

SCSU Faculty Senate President's Report – February 12, 2025, meeting

1) Faculty Senate Announcements –

- **Board of Regents** – Members of the Faculty Advisory Committee (FAC) to the BOR have shared that the Executive Session of the BOR on 2/5 resulted in new leadership structure for CT State – the community colleges. Questions have been raised in the [media](#) about the procedures of the 2/5 meeting, as it was an Executive Session (not public).
- **Chancellor / System Office** – The CT State Senate passed a resolution of No Confidence in the Chancellor on 2/6. The Resolution is included below and in the packet for our 2/12 meeting. This is the second No Confidence vote to pass, following Eastern's No Confidence vote in AY 23-24. The Faculty Senate Executive Committee understands there may be faculty questions and would like to support faculty discussions about these events. The Executive Committee is scheduled to review steps to support such discussions at our debrief following the 2/12 senate meeting. The committee welcomes your thoughts and questions.
- **Presidential Search** – For information about the search and timeline, please visit <https://www.ct.edu/search-scsu>

A reminder: The Faculty Senate is conducting elections for **three (3) faculty** to serve on the SCSU Presidential Search Advisory Committee. The Committee's primary function is to offer valuable input during various stages of the presidential search process. Like Search Committee members, members of the Search Advisory Committee must participate in appropriate training and maintain confidentiality during the search process. The Search Advisory Committee will review applications and make its recommendation of candidates to the Search Committee. Three members of the Search Advisory Committee will also be selected to participate in the first round of candidate interviews.

The schedule for the Search Advisory Committee will be very intensive from the end of February through mid-to late May. For additional information about the timeline, please visit: <https://www.ct.edu/search-scsu#timeline>

If you wish to serve on this committee, please fill out self-nomination form at: https://scsu.iad1.qualtrics.com/jfe/form/SV_0Bt4gnatz7EQ64C Your submitted information will appear on the ballot for the election. All full-time and part-time faculty are invited to submit a self-nomination and vote in the election.

The Faculty Senate Executive Committee has extended the **deadline to noon this Thursday, February 13th.** If you have questions, please contact Dan Swartz at swartzd1@southernct.edu

Updated Anticipated Timeline for Search Advisory Committee Election by Faculty Senate:

- February 13 –Self-nominations will close at noon on Thursday 2/13. If there are more than

three self-nominations received by this time, an election will be hosted via email announcement of an electronic ballot.

- February 13 – Voting begins to elect 3 faculty representatives (Online Ballot)
- February 19 – Voting closes 11:59pm
- February 19 – Search Advisory Committee Appointments submitted to Search Committee Chairs

2) *Fiscal Impacts / State Budget / University Budget* –

- Please continue to closely attend to announcements related to this item. The 2025 legislative session is underway and advocacy for fiscal support for the CSUs remains at the forefront of our efforts. To support communication about this item and other items related to SCSU-AAUP, the Faculty Senate Executive Committee has offered an on-going placeholder for future senate meeting agendas for a representative from SCSU-AAUP to share information with the Faculty Senate. We thank our colleagues for their partnership.
- Faculty Senate welcomes Dr. Lillian Wanjagi as the university's new Vice President for Finance & Administration and Chief Financial Officer. The University Budget Committee met on Friday 2/7. Dr. Wanjagi will be joining us at the 2/12 meeting to share information about the university budget and the 27 (with 30 pledged) frozen positions.
- The ACT Framework and related KPIs have been connected by the BOR to our fiscal future and advocacy work. Following our discussion with BOR Chair Marty Guay at our previous meeting, the ACT Committee's work is underway, and information shared by university community members is being compiled and organized.
A draft of the Goals and KPIs is being prepared for sharing in advance of finalization before the February 28 deadline. The committee remains on track for the following timeline:
 - Develop and distribute a draft document to stakeholders on **February 10th** for additional feedback, with a deadline of **February 21st**.
 - **The DRAFT will be shared this week with FLC and SGA**
 - Finalize and submit KPIs to the community and the Board of Regents for the **February 28th** deadline.

3) *Technology* –

Blackboard –At this time, the Helpdesk ticket system remains the pathway for Blackboard support. The Executive Committee wishes to better understand the scope of the challenges some faculty have reported regarding Blackboard this semester. These data would better assist the Executive Committee with next steps regarding faculty advocacy. **Please connect with your departments/constituents and share back information about faculty challenges with Blackboard for Spring 2025 to me or any member of the Executive Committee.**

4) **Travel Funds Report for AY 24-25** – as of 2/10/25. See table below. Budget Information below includes prior year carryover. “Encumbered” reflects those TA's processed and funds committed but does not include TA's that are in transit or pending in the Provost Office. FY2024 FY 24 Carryover estimated still has encumbrances (FT - \$150,708.76, PT - \$15,592.86. Depending on what still needs to be paid, carryover amount could change.

