ITEM: 15

Florida Gulf Coast University Board of Trustees
September 21, 2010

SUBJECT: Faculty and Staff Parking Permits Audit Report

PROPOSED BOARD ACTION

Accept the internal audit report of Faculty and Staff Parking Permits provided to President Wilson Bradshaw; Dr. Joe Shepard, Vice President for Administrative Services and Finance, and Chief Steven Moore on June 24, 2010.

BACKGROUND INFORMATION

This is the fourth internal audit completed during the 2009 – 2010 fiscal year. The date on the front page of the Faculty and Staff Parking Permits Audit report is the last day of fieldwork. The date on the respective transmittal memo is the date the report, including Management’s Response to the report’s observations and recommendations, was issued to President Bradshaw.

The audit was part of the 2009 – 2010 internal audit plan approved by the FGCU Board of Trustees at its June16, 2009 meeting.

Supporting Documentation Included: Faculty and Staff Parking Permits Audit Report Issued June 24, 2010

Prepared by: Internal Audit Director Carol Slade

Legal Review by: General Counsel Vee Leonard (September 3, 2010)

Submitted by: President Wilson G. Bradshaw
INTEROFFICE MEMORANDUM

To:       Dr. Joseph Shepard, Vice President for Administrative Services & Finance
          Chief Steven Moore, Director of Public Safety
Cc:       Dr. Wilson Bradshaw, President
          Susan Evans, Chief of Staff

From:     Carol Slade, Director of Internal Audit

Date:     June 24, 2010

Re:       Faculty & Staff Parking Permits Audit

FINAL REPORT

Please see the attached final report of the subject limited scope audit, which includes the management response.
Florida Gulf Coast University
Faculty & Staff Parking Permits Audit
Internal Audit
Report Date: April 2, 2010 (End of Fieldwork)
FACULTY & STAFF PARKING PERMITS AUDIT

EXECUTIVE SUMMARY

This report represents a limited scope audit of faculty and staff parking permits issued for 2009 – 2010 as of December 31, 2009. Sixteen (16) percent of qualifying employees had not purchased annual or Fall Term 2009 parking permits as of December 31, 2009. The sixteen (16) percent represented two hundred twenty-six (226) employees, of which fifty-three (53) percent were OPS employees.

Internal Audit acknowledges the friendly and competent assistance of Parking Services and Human Resources staff in the performance of this audit.

OBJECTIVE

The audit objective was to determine if Florida Gulf Coast University (FGCU) received all parking fee revenue to which it was entitled from its employees for the Fall Semester 2009. FGCU depends upon the parking permit fee revenues of employees and students to build and maintain its parking lots and garages.

A second objective was to determine if faculty and staff were complying with Policy FGCU-PR8.003, Registration of Vehicles. The policy requires the registration of all employee 4-wheeled vehicles except those of adjuncts.

This audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors. The audit procedures provided a reasonable basis for our opinion and the following reportable findings and recommendations.
BACKGROUND

Regulation FGCU-PR8.005 requires all persons who park motor vehicles on University premises to display a valid decal or permit, except for certain visitors in designated locations.

During fiscal year 2009–2010 employee parking permit fees were the same as they were for 2008–2009. The annual registration fee for decals and permits was $107 for the faculty/staff lots and $482 for a faculty/staff reserved parking space. A faculty/staff term permit was $43.

Faculty and staff receive an electronic memo from Parking Services before the start of each academic year. To obtain a parking permit at the start of the Fall Semester, faculty and staff may enroll in a pre-tax transportation plan that allows them to pay for a parking permit by deduction from one payroll or from several (up to ten) payrolls. They may also pay by cash or check. Credit card payments are not accepted at Parking Services.

Employees must register their vehicles through Gulfline. An employee prints a copy of the information submitted electronically to accompany the paper payroll deduction form, check, or cash. An employee who pays by payroll deduction or check may receive a parking permit through the interoffice mail or pick it up at Parking Services in the Campus Support Complex. An employee who pays by cash should go to Parking Services with his or her Gulfline registration form to obtain a parking permit.

If an employee purchases a permit at any time during the academic year other than at the start of the Fall Semester, he or she must pay Parking Services directly.

Parking permits change color by academic year. Yearly permits are issued for the period from Fall Semester through Summer Semester. Term permits are also available except for faculty/staff reserved parking.

