning to meet quarterly deliverables.

Related to financial reporting and shared in last month's report, KSU is completing a Banner accounting system optimization project entailing a revised chart of accounts and implementation/utilization of system-delivered reports. Additionally, KSU is completing an Argos reporting tool optimization project to automate several key management reports that are currently generated manually. Successful completion of these optimization projects will facilitate improved accounting and reporting, including GAAP financial statements, endowment utilization/stewardship reporting, budget to actual reports and student accounts receivable aging reports.

KSU is currently utilizing Your Part-Time Controller (YPTC), an external service provider, to assist with the following critical processes/functions:

- Budget to Actual Reporting/Budget Projections
- Student Accounts Receivable and Collections Reporting
- Cash Forecasting

CPE and Moss Adams met recently with KSU and YPTC staff to validate the accuracy and integrity of the procedures and internal controls related to the above functions. All three functions will greatly benefit from the optimization projects referenced previously as the functions are currently performed manually. Additionally, the processes/reports will benefit from the knowledge and experience gained from continued monthly completion and review by senior leadership, leading to refinements to the processes.

## Moving Forward

Obtaining a complete financial reporting and assessment of the institution is still a work in progress. However, the situation is improving as reported in the Quarterly Report for Q4 2023, included as an addendum to this report. With successful completion of the Banner/Argos optimization projects, and completion of the monthly and other Management Improvement Plan deliverables, including audited financial statements and quarterly GAAP financial statements, CPE will be able to truly monitor the fiscal status of the institution on a month-to-month basis and provide more information in these reports each month.

The university is communicating with the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC), U.S. Department of Education (USDOE) and National Collegiate Athletics Association (NCAA) regarding noncompliance, or potential noncompliance, with various requirements. A negative outcome resulting from these communications could have an adverse financial impact on KSU, although demonstration of satisfactory progress towards full compliance and accountability through the Management Improvement Plan should assist in avoiding a major negative outcome. Completion of the audited financial statements for fiscal years 2021 and 2022 in the near future is critical and CPE is working with KSU and the external audit firm to facilitate completion of the audits. An update on the outcome of these communications will be provided in future reports.

CPE has \$10 million of HB 250 (2022) incentive funding to allocate in FY 2024 and has yet to determine what deliverables must be successfully completed to support the release of those funds. CPE is working with Dr. Koffi Akakpo, KSU's new President, and expects that these

funds will be invested in projects that will support the mission of the university and generate new revenue in the future.





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**Kentucky State University**  
**MANAGEMENT IMPROVEMENT PLAN**  
**QUARTERLY REPORT FOR Q4 2023**

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# Table of Contents

<b>I. Background, Scope, and Methodology</b>	<b>1</b>
<b>II. Validation Summary</b>	<b>2</b>
<b>A. Element 1: Policies and Procedures</b>	<b>2</b>
<b>B. Element 2: Salary Ranges</b>	<b>3</b>
<b>C. Element 3: Board Training</b>	<b>5</b>
<b>D. Element 4: Academic Programs</b>	<b>6</b>
<b>E. Element 5: Finance</b>	<b>9</b>
<b>F. Element 6: Student Success</b>	<b>20</b>
<b>G. Element 7: Student Academic Progress</b>	<b>23</b>
<b>H. Element 8: Online Programs</b>	<b>24</b>





# I. BACKGROUND, SCOPE, AND METHODOLOGY

Moss Adams LLP (Moss Adams) was engaged by the Kentucky Council on Postsecondary Education (CPE) to monitor and report on Kentucky State University's (KSU, the University) progress toward implementing its established Management Improvement Plan (MIP). The MIP for KSU was adopted in November 2022. It was designed to assist with organizational and financial stability and includes, but is not limited to, the following elements:

- **Policies and Procedures:** A comprehensive cataloging and review of KSU policies and procedures to ensure efficiency and compliance with state and federal law
- **Salary Ranges:** Guidelines for salary ranges and benefits for all faculty, staff, and administrators
- **Board Training:** Mandatory board member training and development, including but not limited to financial oversight and effective committee structure
- **Academic Programs:** Academic program offerings, course offerings, and faculty productivity guidelines
- **Finance:** Accounting and fiscal reporting systems, collections, budget, and internal controls over expenditures and financial reporting
- **Student Success:** Student success and enrollment management strategies
- **Student Academic Progress:** Student academic progress and results
- **Online Programs:** Development of online curricula with the intent of offering bachelor's and master's degrees.