Index	Description	FY 2025 Budget	FY2025 Expenses	FY2025 Encumbrances	FY 2025 Balance	Index	Estimated FY24 Carryover
AUP769	AAUP Conf Wrkshp & Travel FT - 2025	\$ 365,530.00	\$ 76,926.75	\$ 91,373.02	\$ 197,2230.23	AUP768	171,304.30
AUP772	AAUP Conf Wrkshp & Travel PT - 2025	40,614.00	14,369.91	6,203.10	20,040.99	AUP771	10,076.66
VPA017	Faculty CrActivity-RG	85,000.00	71,235.00	-	13,765.00	VPA017	-
VPA018	Faculty CrActivity-Travel	85,000.00	85,000.00	-		VPA018	-
Totals		\$ 576,144.00	\$ 247,531.66	\$ 97,576.12	\$ 231,036.22		\$ 181,380.96

5) **Preparation for the 2/12/2025 meeting** –

- a) *Statement on the Value of Service at the University* (old business)– The Personnel Policy (PPC) will re-introduce this discussion with updates/insight from their meeting with Provost Irwin. It is not expected that a vote will occur on this item at the 2/12 meeting, but senators will be asked to discuss information shared at the meeting with your departments for a potential future vote on this item.
- b) *Resolution on Revisions to Grade Appeal Procedures* – This Resolution is being presented by the Executive Committee and seeks to revise the Grade Appeal Procedures to address challenges that parties to the appeal process have encountered with technology and the grade appeal form to better ensure that technology is not an undue burden or barrier for cases to progress through the appeal process.
- c) *Resolution for Information Regarding Artificial Intelligence Policy Development*– This Resolution is being presented by the Executive Committee and calls “upon the system not to set policy with regard to artificial intelligence without shared governance and robust faculty input”; to affirm “that policies regarding artificial intelligence are matters of curriculum and academic freedom, and therefore the faculty reserves to individual faculty and to academic departments the final authority over whether and how artificial intelligence may be legitimately employed in the classroom”; and to “encourage the administration to provide support and resources for university-wide discussions about the significant cons and pros of using artificial intelligence tools in different disciplines and in various learning environments.”
- d) The Executive Committee will also present a proposal for an *Ad Hoc Committee* for

Artificial Intelligence Use by Faculty to discuss and address the rising faculty concerns and questions about AI in the classroom and its impact on the wide range of faculty activities.

- e) *Resolution on Pass/Fail* - The Academic Policy (APC) will re-introduce this discussion about proposed updates to the Pass/Fail Policy.
 - f) *Guests – Dr. Lillian Wanjagi, VP of Finance/CFO* – As described above, please present any questions about the University Budget and related details during this presentation.
- 6) 2024-2025 – [Resolutions approved by Faculty Senate](#) – Updates on the resolutions and their status may be found on the FS website.

Resolution of No Confidence in Chancellor Cheng of the Connecticut State Colleges and Universities System

WHEREAS, the faculty and staff of the Connecticut State Colleges and Universities (CSCU) System have a responsibility to hold our leadership accountable for their actions and behaviors; we believe the management of public funds must be transparent, moral, and ethical, as well as in the best interests of students and the six institutions of CSCU; and

WHEREAS, the December 2024 Special Examination Report by the Office of the State Comptroller (OSC) was the result of a request from Governor Ned Lamont, and identified significant financial mismanagement, including improper and undocumented use of Procurement Cards (P-Cards), excessive and unjustifiable spending by leadership, violations of financial policies and procedures; and failures to uphold the explicit and implicit expectations of contractual obligations; and

WHEREAS, Chancellor Terrence Cheng has engaged in repeated instances of questionable spending practices, including but not limited to:

- Meals exceeding policy limits, including purchases of alcohol, with inadequate documentation and missing guest records;
- Excessive tipping beyond state policy guidelines;
- Multiple instances of unauthorized and undocumented travel expenses;
- Use of a state vehicle with improper mileage logs and inconsistencies in reporting, followed by an unjustified vehicle allowance; and
- Charging personal and entertainment expenses to state funds in violation of ethical financial stewardship; and
- Employing a chauffeur despite use of a state vehicle; and

WHEREAS, the OSC Report found the Chancellor's spending *technically complied* with CSCU policy, but only because he had the *discretion to override policies governing financial controls*, a loophole that highlights the need for greater oversight and accountability; and,

WHEREAS, the Chancellor's handling of financial records and Freedom of Information Act (FOIA) requests demonstrates a lack of transparency and accountability, as he failed to proactively address these concerns until public scrutiny escalated; and,

