



# Chancellor's Office Review of the Fresno State Foundation:

## Next Steps

### What the Review Found

The review identified 46 findings across 20 categories, several of which are summarized below. These findings identify opportunities to strengthen governance practices, enhance internal financial controls, and improve operational processes that developed over many years and administrations. Importantly, the review did not identify any fraud or misuse of funds. Instead, the findings guide ongoing efforts to reduce risk, strengthen oversight, and improve operational efficiency.

### What Has Already Been Done

**The following actions have already been implemented and will be verified by the Chancellor's Office to meet the action required:**

- Monthly bank reconciliation processes
- Strengthened banking controls, including improved segregation of duties

**Additional high-priority actions already underway include:**

- Improved system access controls within financial systems
- Clarifying roles and responsibilities between Foundation and Association employees
- Clarifying the basis and alignment of management service agreement fees
- Strengthening trust account oversight, including timely renewal of agreements

### What We Are Prioritizing Next

In partnership with the University, the Foundation Board of Governors will develop a systematic implementation timeline that begins with the most critical findings while addressing all 46 findings comprehensively. These efforts will position the Foundation to be among the strongest in the CSU system and best aligned with Fresno State's long-term vision and priorities.

### Immediate Priority Areas

#### Governance and Board Structure

- Revising board composition to ensure appropriate University representation
- Establishing board and officer term limits
- Documenting leadership rotation for board and committee chairs
- Updating bylaws to reflect current leadership roles and reporting structures
- Aligning audit committee composition with regulatory requirements



## **Roles, Responsibilities, and Agreements**

- Updating management service agreements to reflect current services and costs
- Establishing standardized methodologies for fee calculations and reconciliations

## **Financial Controls and Oversight**

- Strengthening segregation of duties across banking and financial systems
- Implementing regular fund balance reconciliations
- Ensuring timely and complete bank reconciliations for all accounts

## **Trust Accounts and Stewardship**

- Enforcing timely renewal of trust account agreements
- Updating trust account policies to address fund placement upon closure
- Implementing monitoring plans to ensure donated funds are used in a timely manner as intended by the philanthropic partner

## **Endowments and Financial Reporting**

- Improving endowment valuation reporting frequency
- Revising administrative fee structures to align with best practices
- Standardizing income distribution methodologies
- Strengthening indirect cost recovery allocation transparency