As detailed in the validation summaries throughout this report, each element includes required objectives and associated deliverables. Moss Adams began reviewing deliverable status for Quarter 4 2023 (March 1 through June 30, 2023) and any outstanding deliverables from prior quarters. CPE reviewed completed deliverables prior to Quarter 4 2023. Procedures used to assess progress toward completion varied based on the nature of the deliverable.

In this report, each deliverable includes a result of "Implemented," "Partially Implemented," "Not Implemented," or "Undetermined" as defined below:

- **Implemented:** KSU fully implemented the deliverable as of Q4 2023.
- **Partially Implemented:** Steps toward implementation were noted as of Q4 2023; however, KSU deliverable exceptions were identified.
- **Not Implemented:** Evidence of implementation or steps toward implementation by KSU were not available as of Q4 2023.
- **Undetermined:** Implementation could not be determined, or evidence could not be verified.



## II. VALIDATION SUMMARY

### A. ELEMENT 1: POLICIES AND PROCEDURES

Element 1 is related to the need to create a comprehensive catalog and review of University policies and procedures to ensure efficiency and compliance with state and federal law.

#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
1.7.1	<p>Review all policies and procedures and revise for content or elimination on a schedule provided to CPE by KSU, except for those polices listed below, which must be completed by a date specified by CPE.</p> <p>The Gold Book, Bylaws of Kentucky State University, The Faculty Handbook, Human Resource Policy Manual, The K-Book, The Kentucky State University Student Handbook</p>	Revised Policies	Q4 FY 2023	Staff reported they will be developing a schedule that outlines when each policy will be reviewed and updated, but this has not yet been established.	Not Implemented

### Validation Summary

Deliverable Status	Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024
Objectives Implemented	0				
Objectives Partially Implemented	0				
Objectives Not Implemented	1				
Undetermined	0				
Due Later	8				
<b>Total Objectives</b>	<b>9</b>				



## B. ELEMENT 2: SALARY RANGES

Element 2 is related to the need for guidelines for salary ranges and benefits for all faculty, staff, and administrators.

#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
2.1.1	Review all currently offered benefits, vacation, sick leave and holiday policies at other Kentucky institutions and ensure competitiveness and consistency.	Summative Report	Q3 FY 2023	CPE verified that KSU implemented this objective. KSU staff completed a review of benefits in comparison to Kentucky public and peer institutions. The review found that benefits are generally competitive with other Kentucky public institutions, though KSU offers more paid holidays and higher than average vacation leave.	Implemented
2.2.1	Review all positions at the University, including those filled and unfilled, to determine need.	Summative Report	Q4 FY 2023	Staff reported the process to review staffing levels has started but not yet been completed.	Partially Implemented
2.3.1	Identify positions that should be eliminated or reconstituted to meet the needs of the University.	Summative Report	Q4 FY 2023	Staff reported the process to review staffing levels has started but not yet been completed.	Partially Implemented
2.4.1	Establish descriptions for all positions including any qualification requirements and an outline of duties and responsibilities.	Summative Report	Q4 FY 2023	Staff reported this objective is on hold until the total compensation survey is completed by Gallagher HR and Compensation Consulting (Gallagher). See objective 2.5.1.	Not Implemented
2.5.1	Establish salary and benefit guidelines for all faculty, staff, and administrator positions using other Kentucky institutions and national peer institutions for comparison.	Contract for salary range and benefit study	Q4 FY 2023	A contract with Gallagher to complete a total compensation survey was executed. The contractor will consider faculty, staff, and administrative positions with KSU's peer group and regional institutions.	Implemented



#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
2.7.1	Establish a master position list and develop protocols for adding and subtracting positions to and from the list.	Master Position List and Modification Policy	Q3 FY 2023	CPE verified that KSU implemented this objective. A master position list was established, and protocols were developed for adding and subtracting positions to and from the list.	Implemented
2.7.2	Establish a master position list and develop protocols for adding and subtracting positions to and from the list.	Finalized modification policy including process for regular master position list review	Quarterly	The protocols for adding and subtracting positions from the master position list are awaiting approval from senior administration. Once the process is finalized, Moss Adams will review the master position list compared to quarterly hirings, dismissals, and reassignments on a quarterly basis for at least two quarters.	Partially Implemented