Parking Services is responsible for enforcing all parking regulations including the requirement to purchase and display a parking permit at all times while parked on the Florida Gulf Coast University campus. Regulation FGCU-PR8.006 provides that all University Police Department employees, however, have the authority to issue written University citations to those who violate University decal/permit regulations.
SCOPE OF AUDIT

This population is derived from a list provided by Human Resources of all faculty and staff (permanent and temporary) who were employed as of December 31, 2009. The total number of faculty and staff in the audit population was one thousand three hundred ninety-four (1,394).

OBSERVATIONS

Of the total population, two hundred twenty-six (226) faculty and staff did not purchase parking permits as required. This number represents sixteen (16) percent of the population and is calculated by comparing the Human Resources list with the Parking Services list. The Parking Services list, as of December 31, 2009, includes all parking permits issued for the Fall Semester 2009 and for the academic year 2009 – 2010. Certain adjustments were made to the Human Resources list to make it comparable to that provided by Parking Services.

Sixty-nine (69) percent had purchased the necessary parking permits. One hundred eighty (180) adjunct faculty, representing thirteen (13) percent of the population, were eligible to receive a faculty/staff term parking permit at no cost as provided in Regulation FGCU-PR8.004. Two (2) percent of the faculty and staff were presumed not to require parking permits because their work location was not the FGCU Main Campus.
Of those two hundred twenty-six (226) faculty and staff who had not purchased permits, fourteen (14) were faculty, fifty-five (55) were administrative/professional employees, thirty-seven (37) were support personnel, and one hundred twenty (120) were OPS or temporary/hourly employees without benefits.
The two hundred twenty-six non-paying faculty and staff were composed of eight-six (86) from Academic Affairs, fifty (50) from Athletics and Advancement Departments, forty-nine (49) from the Student Affairs Division, and forty-one (41) from Administrative Services Division.
"No Pays" by Division

- Athletics and Advancement: 38%
- Student Affairs: 22%
- Administrative Services: 22%
- Academic Affairs: 18%

The largest group of “non-payers,” fifty-three (53) percent, was made up of OPS or hourly employees. This was not unexpected because many of these employees work less than full-time and some at lower hourly rates when compared to full-time employees. Because some employees are here only some days or parts of days, enforcement may not be as easy, and perhaps cost effective, to provide.

From a review of the location of the non-payers it appears that many were faculty and staff who were located at the greatest distance from the campus core and those who may work at night. In addition to distance from the campus core, staff members who worked nearest to the Alico Arena and to the swimming pool, where the general public parks for activities and events, were more likely not to purchase parking permits.

If faculty and staff become more aware of limitations in enforcement of parking permit regulations, the number of those who do not purchase permits may be expected to increase. Often those who come to work here, particularly staff, are not used to paying for parking at their work site. When comparing payments by permanent full-time employees, there is a lack of equity and fairness, if some pay for parking and others do not.
When the large (fifty-three [53]) percentage of OPS nonpayment is considered, there may be a fairness issue regarding part-time (OPS) employees having to pay the full price for a parking permit. Their cost per hour to park is higher than a full-time employee, and many OPS employees hold jobs that pay rates at the lower end of the pay scale. However, existing University regulations call for them to pay and some do.

RECOMMENDATIONS

1. Management should consider ways to improve the effectiveness of parking permit enforcement by Parking Services if cost benefit analyses indicate that increased enforcement will bring increased net revenues and improved compliance.
   a. Increased enforcement efforts may be directed towards the areas furthest from the campus core: out at Alico Arena and by the swimming pool; by the Arts Complex, behind the Library, and the Campus Support Complex.
   b. Management may consider enforcement efforts after 5 p.m. periodically and in different locations.

2. Management may consider alternative methods for faculty and staff to purchase parking permits. For instance, faculty and staff might be required by regulation to have parking permit fees deducted from their payroll when hired and then annually or as required.
   a. Such a change might allow the elimination of parking permits, except for reserved spaces, and free up existing Parking Services staff for their other duties. It might be possible to improve safety on campus with existing staff.
   b. Alternatively the automatic payment method could be used but permits might continue to be issued.
   c. According to FGCU General Counsel, however, if such a plan were to be put in place, the Plan Document for Pretax Transportation Benefits for Florida Gulf Coast University would have to be updated. The plan currently reads, “FGCU employees may elect to reduce their cash compensation in return for qualified transportation benefits. The employee must make the election in writing by completing a FGCU Authorization for Payroll Deduction Form, or in another permanent and verifiable form (e.g., electronic)”