WHEREAS, the findings of the audit demonstrate a failure of leadership and abdication of their responsibilities, Chancellor Cheng has undermined the trust of students, staff, and faculty in the CSCU, as well as the public trust; damaged the financial sustainability of the CSCU system; and, their continued service threatens the funding of critical resources for our students, staff, and faculty, and the institution itself, during our biennial funding of the legislature; and

WHEREAS, faculty and staff have a duty to uphold the principles of ethical governance and financial stewardship, and the continued leadership of the current Chancellor is incompatible with these principles;

THEREFORE, BE IT RESOLVED, that the faculty and staff at CT State Community College, by this resolution, **formally express a Vote of No Confidence in Chancellor Cheng of the Connecticut State Colleges and Universities System**; and

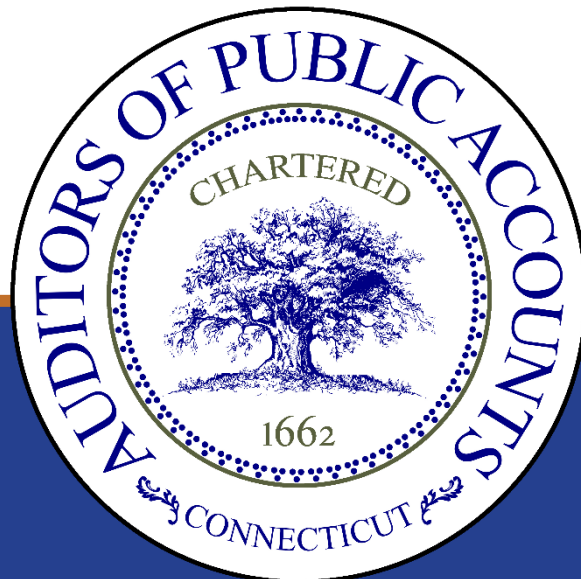
BE IT FURTHER RESOLVED, the Board of Regents is called upon to immediately initiate a leadership transition and **prioritize ethical leadership** in appointing new executives who demonstrate a commitment to **transparency, accountability, and sound financial stewardship** in alignment with CSCU's mission.

Adopted this 6 day of February, 2025, by the Faculty and Staff of the Connecticut State Colleges and Universities System at CT State Community College.

AUDITORS' REPORT

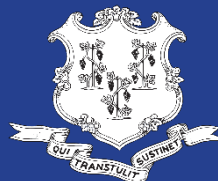
SPECIAL REVIEW

Connecticut State Colleges and Universities Executive Leadership Spending



STATE OF CONNECTICUT
Auditors of Public Accounts

JOHN C. GERAGOSIAN
State Auditor



CRAIG A. MINER
State Auditor

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

CRAIG A. MINER

January 30, 2025

Senator Stephen Harding
Senate Minority Leader
Legislative Office Building, Suite 3400
300 Capitol Avenue
Hartford, CT 06106-1591

Dear Senator Harding,

On October 25, 2024, you requested that our office review Connecticut State Colleges and Universities (CSCU) executive leadership spending.

The following is a summary of our review of purchasing card (P-card) expenditures by Terrence Cheng, who has served as the chancellor of the CSCU System since July 2, 2021. We also reviewed other employees in the Chancellor's Office and a general Chancellor's Office P-card. Our review included five P-cards used to make purchases during this period:

Table with 5 columns: Assignee, Job Title, Card, Period, Total Expenditures. Rows include Terrence Cheng (Chancellor) with two cards, Jessica Paquette (Vice Chancellor) with two cards, and Chancellor's Office with one card.

We also conducted a general review of the chancellor's employment contract terms and salary since his appointment.

BACKGROUND

The CSCU System has seven P-card programs: the four state universities, Charter Oak State College, and the CSU System Office, which includes the College System Office and Connecticut State Community College. The CSU System Office program in Hartford is overseen by Janel Wright, Vice President of Procurement and Business Services.

The CSCU Purchasing Card Policy and Procedure Manual provides an overview of the purchasing card program and outlines cardholder policies and procedures. There are specific guidelines for expenditures for travel, meals, allowable and restricted purchases, and cardholder responsibilities. The Board of Regents for Higher Education (BOR) recently revised the manual twice, effective July 1, 2019, and July 1, 2023.

CSCU also maintains a signature matrix which outlines the approvals required for various types of purchases. The chancellor's travel purchases do not require prior approval.

Cardholders must reconcile their purchasing cards each month as outlined in the P-card manual. Cardholders must complete reconciliations of their purchases during the monthly billing cycle within ten business days from the date of the bank statement.

The CSCU Purchasing Card Policy and Procedure Manual restricts the purchase of meals to meetings or events held to entertain guests and CSCU staff on official business. These purchases require advance written approval from a supervisor and/or senior leadership. It limits each meal expense to \$50 per person unless an exception is granted if approved by senior leadership. Although not specified in the policy, the CSU System Office considers the \$50 per person limit to include tax and tip. For the purchase of business meals, we averaged the total cost of the meals among the number of attendees when this information was available.