## Validation Summary

Deliverable Status	Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024
<b>Objectives Implemented</b>	3				
<b>Objectives Partially Implemented</b>	3				
<b>Objectives Not Implemented</b>	1				
<b>Undetermined</b>	0				
<b>Due Later</b>	6				
<b>Total Objectives</b>	13				



### C. ELEMENT 3: BOARD TRAINING

Element 3 is related to the need for mandatory board member training and development, including but not limited to financial oversight and effective committee structure.

#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
3.1.1	Complete Association of Governing Boards (AGB) training on Foundational Aspects of Trusteeship.	Summative Report	Q3 FY 2023	CPE verified that KSU implemented this objective. The KSU Board participated in the AGB Foundational Aspects of Trusteeship training in fall 2022.	Implemented
3.5.1	Establish an Audit and Compliance Committee and define its relationship to the internal auditor.	Creation of New Committee	Q4 FY 2023	Staff reported an Audit and Compliance Committee has been discussed but not yet established.	Not Implemented
3.9.1	Make Regent attendance at the annual CPE Trusteeship conference mandatory.	Board Action	Q3 FY 2023	CPE verified that KSU implemented this objective. The Board took action to state Board member attendance at the annual CPE Trusteeship conference is expected and strongly recommended.	Implemented
3.10.1	Complete CPE-facilitated training on the history of the University as a state entity that covers its recent financial crisis.	Training Completed	Q4 FY 2023	CPE verified that KSU implemented this objective. The Kentucky Auditor of Public Accounts (APA) report was presented to the Board, which provided the Board with an understanding of KSU's fiscal circumstances.	Implemented
3.11.1	Participate in the Association of Governing Boards (AGB)/Gardner Institute Governing Board Equity in Student Success Project.	Participation Confirmation	Quarterly	Staff reported a select number of Regents are actively participating in the AGB/Gardner Institute Governing Board Equity in Student Success Project, but no supporting documentation was provided for validation.	Undetermined



## Validation Summary

Deliverable Status	Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024
Objectives Implemented	3				
Objectives Partially Implemented	0				
Objectives Not Implemented	1				
Undetermined	1				
Due Later	10				
<b>Total Objectives</b>	<b>15</b>				

### D. ELEMENT 4: ACADEMIC PROGRAMS

Element 4 is related to the need for academic program offerings, course offerings, and faculty productivity guidelines.

#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
4.1.1	Utilizing Gray Associates PES+ Market system and Institutional Research data: Evaluate the viability of all current academic programs.	Summative Report	Q3 FY 2023	CPE verified that KSU implemented this objective. KSU conducted an evaluation of its current program portfolio in collaboration with CPE. As part of this effort, Gray Associates completed a Program Portfolio Analysis that included analysis of KSU's current programs and potential new programs.	Implemented
4.1.2	Utilizing Gray Associates PES+ Market system and Institutional Research data: ii. Close low-performing programs (as defined by CPE) and those not aligned with the University's mission.	Suspend programs with plan to close in CPE program	Q4 FY 2023	Gray Associates held a Program Market Assessment Workshop in March 2023. The Workshop resulted in recommendations to fix or sunset one program, conditionally sunset one	Partially Implemented



