

Massasoit Community College

Findings on Compliance with Rules and Regulations

Finding Number 7: Late Recording of Fixed Assets

The Massasoit Community College (College) did not record a library software subsystem onto the Commonwealth's Fixed Asset Subsystem in a timely manner. The Department purchased the subsystem in fiscal year 1998 and did not enter it onto the Massachusetts Accounting and Reporting System (MMARS) Fixed Asset Subsystem until January 19, 1999. *The MMARS Fixed Asset Subsystem User Guide* requires assets valued at \$15,000 or more to be recorded onto the system within seven (7) days of acquisition to properly account for and record those items owned by the Commonwealth and to allow them to be incorporated into the Commonwealth's Comprehensive Annual Financial Report (CAFR). The effect of not recording fixed assets in a timely manner and correctly is to understate the value of the fixed assets on the system and in the CAFR. Furthermore, a physical inventory of fixed assets would not reconcile with MMARS, the official books and records of the Commonwealth. There was no College policy requiring the recording of fixed assets onto MMARS within 7 days of acquisition.

Recommendation

The College should develop a policy relative to the recording of fixed assets valued at \$15,000 or more onto the MMARS Fixed Asset Subsystem. The policy should require the recording of these fixed assets within 7 days to comply with *The MMARS Fixed Asset Subsystem User Guide*.

Department Corrective Action Plan

Massasoit Community College's CFO and Comptroller were drafting a plan to implement the recording of GAAP fixed Assets into the MMARS System in a timely manner. The process was halted when the CFO left in September and the Comptroller in November 1999. At this time all fiscal year 1999 GAAP Fixed Assets have been entered into MMARS. Once the new CFO and Comptroller have been hired in February 1999 a new plan will be drafted and put in effect by the end of the year.

Responsible Person: College CFO and Comptroller

Implementation Date: June 30, 2000

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