Section 12-412(13) of the General Statutes defines meals as food products which are furnished, prepared, or served in a form ready for immediate consumption. Meal purchases are considered taxable. The sales tax exemption for P-card purchases does not apply to meals and lodging. The Department of Revenue Services (DRS) allows state agencies to apply for sales tax exemptions for purchases of meals or lodging in certain situations. Agencies can apply for an exemption using DRS Form CERT-112, Exempt Purchases of Meals or Lodging by Exempt Entities for a single occurrence, or CERT-123, Blanket Certificate for Exempt Qualifying Purchases of Meals or Lodging by Exempt Entities, for recurring occurrences which is valid for one year. The forms must be submitted to the DRS prior to the event(s) and, if approved, presented to vendors at the time of purchase. CSCU did not provide any DRS tax exemption forms related to the chancellor's meal expenditures.

The CSCU Purchasing Card Policy and Procedure Manual requires all purchases to be supported by adequate documentation, including receipts and invoices, which specify what was purchased. For business meals, cardholders must retain an itemized restaurant bill and list the names of attendees on the receipt.

The CSU System Office started completing monthly audits of each cardholder's purchases in August 2023 to ensure compliance with established policies. The office also performed a retroactive audit of all P-card activity for fiscal year 2023. If the audits noted discrepancies, cardholders are contacted and asked to rectify the issue. The system office documents the cardholder's explanations by email or memo to file. In cases of repeated noncompliance, the system office can terminate an employee's P-card access.

The CSCU Board of Regents Audit Committee is charged with conducting an annual review of the president's (now chancellor's) expenses as stipulated in its charter. We requested the audits completed

since the chancellor's appointment, but CSCU did not provide them. Therefore, we cannot conclude they were completed.

CSCU issued Chancellor Cheng a P-card in his name upon his appointment in August 2021. He received a second such P-card in August 2023. Our review includes both of the chancellor's P-cards, and the general Chancellor's Office P-card which he also had access to. We also reviewed the two P-cards within the Chancellor's Office assigned to the Vice Chancellor Jessica Paquette.

SUMMARY OF REVIEW

We reviewed all of Chancellor Cheng’s P-card activity for both cards issued to him, the general Chancellor’s Office card, and the cards issued to Ms. Paquette. The requested and received supporting documentation included, but was not necessarily limited to, bank statements, reconciliations, receipts, invoices, and travel authorizations. Our findings from this review are as follows:

Terrence Cheng (Card A)

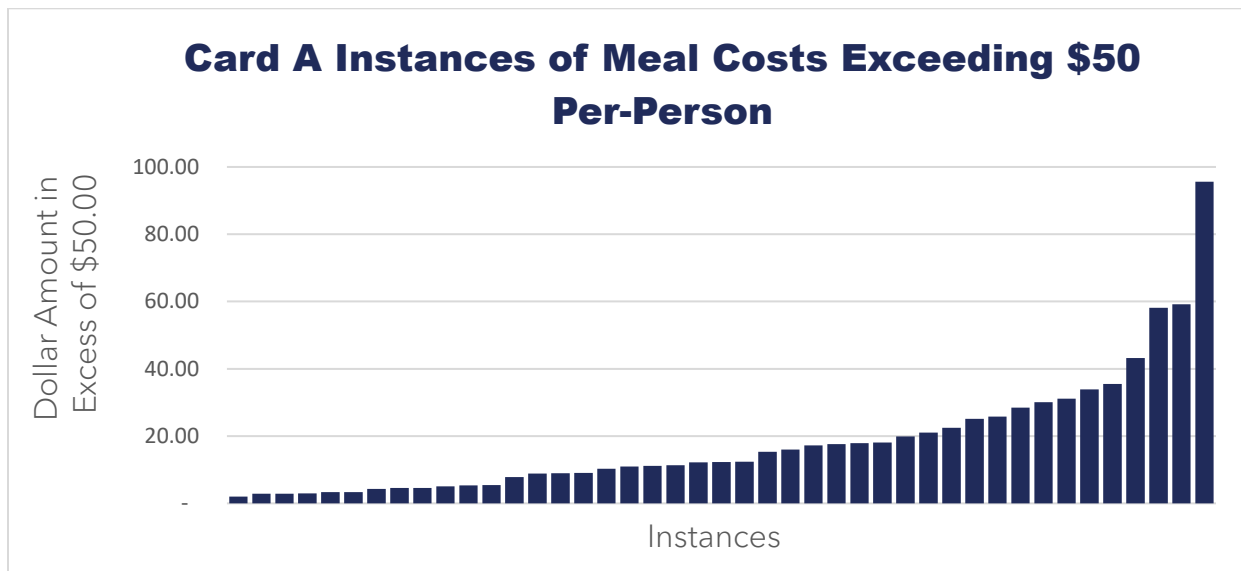
From August 27, 2021, to February 26, 2024 (26 monthly billing cycles), Chancellor Cheng made purchases totaling \$27,125.02. During this period, we noted the following:

Reconciliations

- Eight instances in which the cardholder did not complete the monthly reconciliation on time. Delays ranged from one to 11 days (seven one to four days late and one 11 days late).
- Eight instances in which the reconciliation lacked a date or included a preprinted date from a prior period. Therefore, we could not determine whether the reconciliations were completed on time.
- One instance in which the cardholder did not sign the reconciliation to affirm its completion.
- Eight instances in which the system office did not provide reconciliations upon our request for documentation. Therefore, we could not determine whether the cardholder completed the reconciliations.

Meals

- Forty-three instances, totaling \$7,192.81, in which meals exceeded the \$50 per person meal limit, ranging from \$2.05 to \$95.61 over the limit. In all 43 instances, the names of attendees were not listed on the receipt as required by the P-card manual.



- Eight instances, totaling \$1,206.40, in which the system office did not provide an itemized receipt.
- Three instances, totaling \$558.29, in which the system office did not provide documentation to support restaurant purchases.
- For meals under the \$50 per person limit, we noted 64 instances, totaling \$5,674.37, that did not include a list of attendees with the required supporting documentation. We found 17 did not itemize the purchase on a receipt; and 14 instances, totaling \$4,057.32, in which the system office did not provide documentation.
- Our review revealed 82 instances in which the tip on a business meal exceeded 20%. However, the CSCU Purchasing Card Policy and Procedure Manual does not offer any guidance regarding the appropriate level of tipping on business meals.

General Purchases

- We found 46 instances, totaling \$699.87, in which supporting documentation for purchases was missing or incomplete as follows:
 - Forty-five instances, totaling \$679.89, in which the system office did not provide supporting documentation.
 - One instance of \$19.98 in which the documentation did not clarify what was purchased. Therefore, we were unable to determine if the purchase was permissible and for an appropriate state business purpose.

Prohibited Purchases

- We found eleven instances, totaling \$169.33, in which the P-card was used to make a prohibited purchase as follows:
 - Eight instances, totaling \$87.77, to purchase alcoholic beverages. Support indicates the chancellor submitted reimbursement for unallowed charges in June 2023. We were unable to determine which prohibited amounts may have been reimbursed.
 - One instance of \$55.71 for hotel room service.
 - One instance of \$25.43 to purchase a lunch which did not appear related to state business.
 - One instance of \$0.42 for a charitable donation added to a purchase at checkout.
- The Connecticut State Colleges and University System is a tax-exempt organization. Therefore, the CSCU Purchasing Card Policy and Procedure Manual requires the cardholder to obtain an exemption from sales tax when making purchases from a business operating within the State of Connecticut. Out-of-state businesses are not obligated to grant a sales tax exemption. Since restaurant meals are not subject to this exemption, our review did not include taxes collected on these purchases. We noted one instance of \$0.75 in which the sales tax was inappropriately collected by a Connecticut-based business. There was no evidence that the cardholder recovered the tax.

- The CSCU Purchasing Card Policy and Procedure Manual imposes a \$2,500 limit on a single purchase. We noted one \$3,330 catering purchase that exceeded the limit for the New England Commission of Higher Education (NECHE) Annual Meeting in Boston.
- While not outlined in the CSCU Purchasing Card Policy and Procedure Manual, state business practice generally requires purchased goods to be delivered to a state business address to properly account for their receipt. We noted three instances, totaling \$419.86, in which goods, including agency promotional items and Amazon purchases including cell phone accessories and books, were delivered to personal residences.

Terrence Cheng (Card B)