#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
		inventory and teach out plan		program, and sunset four programs. University leadership has not yet made final decisions about closing programs, so suspension and teach-out plans have not yet been developed.	
4.1.3	Utilizing Gray Associates PES+ Market system and Institutional Research data: iii. Evaluate the costs/benefits of dual credit programs.	Summative report and performance improvement plan	Q4 FY 2023	Staff reported these conversations have started and there are two pending grants to help reorganize and develop dual credit programming.	Partially Implemented
4.1.4	Utilizing Gray Associates PES+ Market system and Institutional Research data: iv. Evaluate potential new program offerings aligned with the University's mission and supported by market demand.	Summative report and proposal development plan	Q4 FY 2023	The Program Market Assessment Workshop noted above under objective 4.1.2 also resulted in identification of new program opportunities. However, University leadership has not yet made final decisions about new programs so a proposal development plan has not been created.	Partially Implemented
4.7.1	Facilitate a curriculum complexity discussion and streamline course offerings and programs: Ensure alignment of course program plans with CPE's Academic Program Inventory and degree plan site.	Summative report and inventory/site updates	Q4 FY 2023	Staff reported CPE's Academic Program Inventory and degree plan site were updated, but no supporting documentation was provided for validation.	Undetermined
4.11.1	Review educator preparation programs and redesign them to provide culturally responsive teaching, improve the K12 pipeline, meet market demands, and address teacher shortages, particularly among teachers of color.	Posted RFP and contract awarded	Q4 FY 2023	Staff reported a request for proposal (RFP) was posted to achieve this objective, but it did not yield a suitable provider. Next steps have not been determined.	Partially Implemented



#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
4.12.1	Determine the number of faculty needed in each program area based on revised program offerings and high-demand degree programs.	Summative report	Q4 FY 2023	Staff reported completion of this objective and deliverable is dependent on completion of objectives 4.1.2 and 4.1.4.	Not Implemented
4.13.1	Determine appropriate class sizes, approval processes, and pay structures for faculty overload and adjunct faculty in conjunction with the previously described salary band study.	Summative report and updated HR policy	Q4 FY 2023	Staff reported appropriate class sizes have been discussed but not yet finalized and documented. Completion of this objective appears to be contingent on completion of 2.5.1.	Partially Implemented
4.17.1	Evaluate the curriculum for all non-educator preparation programs.	Posted RFP and contract awarded	Q4 FY 2023	Staff reported an RFP was drafted and is pending review by Legal and University leadership.	Partially Implemented

### Validation Summary

Deliverable Status	Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024
Objectives Implemented	1				
Objectives Partially Implemented	6				
Objectives Not Implemented	1				
Undetermined	1				
Due Later	8				
<b>Total Objectives</b>	<b>17</b>				





## E. ELEMENT 5: FINANCE

Element 5 is related to the need for accounting and fiscal reporting systems, collections, budget, and internal controls over expenditures and financial reporting. For the finance section, there is a separate table with recurring quarterly objectives.

#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
5.2.1	Improve the accounting and reporting system, as well as internal controls over financial reporting, and provide quarterly Generally Accepted Accounting Principles (GAAP) statements and other financial information to the Board of Regents.	Issue RFP and award a contract for accounting services to assist in the addressing ongoing accounting issues	Q3 FY 2023	CPE verified that KSU implemented this objective. In late 2022, KSU entered into a contract with Your Part-Time Controller (YPTC). The vendor provides supplemental accounting services, as well as budgeting and forecasting services, allowing KSU to address ongoing accounting issues directly tied to improving the accounting and reporting systems.	Implemented
5.2.6	Improve the accounting and reporting system, as well as internal controls over financial reporting, and provide quarterly Generally Accepted Accounting Principles (GAAP) statements and other financial information to the Board of Regents.	Revise and update Business Procedures Manual	Q4 FY 2023	No information or documentation was provided for this objective.	Not Implemented
5.3.1	Outsource or co-source the internal audit function and reinstate the externally managed tip line.	Award contract for internal auditing services	Q3 FY 2023	CPE verified that KSU implemented this objective. KSU entered into a contract with Century Business Services, Inc. (CBIZ) for internal audit services in November 2022. Kentucky's Government Contract Review Committee approved the contract on November 9, 2022.	Implemented
5.3.2	Outsource or co-source the internal audit function and reinstate the externally managed tip line.	Adopt audit plan for internal audit	Q3 FY 2023	CPE verified that KSU implemented this objective. CBIZ has created an internal audit plan, which is currently being implemented.	Implemented



