

VIRGINIA MILITARY INSTITUTE

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Deputy Superintendent for Finance and Support

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MEMORANDUM

TO: The Audit, Finance and Planning Committee

FROM: BG Dallas B. Clark

SUBJECT: Compliance Reporting – VMI Accounting Policies & Procedures

Section 10140 of the VMI Accounting Policies & Procedures (VAPP) states that the Deputy Superintendent for Finance and Support shall annually report to the Audit, Finance and Planning Committee on the status of the Institute's compliance with the policies set forth within the VAPP.

For the FY 2024, five hundred forty-nine (549) instances of noncompliance have occurred. The classification of these exceptions follows:

The Institute's travel policies provide guidelines for meal and lodging rates. These rates mirror those of the Commonwealth's Department of Accounts, which are based upon Federal General Service Administration schedules. Section 40600 states: "VMI may pay higher lodging (and meal) amounts ... however; the Superintendent or his designee shall approve such exceptions in advance of the travel. Such exceptions are limited to 50 percent in excess of the applicable guideline amount." Section 40110 requires that faculty, staff, and employees obtain advance approval from the appropriate department head (or designee) when traveling on official Institute business. This approval must be signed, dated, and submitted with the travel reimbursement request. There were two hundred fifty-two (252) travel policy violations recorded for FY 2024.

Section 90100 outlines the proper procurement methods for goods and services acquired by the Institute. Procurement Services and/or Accounts Payable reported twenty-three (23) policy violations during the period. Violation examples include occurrences whereby purchase requisitions were not present, proper documentation of all approvals was not provided, and/or items were purchased without following appropriate procurement protocol.

Section 45100 states, "Disbursements of funds must be made in a manner that meets the 30-day payment requirements of the Prompt Payment Act..." which is based upon policies prescribed by the Commonwealth's Department of Accounts. The Accounts Payable Office recorded two hundred sixty-one (261) late payments that were processed. The Institute's average was 84.18% of payments in compliance as monitored and reported by the Department of Accounts for the fiscal year. Higher Education Institutions subject to state management standards are in



compliance with the *Prompt Payment Act* if a cumulative 95% or greater prompt payment rate is achieved. Agencies and institutions that do not maintain at least 95% compliance may be targeted for assistance and/or submission of a formal workplan to improve compliance.

There were thirteen (13) instances in which prescribed Department of Accounts Small Purchase Credit Card (SPCC) policies were violated. Purchase Cardholders received additional training, and, in some cases, cards were suspended or permanently deactivated.

Executives responsible for the violations reported heretofore have been notified of the violations and are charged with informing department heads and individuals of the specific policy to which they failed to adhere. Violators are subject to additional education/training.