



# THE STATE UNIVERSITY of NEW YORK

Office of the  
Vice Chancellor and  
Chief Financial Officer

University Auditor

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December 1, 2009

Mr. Brian Mason  
Audit Manager  
Office of the State Comptroller  
Division of State Accountability  
110 State Street, 11<sup>th</sup> Floor  
Albany, New York 12236

Dear Mr. Mason:

Thank you for the opportunity to provide comments on your follow-up audit on Oversight of Campus-Related Foundations (2009-F-33). Our comments to the two partially implemented recommendations follow.

Recommendation 2: Ensure that the OUC executes contracts in a timely manner with the foundations.

University Actions to Address the Recommendation: As noted in your report, University officials will continue to notify campuses when contracts with their related foundation are due to expire. Nine months prior to the end of the contract, University officials will send a notification letter which includes the contract expiration date and the steps required to execute the contract renewal in a timely manner. A copy of the model contract is provided with the notification letter. University campuses have active contracts for 31 of the 32 foundations. Further, efforts are still underway to complete a contract renewal for the remaining foundation whose contract had expired.

Recommendation 5: Require all foundation investment committee members to sign a disclosure statement regarding any conflict of interest with their responsibilities to the investment committee.

University Actions to Address the Recommendation: University Guidelines require foundations to have a conflict of interest policy. However, University Guidelines do not dictate a particular type of policy. This is appropriate since the board of each foundation should develop a policy based on the particular circumstances and needs of its organization in accordance with the general requirements set forth in State law (Not-for-Profit Corporation Law Sections 715

and 717: disclosure of interests required from directors and duty of loyalty to corporation) and IRS regulations (excess benefit transactions). The University will encourage the Foundations to require its Board and Committee members to sign any statements regarding disclosure of conflict of interest.

If you have any questions, please contact Mike Abbott at 518-443-5533 or [michael.abbott@suny.edu](mailto:michael.abbott@suny.edu).

Sincerely,

A handwritten signature in cursive script, appearing to read "Curtis Lloyd".

Curtis Lloyd  
Associate Vice Chancellor  
for Finance and Administration

Copy: Mr. Abbott  
Ms. Gambrill  
Mr. McGrath