#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
5.4.1	Implement a formal accounting and reporting framework for endowment distributions.	Review endowment agreements and execute new agreements where needed	Q4 FY 2023	Moss Adams reviewed the Interim Endowment Investment and Spending Policy and the Interim Policy on Internal Endowment Agreements as well as several endowment agreements. These documents provide evidence that KSU has a framework in place for managing endowment agreements. The policies should be finalized for this objective to be fully implemented.	Partially Implemented
5.4.2	Implement a formal accounting and reporting framework for endowment distributions.	Correct accounting for prior withdrawals in 2019 and 2020	Q4 FY 2023	Staff reported endowment accounts were corrected and correcting entries were approved, but no supporting documentation was provided for validation.	Undetermined
5.4.3	Implement a formal accounting and reporting framework for endowment distributions.	Correct accounting structure in Banner for endowment accounts	Q4 FY 2023	Moss Adams reviewed the endowment chart of accounts and the Interim Endowment Investment and Spending Policy but was not provided the full list of endowments to ensure all endowments were included in the chart of accounts.	Partially Implemented
5.4.4	Implement a formal accounting and reporting framework for endowment distributions.	Correct endowment reporting on FY 2021 and FY 2022 financial statements	Q4 FY 2023	Staff reported endowment reporting was corrected and is being verified for accuracy, but no supporting documentation was provided for validation. Staff expect for this objective to be fully implemented by September 2023.	Undetermined



#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
5.5.3	Improve the collection of student accounts receivable, including implementation of a comprehensive Student Financial Responsibility Agreement and utilization of external collection agencies, including Kentucky's Department of Revenue.	Executed Student Financial Responsibility Agreement	Q4 FY 2023	The Student Financial Responsibility Agreement has been updated but has not yet been approved. The revised agreement is expected to be implemented in FY 2024. Current students are receiving monthly balance statements as an additional method to collect on balances. Additionally, KSU has engaged the Keys to Recovery collection agency to collect outstanding student balances from former students.	Partially Implemented
5.5.4	Improve the collection of student accounts receivable, including implementation of a comprehensive Student Financial Responsibility Agreement and utilization of external collection agencies, including Kentucky's Department of Revenue.	Revised collection policy	Q4 FY 2023	No information or documentation was provided for this objective.	Not Implemented
5.6.1	Complete a comprehensive review of expenses to ensure they are charged to the correct functional area and that costs are appropriately allocated to grants and auxiliary units.	Revised chart of accounts	Q4 FY 2023	Staff reported the chart of accounts is being revised and was expected to be complete in June 2023. Moss Adams was not provided on update on this project.	Partially Implemented
5.6.2	Complete a comprehensive review of expenses to ensure they are charged to the correct functional area and that costs are appropriately allocated to grants and auxiliary units.	Summative report on account revisions	Q4 FY 2023	Staff reported this is in progress and expected to be complete by August 2023, but no documentation was provided for validation.	Undetermined



#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
5.8.1	Implement a long-range planning process to support the strategic and capital investment decision-making process.	Contract for custodial, grounds, and facilities management	Q3 FY 2023	CPE verified that KSU implemented this objective. The Board approved a contract with Sodexo on December 28, 2022, to oversee the facilities management function. Kentucky's Government Contract Review Committee approved the contract on January 10, 2023.	Implemented
5.8.2	Implement a long-range planning process to support the strategic and capital investment decision-making process.	Deferred Maintenance Schedule	Q4 FY 2023	KSU provided a maintenance schedule by building but has not provided a deferred maintenance schedule.	Not Implemented
5.8.3	Implement a long-range planning process to support the strategic and capital investment decision-making process.	Asset Preservation Funding Allocation Program	Q4 FY 2023	Moss Adams reviewed the Asset Preservation spreadsheet showing the allocation of asset preservation by project as of June 2023, but documentation detailing the asset preservation program, such as policies and procedures, was not provided.	Partially Implemented
5.10.1	Develop appropriate policies and procedures governing the key functions of treasury management, including cash management, operating investment management, debt management and internal loans.	Cash and Treasury management procedures manual	Q4 FY 2023	Moss Adams reviewed a working draft of how state accounts are managed, and a Treasury Management policy related to state deposits. We were not provided other cash management, operating investment management, debt management, and internal loans policies and procedures.	Partially Implemented
5.17.1	Incorporate National Association of College and University Business Officers (NACUBO) Financial Accounting and Reporting Manual for Higher Education (FARM) as a guiding document for all business procedures.	Revised business procedures document	Q4 FY 2023	Staff reported they are currently reviewing FARM for incorporation into procedures, but no documentation was provided for validation.	Undetermined



## Validation Summary

Deliverable Status	Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024
Objectives Implemented	4				
Objectives Partially Implemented	6				
Objectives Not Implemented	3				
Undetermined	4				
Due Later	21				
<b>Total Objectives</b>	<b>38</b>				

## Recurring Quarterly Objectives

The table that follows includes a summary of validation results for the recurring quarterly objectives.