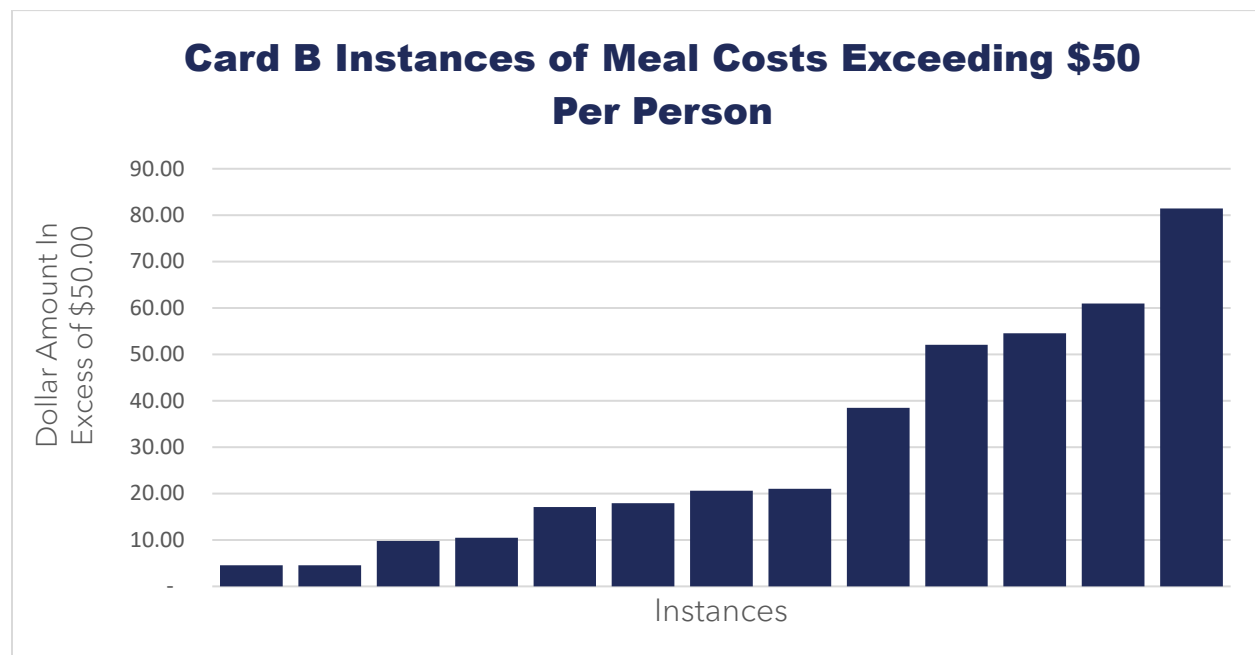
During the period August 27, 2023, to October 26, 2024 (13 monthly billing cycles), Chancellor Cheng made purchases totaling \$15,776.42. During this period, we noted the following:

Reconciliations

- Eleven instances in which the cardholder did not complete monthly reconciliations on time. Delays ranged from one to 25 days (seven one to five days late; three six to ten days late; and one 25 days late).
- One instance in which a non-cardholder signed the reconciliation to affirm its completion.

Meals

- Thirteen instances, totaling \$2,779.27, in which meals exceeded the \$50 per person meal limit, ranging from \$4.55 to \$81.41 over the limit. In all 13 instances, the names of attendees were not listed on the receipt as required by the P-card manual.



- Four instances, totaling \$773.85, in which the system office did not provide documentation to support restaurant purchases.

- For meals under the \$50 per person limit, we noted six instances, totaling \$393.59, that did not include a list of attendees with the required supporting documentation. We found one that did not itemize the purchase on a receipt and two instances, totaling \$117.97, in which the system office did not provide documentation.
- Our review revealed 15 instances in which the tip on a business meal exceeded 20%. However, the CSCU Purchasing Card Policy and Procedure Manual does not offer any guidance regarding the appropriate level of tipping on business meals.

General Purchases

- Thirty-nine instances, totaling \$6,351.90, in which supporting documentation was missing or incomplete as follows:
 - Thirty-eight instances, totaling \$6,344.40, in which the system office did not provide supporting documentation.
 - One instance of \$7.50 in which the documentation did not specify what was purchased. Therefore, we were unable to determine whether the purchase was permissible and for an appropriate state business purpose.

Prohibited Purchases

- Fifteen instances, totaling \$330.12, in which the P-card was used to make a prohibited purchase as follows:
 - Twelve instances, totaling \$215.26, to purchase food and beverages without a documented state business purpose.
 - One instance of \$85.48 for hotel room service.
 - One instance of \$28.99 to purchase gasoline. A receipt was not provided; therefore, we were unable to determine the circumstances surrounding the charge.
 - One instance of \$0.39 for a charitable donation added to a purchase at checkout.

Jessica Paquette (Card C)

During the period March 27, 2024, to October 26, 2024 (four monthly billing cycles), Ms. Paquette made purchases totaling \$2,353.07. During this period, we noted the following:

Reconciliations

- One instance in which a monthly reconciliation was completed four business days late.

General Purchases

- Two instances, totaling \$164.00, in which the system office did not provide supporting documentation.

Jessica Paquette (Card D)

During the period February 27, 2024, to July 26, 2024 (three monthly billing cycles), Ms. Paquette made purchases totaling \$885.73. During this period, we noted the following:

General Purchases

- Two instances, totaling \$692.67, in which supporting documentation was missing or incomplete as follows:
 - One instance of \$35.36 in which the documentation did not specify what was purchased.
 - One instance of \$657.31 in which a travel-related expenditure did not include an approved travel authorization.

