

Dear LGC Board of Directors,

You may recall that at our most recent Board of Directors meeting (September 28, 2016), I noted in my report that the 2016 adjustment made in the LGC's carryforward balance of unused funds included an additional \$696 beyond the correction related to the final, downward adjusted state appropriations. The minutes, as distributed, read as follows:

**“The first budget cut was in September 2009 in the amount of \$43,428. The second budget cut was in December 2009 in the amount of \$51,612 for a total of \$95,040 in budget cuts for the LGC. McGee reported he went to Steve Osborne to see if the College of Charleston could restore the \$95,000 back to the LGC to make it whole again. Osborne explained that because the cut was ordered by the Legislature, the College of Charleston could not absorb the fund balance adjustment. Muller noted there still remains a difference of \$686 in the fund balance adjustment to be explained by the College of Charleston.”**

The College of Charleston Controller's Office was contacted for an explanation of this unreconciled difference and has since provided the following details below:

There are three items (one from FY 2011 and two from FY 2014) that make up the \$696 difference. Each of these things can be seen in Banner in index 140028.

- In FY 2011, there was a market adjustment salary increase for Jeanette Finch of \$272 and a corresponding unearned sweep (because it was a prorated increase) of \$113 (see J0015892). Normally, this would have been contained within LGC, but it was not initially. The increase came from CofC institutional funds. There was an attempt to correct this by reversing the entry (see J0015923); however, the correction was done twice, by mistake (see J0019039). Thus, there was an ultimate reduction of LGC's budget in FY 2011 of \$159 (the difference between the \$272 increase and the \$113 sweep).
- In FY 2015, there was a COLA increase for all employees. A portion of this increase (the portion for non-exempt employees) was back-dated into FY 2014 because of the way the law was written and how we treat hourly employees paid on a lag. In a similar issue to above, the non-exempt increase of \$798 (see TR000342) and the corresponding prorated sweep of unearned funds for \$765 (see TR000341) was paid from CofC institutional funds. This was not found or corrected. Thus, there was an addition to LGC's budget in FY 2014 of \$33 (the difference between the \$798 increase and the \$765 sweep).
- Also in FY 2014, there was a telephone charge of \$822 from SCRA that hit the LGC budget on August 13; the carryover was calculated on August 11. Thus, there was an addition to LGC's budget in FY 2014 of \$822.

The net variance calculation was \$696 (\$822 addition, \$33 addition, \$159 reduction).

I will note the above as an addendum to the minutes when these are submitted for approval. I also note a correction to a typo in those minutes that stated the total adjustment was \$96,726. It was actually \$95,726.

Please let me know if you have any further questions on this point.

Nancy Muller

November 9, 2016