#	Objective	Deliverable	Validation Comments	Validation Results				
				Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024
5.1.1	Evaluate and revise internal budgetary controls and provide a quarterly budget to actual report to the Board of Regents.	Master list of budgeted positions reconciled to departmental budgets monthly	Staff reported Gallagher is working on the master position spreadsheet.	Partially Implemented				



#	Objective	Deliverable	Validation Comments	Validation Results				
				Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024
5.1.2	Evaluate and revise internal budgetary controls and provide a quarterly budget to actual report to the Board of Regents.	Monthly budget to actual reports for E&G, Auxiliaries, Land Grant Match, and Asset Preservation	Moss Adams reviewed the budget to actual reports for the quarter and verified the reports matched the Banner transaction data.	Implemented				
5.1.3	Evaluate and revise internal budgetary controls and provide a quarterly budget to actual report to the Board of Regents.	Budget projection prepared monthly for E&G, Auxiliaries, Land Grant Match, and Asset Preservation	Staff reported they are working with Your Part Time Controller (YPTC) to finalize budget projection reports.	Partially Implemented				
5.2.2	Improve the accounting and reporting system, as well as internal controls over financial reporting, and provide quarterly Generally Accepted Accounting Principles (GAAP) statements and other financial information to the Board of Regents.	Clearing accounts reconciled within 14 days of end of each month	Moss Adams reviewed clearing account reconciliation reports submitted by staff. March clearing accounts were reconciled within 14 days of month end. April reports were not submitted, and May reports did not include dates to enable confirmation of when the accounts were reconciled.	Partially Implemented				



#	Objective	Deliverable	Validation Comments	Validation Results				
				Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024
5.2.3	Improve the accounting and reporting system, as well as internal controls over financial reporting, and provide quarterly Generally Accepted Accounting Principles (GAAP) statements and other financial information to the Board of Regents.	Bank accounts reconciled within 14 days of end of each month	Moss Adams verified the March, April, and May 2023 bank accounts were reconciled within 14 days of month end.	Implemented				
5.2.4	Improve the accounting and reporting system, as well as internal controls over financial reporting, and provide quarterly Generally Accepted Accounting Principles (GAAP) statements and other financial information to the Board of Regents.	Monthly closing entries posted within 14 days of end of each month	Moss Adams verified May closing entries were posted within 14 days of month end, but documentation was not provided for March and April.	Partially Implemented				
5.2.5	Improve the accounting and reporting system, as well as internal controls over financial reporting, and provide quarterly Generally Accepted Accounting Principles (GAAP) statements and other financial information to the Board of Regents.	Month closed by the 15th day of each month	Moss Adams verified March and May months were closed by the 15th of the month, but documentation was not provided for April.	Partially Implemented				



#	Objective	Deliverable	Validation Comments	Validation Results					
				Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024	
5.2.7	Improve the accounting and reporting system, as well as internal controls over financial reporting, and provide quarterly Generally Accepted Accounting Principles (GAAP) statements and other financial information to the Board of Regents.	Statement of Revenues, Expenses and Changes in Net Position by 15th of each month (income statement)	Moss Adams reviewed Statements for March and May, but documentation did not include dates to enable confirmation of when the Statements were completed. Documentation was not provided for April.	Partially Implemented					
5.2.8	Improve the accounting and reporting system, as well as internal controls over financial reporting, and provide quarterly Generally Accepted Accounting Principles (GAAP) statements and other financial information to the Board of Regents.	Statement of Net Position by 15th of each month (cash flow and trial balance)	No information or documentation was provided for this objective.	Not Implemented					
5.2.9	Improve the accounting and reporting system, as well as internal controls over financial reporting, and provide quarterly Generally Accepted Accounting Principles (GAAP) statements and other financial information to the Board of Regents.	Credit card account reconciliations	Moss Adams reviewed credit card reconciliations for March through May, but we were not provided credit card detailed transaction listings for each month to verify reconciliations were completed.	Partially Implemented					