3. Management may consider reviewing with General Counsel’s Office the Plan Document for Pretax Transportation Benefits for Florida Gulf Coast University. The document was created before FGCU deolved from the State and some references may need updating. The Overview to the Plan refers to a delegation of authority by the Board of Regents to FGCU to establish a pretax transportation program. Since the Board of Regents no longer exists and the Plan is an undated document, this reference may need updating. It is noted, however, that, under G. Plan Document, it states that IRC Section 132(f) does not require a written plan document. "However, in order to protect both the employers (sic) and
employees against any disputes that may arise, this formal written benefit plan document was developed.” Updating the document may limit this risk of disputes to which the plan refers.

4. Management may consider tiered pricing for OPS employee parking as a way to address inequity in the cost per hour to park compared to permanent employees. For instance, OPS employees who work no more than twenty (20) hours per week might pay half the standard fee. Free parking might be considered based upon a cost to benefit analysis of implementing a more complex system like tier pricing. Alternatively, if parking regulations for OPS employees remain unchanged, increased enforcement by Parking Services seems to be indicated.

Audit Performed by Carol Slade

Audit Reviewed by Deborah McEwan

MANAGEMENT RESPONSE

A review of the 2010 Faculty & Staff Parking Permit Audit report was conducted.

The findings of the report were not unexpected and management has made efforts in the past to specifically address some of the issues raised.

By the nature of Regulation FGCU-PR8.005, and the associated parking regulations, compliance with the regulation is gained through parking enforcement and the issuing of fines. Parking Services personnel, as well as personnel from Police Operations, conduct parking enforcement.

Management has made specific efforts to identify problem areas, provide notification to those areas and then conducted enforcement. This report confirms those efforts must continue.

I will divide the response into specific areas of concern.
**Academic Core** - The academic core is the most regulated and heavily enforced, specifically because it is the most congested area. Even so, it is obvious that Parking Enforcement needs to search the entire academic core, to include backs of buildings, loading docks, and those slightly less congested areas, such as the lot 7 and the modular buildings. The Parking Committee needs to recommend and get passed a vendor parking permit fee and again review a visitor parking fee.

**Remote areas of Campus** - Management has identified these areas in the past and made efforts to gain compliance. This included e-mails to the specific Department Directors/Deans advising them of the required permits and needing compliance. This specifically has gone to Alico Arena (Athletics), Housing, Welcome Center & Kleist Center.

This e-mail also acknowledged the difficulty in enforcement in these public access areas (Aquatics, Waterfront, Alico Arena, Athletics Outdoors Sports Complex, and Welcome Center). I believe effective parking enforcement can be directed when minimal public is present and also place the burden back on the visitors, or these facilities, for visitors having required passes.

**Fees & permits** - Fees and issuing of permits must be established that provide fairness and allow for equally fair enforcement. The report specifically mentions the issue with OPS workers. This issue has been discussed in the past by the Parking Committee but has not made it out of committee. I will direct the committee in the fall to specifically provide recommendations for regulation changes involving: OPS, Vendor/Vendor employee, and visitors, and the option of daily, weekly, monthly or term passes.

**Recommendations and timelines:**

**Targeted enforcement** - expand efforts for targeted enforcement by utilizing facility and event schedules to maximize student/faculty/staff compliance and avoid visitor/public event
Faculty/Staff Permits. The recommendation (2) in the report of a required deduction and no permits is not possible. Permits must be issued or else any car could park in a faculty/staff lot and simply not display a permit. Additionally, Parking Services needs as many cars a possible registered to allow the assigning of citations/fines to UIN accounts in Banner. Fines to unregistered cars require extensive research to be able to assign or they go into an unassigned/uncollected account. Parking Services will examine alternative recommendations for the 2011-'12 academic year. This will be assigned to Capt Caudle for report back by February 2011.

Fees. The Parking Committee will be tasked to recommend any changes in fees, to specifically include review of: OPS, Adjuncts, Vendors, and Visitors. By December 20th, the committee is to have any recommendations finalized. Chief Moore is to have any planned changes of any regulations presented to the BOT at the spring 2011 meeting.

By these combined efforts, it may be possible to bring the percentage of qualifying employees who haven’t purchased a pass down below 5%, which would be within a range of error to allow for those carpooling or using public transit.

Management Response provided by Chief Steven C. Moore June 23, 2010