Chancellor's Office (Card E)

The system office has a Chancellor's Office P-card which enables various staff to make authorized purchases. During the period July 2, 2021, to September 26, 2024 (37 monthly billing cycles), Chancellor's Office employees made purchases totaling \$82,827.66. During this period, we noted the following:

Reconciliations:

- Twenty-seven instances in which the system office did not complete monthly reconciliations on time. Delays ranged between one and 178 days (15 one to five days late; three six to ten days late; three 20 to 51 days late; and six 73 to 178 days late).
- Four instances in which the reconciliation lacked a date. Therefore, we could not determine whether it was completed on time.
- Three instances in which the appropriate employee did not sign the reconciliation to affirm its completion.
- One instance in which the system office did not provide a reconciliation. Therefore, we were unable to determine whether it was completed.

Meals

- Two instances, totaling \$222.93, in which meals exceeded the \$50 per person limit, ranging from \$2.14 to \$9.33 over the limit. There was one instance in which the names of attendees were not listed on the receipt as required by the P-card manual.
- Eight instances, totaling \$2,383.46, for purchases from restaurants, catering services, and delis in which provided documentation did not specify the purpose. Therefore, we were unable to determine whether the purchase complied with or was subject to the \$50 per person meal limit.
- Twenty-one instances, totaling \$2,984.12, in which a business meal was purchased and provided documentation did not include a list of attendees or failed to specify the purpose of the purchase.
- Eight instances, totaling \$3,173.72, in which the system office did not provide documentation to support the purchase.

- Our review revealed two instances in which the tip on a business meal exceeded 20%. However, the CSCU Purchasing Card Policy and Procedure Manual does not offer any guidance regarding the appropriate level of tipping on business meals.

General Purchases:

- Fifty-seven instances, totaling \$23,945.36, in which supporting documentation was missing or incomplete as follows:
 - Thirty-one instances, totaling \$9,737.36, in which the system office did not provide documentation to support the purchases.
 - Eleven instances, totaling \$6,927.55, in which the provided documentation was incomplete and did not specify the items purchased, was missing delivery information, or lacked the total cost. Therefore, we were unable to determine whether the purchase was permissible and for an appropriate state business purpose.
 - Fifteen instances, totaling \$7,280.45, in which a travel-related purchase lacked an approved travel authorization. One of the 15 instances was a \$263.24 hotel charge for a guest who was not a CSCU employee to attend the Business-Higher Education Forum (BHEF) event in Washington D.C. The chancellor serves on BHEF's board of directors.

Prohibited Purchases:

- Forty-three instances, totaling \$12,271.58, in which the P-card was used to make a prohibited purchase as follows:
 - Twenty-one instances, totaling \$7,304.74, in which the chancellor's office purchased transportation services which appeared to be for personal transportation or lacked adequate documentation to support a reasonable and appropriate state business purpose. Five instances, totaling \$1,812.96, were for transportation for a BOR member to attend three meetings. The remaining instances, totaling \$5,491.78, were for the chancellor, which included transportation to an airport on more than one occasion.
 - Sixteen instances, totaling \$2,059.92, in which the chancellor's office purchased food and beverages without a documented state business purpose.
 - Four instances, totaling \$2,535.76, in which clothing was purchased. Clothing is generally not permitted by the CSCU Purchasing Card Policy and Procedure Manual. The documentation provided lacked sufficient detail to determine whether it was permissible.
 - Two instances, totaling \$371.16, in which flowers were purchased: one for a funeral and one for a reception honoring the former board of regents chair. While the purchase of flowers is not explicitly prohibited by the CSCU Purchasing Card Policy and Procedure Manual, these purchases lacked a documented state business purpose.
- The Connecticut State Colleges and University System is a tax-exempt organization. Therefore, the CSCU Purchasing Card Policy and Procedure Manual requires the cardholder to obtain an exemption from sales tax when making purchases from a business operating within the State of Connecticut. Out-of-state businesses are not obligated to grant a sales tax exemption. Since restaurant meals are not subject to this exemption, our review did not include taxes collected on these purchases. We noted six instances, totaling \$8.13, in which sales tax was inappropriately charged by a Connecticut-based business. There was no evidence that the cardholder recovered the tax.

- The CSCU Purchasing Card Policy and Procedure Manual imposes a \$2,500 limit on a single purchase. We noted one \$3,000 purchase that exceeded the limit, for membership in a non-profit that supports Latino students in higher education.
- The CSCU Purchasing Card Policy and Procedure Manual imposes a \$10,000 limit on total monthly purchases. We noted one instance of \$10,181.20 in which a total month's purchases exceeded the established limit without documented approval.
- While not outlined in the CSCU Purchasing Card Policy and Procedure Manual, state business practice generally requires purchased goods to be delivered to a state business address to properly account for their receipt. We noted six instances, totaling \$2,501.11, in which goods, including embroidered clothing, awards, and an Amazon purchase of a wireless microphone system and accessories, were delivered to personal residences.