#	Objective	Deliverable	Validation Comments	Validation Results					
				Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024	
5.2.11	Improve the accounting and reporting system, as well as internal controls over financial reporting, and provide quarterly Generally Accepted Accounting Principles (GAAP) statements and other financial information to the Board of Regents.	Balance of asset preservation fund reserves for month-end	Moss Adams reviewed the Asset Preservation Banner details to monitor the reserve levels and made sure the details tied to the budget to actual detail for March and April, but we were not provided reserve details for May. From March to April, there was a 33% increase in the total asset preservation fund.	Partially Implemented					
5.2.12	Improve the accounting and reporting system, as well as internal controls over financial reporting, and provide quarterly Generally Accepted Accounting Principles (GAAP) statements and other financial information to the Board of Regents.	Accounts payable aging summary	Moss Adams reviewed the accounts payable aging details for March through May, but we were not provided the manual adjustments of invoices not yet entered into Banner to ensure tracking of aging is captured in Banner.	Partially Implemented					
5.3.3	Outsource or co-source the internal audit function and reinstate the externally managed tip line.	Reinstitute external tip line	The external tip line was reinstated in the middle of 2022 and an external vendor was contracted in April 2023 to handle all calls. Moss Adams verified the tipline	Implemented					



#	Objective	Deliverable	Validation Comments	Validation Results				
				Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024
			phone number was active and website reporting was available.					
5.3.6	Outsource or co-source the internal audit function and reinstate the externally managed tip line.	Monitor execution of internal audit plan and delivery of audit reports to the audit committee	Staff reported this will be updated in Q1 of FY 2024, since the audit plan was only recently implemented.	Not Implemented				
5.3.8	Outsource or co-source the internal audit function and reinstate the externally managed tip line.	Quarterly reports on tip line activity provided to the audit committee	Staff reported this will be updated in Q1 of FY 2024, since the audit plan was only recently implemented	Not Implemented				
5.5.1	Improve the collection of student accounts receivable, including implementation of a comprehensive Student Financial Responsibility Agreement and utilization of external collection agencies, including Kentucky's Department of Revenue.	Monthly report of collection activity	KSU provided reports of currently enrolled students for March through May but did not provide sufficient information on the collection activity to be able to see the rate of student accounts receivable collection.	Partially Implemented				



#	Objective	Deliverable	Validation Comments	Validation Results				
				Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024
5.5.2	Improve the collection of student accounts receivable, including implementation of a comprehensive Student Financial Responsibility Agreement and utilization of external collection agencies, including Kentucky's Department of Revenue.	Monthly report of outstanding student balances	Moss Adams verified KSU has reports of outstanding students balances for March and April but are waiting for KSU to provide clarity on the various Student Bill Reports that were submitted for May. The total balance of outstanding student bills decreased from March to April by about \$340,000.	Partially Implemented				
5.12.1	Implement quarterly reporting to the Board of Regents on the President's travel, entertainment, and discretionary expenses.	Quarterly report	Staff reported the quarterly reports for the president's travel, entertainment, and discretionary expenses have been prepared. Finalized reports need to be shared with the Board for full implementation of this objective.	Partially Implemented				



## Validation Summary

Deliverable Status	Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024
Objectives Implemented	3				
Objectives Partially Implemented	12				
Objectives Not Implemented	3				
Undetermined	0				
<b>Total Objectives</b>	<b>18</b>				

### F. ELEMENT 6: STUDENT SUCCESS

Element 6 is related to the need for student success and enrollment management strategies.

#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
6.1.1	Review the current reporting and organizational structure across student success and enrollment management units to improve communication, efficiency, and effectiveness.	Summative report and updated organizational chart	Q3 FY 2023	CPE verified that KSU implemented this objective. The Student Services division was restructured to refocus student services on creating intentionality in the conditions that enhance student learning and development, as well as encouraging student commitment to educationally purposeful activities both inside and outside the classroom. Enrollment Services, Student Success, and the Dean of Students Office are included in Student Services.	Implemented



#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
6.3.1	With the assistance of a private consultant, develop a student success model rooted in evidence-based best practices to support KSU admits from enrollment through completion.	Participation in James Graham Brown Foundation Grant Project	Q4 FY 2023	Staff reported James Graham Brown Foundation (JGBF) grant funding is being used to enhance and improve the overall student success experience. Goals are organized in three focus areas including (1) the first-year experience and students in transition enhancement, (2) academic and career advising, and (3) staff and student leadership training and development. Work is expected to begin in July and be fully implemented by fall 2023.	Partially Implemented
6.4.1	Redesign the first-year experience course to integrate career exploration, academic planning and transition support content, and resources.	Summative report and Implementation and Training Plan	Q4 FY 2023	Staff reported the project to redesign the first-year experience course is incorporated into the student success model supported by the JGBF grant. The project was delayed due to a change in project lead but is on track to be fully redesigned and implemented in fall 2024.	Partially Implemented
6.5.1	Develop and improve processes at the opening of each academic term, including a student communication plan, housing (application, assignment, and billing), student orientation, tuition/room and board billing, and payment deadlines and student financial responsibilities.	Summative report and Implementation Plan	Q4 FY 2023	Staff reported that Student Engagement and Academic Affairs are collaboratively working to improve processes for starting the academic year (AY). Academic Affairs developed a five-year academic calendar for AY23–AY27 to improve planning and development processes for campus stakeholders. Additionally, the New Student Orientation schedule was revised for fall 2023. The revised schedule includes a financial aid/bursar overview. Additional efforts are underway.	Partially Implemented



#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
6.11.1	Create a sustainable Summer Bridge Program for potentially at-risk incoming freshmen.	Detailed Summer Bridge Program plan and budget	Q4 FY 2023	KSU developed the Accelerate summer bridge program that aims to serve as an accelerated supplemental instruction model designed to prepare participating students to enter credit-bearing coursework in the first semester of college. KSU previously offered a five-week summer bridge program via the Pre-College Academy. Accelerate was designed as a two-week program for financial stability purposes but may be returned to a five-week program in the future.	Implemented
6.12.1	Improve support for student mental health	Participate in the Jed Foundation Program and provide Mental Health First Aid training	Q4 FY 2023	KSU is participating in the JED Foundation Program. Additionally, two of the mental health counselors employed by KSU are certified Mental Health First Aid (MHFA) trainers and KSU is exploring offering faculty and staff mental health first aid training in the coming semesters.	Partially Implemented



## Validation Summary

Deliverable Status	Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024
Objectives Implemented	2				
Objectives Partially Implemented	4				
Objectives Not Implemented	0				
Undetermined	0				
Due Later	6				
<b>Total Objectives</b>	12				

### G. ELEMENT 7: STUDENT ACADEMIC PROGRESS

Element 7 is related to the need for student academic progress and results.

#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
7.6.1	Develop a system to manage institution-wide and program/departmental student cohorts to improve completion rates.	Summative report and Implementation Plan	Q4 FY 2023	No information or documentation was provided for this objective.	Not Implemented



## Validation Summary

Deliverable Status	Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024
Objectives Implemented	0				
Objectives Partially Implemented	0				
Objectives Not Implemented	1				
Undetermined	0				
Due Later	6				
<b>Total Objectives</b>	<b>7</b>				

## H. ELEMENT 8: ONLINE PROGRAMS

Element 8 relates to the need for development and enhancement of online offerings.

#	Objective	Deliverable	Deadline	Validation Comments	Validation Result
8.1.1	Identify a partner to develop an online program infrastructure and model, which shall include but not be limited to competency-based programs for business, public administration, and education.	Issue RFP and contract award	Q4 FY 2023	An RFP was issued for an online program management provider to support completion of this objective. Staff reported a vendor was selected, but documentation was not provided.	Partially Implemented
8.2.1	Utilize Gray Associates PES+ Market system to identify high-demand online programs to implement.	Summative report and proposal development plan	Q4 FY 2023	Staff reported new programs will include Cybersecurity, Network Administration, and Public Health. A proposal development plan has not yet been created.	Partially Implemented





## Validation Summary

Deliverable Status	Q4 FY 2023	Q1 FY 2024	Q2 FY 2024	Q3 FY 2024	Q4 FY 2024
Objectives Implemented	0				
Objectives Partially Implemented	2				
Objectives Not Implemented	0				
Undetermined	0				
Due Later	3				
<b>Total Objectives</b>	<b>5</b>				