Payroll Review

Chancellor Cheng was appointed president of CSCU on July 2, 2021. His employment contract includes a five-year term, through June 30, 2026. BOR has the right to extend the appointment for up to two years. In July 2023, CSCU changed the position title from president to chancellor.

The employment contract outlines the chancellor's starting salary and other benefits as follows:

- **Housing and Entertainment Stipend** - In lieu of housing, Chancellor Cheng is to receive \$25,000 annually, paid biweekly (\$957.85 per pay period), to pay for housing and normal entertainment expenses that an official residence and venue would have provided.
- **Moving/Temporary Living Expenses** - Up to \$71,000 of the chancellor's base salary to cover moving expenses and up to 12 months temporary living expenses to support the transition from his home in New York to a home in Connecticut. Any funds not expended within the first year of the contract shall be forfeited.
- **Vehicle** - The chancellor was provided with a vehicle for his use in which CSCU paid for expenses for necessary repairs, insurance, fuel, and maintenance. The chancellor was responsible for taxes. On August 23, 2024, CSCU altered the vehicle benefit and instead of a vehicle, provided an annual \$24,000 automobile expense allowance, paid biweekly (\$919.54 per pay period). The allowance stipulated that reimbursement would no longer be provided for automobile taxes, mileage, fuel, insurance, and maintenance. The first vehicle allowance payment occurred in the pay period ended September 5, 2024.

Our review included a general examination of payroll amounts including regular biweekly pay and amounts included as additional pay to account for the various stipends and allowances. The following is a summary of our review:

- The chancellor received the \$957.85 biweekly housing and entertainment stipend. However, the amount was paid as regular pay rather than as an element of additional pay coded in Core-CT as a home/office stipend. The system office changed the coding in May 2022, but did not remove the amount from regular pay. Therefore, the chancellor received 22 duplicate payments (one coded as regular pay and one coded as home/office) from June 2022 through March 2023. CSCU identified this error and notified the chancellor in May 2023. This resulted in a \$23,602.27 overpayment (\$21,072.70 housing overpayment, plus an additional overpayment of \$4,081, reduced by \$1,551.43 due to a payroll error). The chancellor agreed to a \$296.83 biweekly repayment schedule until fully recovered. As of January 16, 2025, the chancellor owes \$11,733.43.

- The chancellor received a reimbursement for \$1,500 in moving expenses in September 2021. He also submitted documentation for a \$21,394.24 reimbursement for 12 months' rent for an apartment in Hartford. CSCU reimbursed the chancellor \$19,639.05 toward rental expenses. Therefore, it appears the chancellor did not receive the full 12-month stipend and is potentially owed an additional \$1,755.19. CSCU informed us that the chancellor spent the first year of his tenure evaluating his relocation options but still maintains his home in New York. Since the employment contract stipulated that the temporary housing reimbursements were to support his relocation to Connecticut, we question the validity of these payments.

RECOMMENDATIONS

Based on our review of CSCU executive leadership spending, we recommend the following:

- 1. Connecticut State Colleges and Universities should update its Purchasing Card Policy and Procedure Manual to specify guidelines for senior leadership, including the chancellor.**

The Purchasing Card Policy and Procedure Manual has policies that include limits based on the type of purchase. It is not clear whether these policies apply to the chancellor in all cases. If these policies do not apply to the CSCU senior leadership and the chancellor, CSCU should clearly address it in the manual and document any exceptions to promote and ensure compliance.

- 2. Connecticut State Colleges and Universities should ensure that its employees perform and enforce monitoring measures in the Purchasing Card Policy and Procedure Manual.**

The Purchasing Card Administrator is responsible for overseeing and managing the Purchasing Card Program. They must ensure cardholders are provided with mandatory training and conduct audits to ensure compliance. While we noted CSCU performed audits, they did not include all compliance elements. In addition, it was unclear whether management required cardholders to acknowledge and remedy misuse.

- 3. The Board of Regents for Higher Education should periodically review expenditures and other activities related to the chancellor, university presidents, and other senior leadership. The board of regents should document that it communicated the results of its reviews to the necessary parties to ensure accountability.**

Although the Board of Regents Audit Committee charter includes annual reviews of the president's (now chancellor's) expenses, the committee did not provide those reports upon our request.

- 4. Connecticut State Colleges and Universities should update its Purchasing Card Policy and Procedure Manual to address the permitted level of tipping on business meals.**

Our review revealed numerous instances in which tips on business meals exceeded 20%. However, the CSCU Purchasing Card Policy and Procedure Manual does not offer any guidance regarding the appropriate level of tipping on business meals.

We hope this report helped address your questions and concerns. We are available to discuss these issues or address any other questions or concerns.

Sincerely,



John C. Geragosian
State Auditor



Craig A. Miner
State Auditor